

Wairarapa Building Society

Update

Ratings

Foreign Currency

Long-Term IDR	BB+
Short-Term IDR	B

Local Currency

Long-Term IDR	BB+
Short-Term IDR	B

Viability Rating	bb+
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Support Rating	5
Support Rating Floor	NF

Sovereign Risk

Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	AA+

Outlooks

Long-Term Foreign-Currency Rating	Stable
Long-Term Local-Currency Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

Wairarapa Building Society

	31 Mar 17	31 Mar 16
Total assets (USDm)	97.7	96.2
Total assets (NZDm)	139.7	139.2
Total equity (NZDm)	17.4	16.7
Operating profit (NZDm)	0.8	0.7
Published net income (NZDm)	0.6	0.6
Comprehensive income (NZDm)	0.6	0.6
Impaired loans/gross loans (%)	0.7	1.7
Operating profit/risk weighted assets (%)	0.6	0.5
Fitch Core Capital/weighted risks (%)	12.2	12.1
Loans/customer deposits (%)	97.4	90.8

Related Research

[Wairarapa Building Society - Ratings Navigator \(September 2017\)](#)

[Peer Review: New Zealand Regional Lenders \(October 2017\)](#)

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Key Rating Drivers

Franchise Limits Rating: Fitch Ratings sees the small absolute size and franchise of Wairarapa Building Society (WBS) as a constraint on its rating. New Zealand's banking sector is dominated by the major banks and WBS's market share of less than 1% of total system assets means it is a price taker, which limits its financial flexibility. Its competitive position is supported by its local ownership and community links. WBS operates a simple and transparent business model offering loan and deposit products but not transactional-banking services.

High Concentration Exposure: WBS's small size and absolute capital base expose the society to higher single-name and geographical concentration risk relative to its larger peers. These risks are partially mitigated by WBS's conservative approach to underwriting, moderate growth strategy and knowledge of its home market. This, in combination with its arrears management, has resulted in a low level of loan-related losses.

Adequate Capital Buffers: Fitch considers WBS to be adequately capitalised with a satisfactory level of buffers over its regulatory minimum requirements for its size. The society is likely to maintain its capitalisation ratios around current levels as it does not have aggressive growth ambitions, unlike some of its regional peers. Fitch considers high capitalisation buffers appropriate for institutions such as WBS due to their small absolute capital base and limited access to fresh common equity.

Property Investments Add Volatility: WBS's property investments have the potential to expose the society to profit volatility through fair-value market adjustments on the assets. However, over the longer term, these investments have provided significant support to WBS's earnings and equity base. WBS has reduced its property holdings in recent years and has indicated it is comfortable maintaining the current portfolio but will continue to monitor opportunities as they arise.

Flat Profit Growth, Increasing Costs: WBS's earnings and profit growth were flat in the year ended March 2017 (FY17). WBS is facing increasing pressure from continued competition for assets and deposits. WBS's cost-to-income ratio remains high relative to domestic peers, reflective of its smaller scale. Despite some moderate growth over the last four years, WBS's cost base has continued to increase, largely due to greater compliance and regulatory costs.

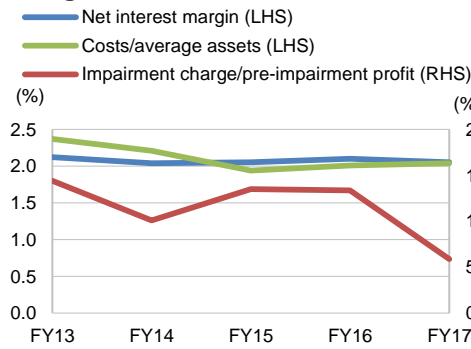
Stable Depositor Base: WBS's funding structure is sound. Its lending activities are wholly funded by its customer deposits and Fitch does not expect a significant change to WBS's funding composition in the short to medium term. WBS continues to benefit from its loyal customer base, evident from its high deposit retention rate of around 90% despite its limited product offering. Its wholesale funding utilisation is low and comprises committed bank lines provided by two of New Zealand's major banks (IDR: AA-/Stable).

Rating Sensitivities

Weakening Risk Appetite: The society's IDRs and Viability Rating are sensitive to an increase in its risk appetite, such as weaker underwriting or risk controls. This could result in a deterioration of its asset quality, or erosion of its capitalisation, weakening its financial profile.

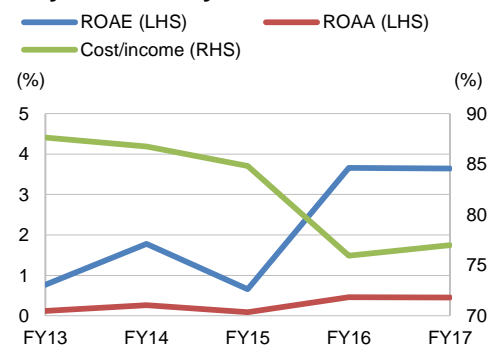
Size, Concentration Risk: WBS's rating is capped in the 'BB' range due to its limited franchise, small absolute capital base, concentration risks and limited access to additional liquidity sources such as the central bank's repo facility.

Margins



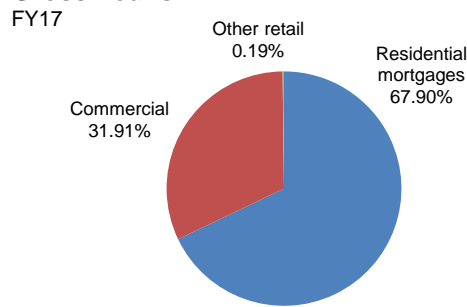
Source: WBS, Fitch

Key Profitability Metrics



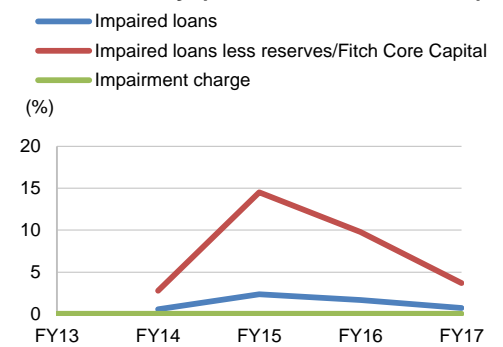
Source: WBS, Fitch

Gross Loans



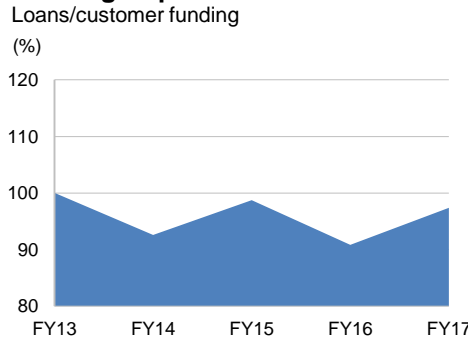
Source: WBS, Fitch

Credit Quality (As % of Gross Loans)



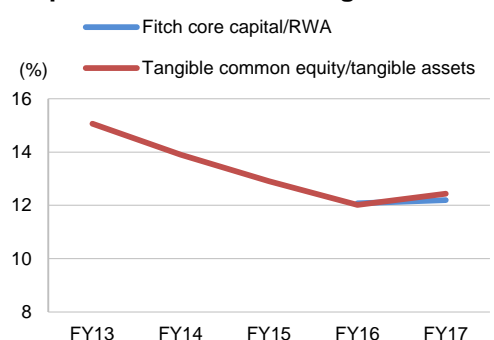
Source: WBS, Fitch

Funding Dependencies



Source: WBS, Fitch

Capitalisation and Leverage



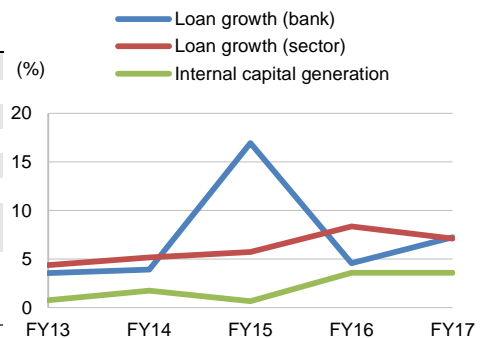
Source: WBS, Fitch

Fitch Core Capital

	YE17
Reported equity (NZD 000)	17,384
+ Fair value effect of own debt	0
- Non-controlling interests	0
- Deferred tax assets	0
- Goodwill and intangibles	17
- Embedded value of insurance	0
- Net asset value of insurance subsidiaries	0
Fitch core capital	17,367

Source: Fitch

Credit



Source: WBS, RBNZ, Fitch

Related Criteria

[Global Bank Rating Criteria \(November 2016\)](#)

Wairarapa Building Society
Income Statement

	31 Mar 2017			31 Mar 2016		31 Mar 2015		31 Mar 2014	
	Year End USDm Audited - Unqualified	Year End NZDth Audited - Unqualified	As % of Earning Assets	Year End NZDth Audited - Unqualified	As % of Earning Assets	Year End NZDth Audited - Unqualified	As % of Earning Assets	Year End NZDth Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	4.5	6,403.0	4.68	6,989.0	5.16	6,043.0	4.98	5,432.0	4.88
2. Other Interest Income	0.4	513.0	0.37	277.0	0.20	439.0	0.36	356.0	0.32
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	4.8	6,916.0	5.06	7,266.0	5.37	6,482.0	5.34	5,788.0	5.20
5. Interest Expense on Customer Deposits	2.9	4,119.0	3.01	4,562.0	3.37	4,081.0	3.36	3,619.0	3.25
6. Other Interest Expense	0.0	1.0	0.00	8.0	0.01	22.0	0.02	12.0	0.01
7. Total Interest Expense	2.9	4,120.0	3.01	4,570.0	3.38	4,103.0	3.38	3,631.0	3.26
8. Net Interest Income	2.0	2,796.0	2.04	2,696.0	1.99	2,379.0	1.96	2,157.0	1.94
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	0.1	163.0	0.12	54.0	0.04	(490.0)	(0.40)	(284.0)	(0.26)
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	0.1	93.0	0.07	57.0	0.04	58.0	0.05	55.0	0.05
14. Other Operating Income	0.5	646.0	0.47	681.0	0.50	785.0	0.65	842.0	0.76
15. Total Non-Interest Operating Income	0.6	902.0	0.66	792.0	0.59	353.0	0.29	613.0	0.55
16. Personnel Expenses	0.8	1,113.0	0.81	956.0	0.71	854.0	0.70	884.0	0.79
17. Other Operating Expenses	1.2	1,734.0	1.27	1,693.0	1.25	1,463.0	1.21	1,519.0	1.37
18. Total Non-Interest Expenses	2.0	2,847.0	2.08	2,649.0	1.96	2,317.0	1.91	2,403.0	2.16
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	0.6	851.0	0.62	839.0	0.62	415.0	0.34	367.0	0.33
21. Loan Impairment Charge	0.0	50.0	0.04	57.0	0.04	56.0	0.05	37.0	0.03
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	55.0	0.04	n.a.	-	n.a.	-
23. Operating Profit	0.6	801.0	0.59	727.0	0.54	359.0	0.30	330.0	0.30
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	46.0	0.03	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	0.6	801.0	0.59	773.0	0.57	359.0	0.30	330.0	0.30
30. Tax expense	0.1	179.0	0.13	171.0	0.13	253.0	0.21	47.0	0.04
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	0.4	622.0	0.45	602.0	0.44	106.0	0.09	283.0	0.25
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	0.0	16.0	0.01	16.0	0.01	16.0	0.01	16.0	0.01
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
37. Fitch Comprehensive Income	0.4	638.0	0.47	618.0	0.46	122.0	0.10	299.0	0.27
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	0.4	622.0	0.45	602.0	0.44	106.0	0.09	283.0	0.25
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate USD1 = NZD1.4304 USD1 = NZD1.4466 USD1 = NZD1.3351 USD1 = NZD1.1542

Wairarapa Building Society
Balance Sheet

	31 Mar 2017			31 Mar 2016		31 Mar 2015		31 Mar 2014	
	Year End USDm	Year End NZDth	As % of Assets	Year End NZDth	As % of Assets	Year End NZDth	As % of Assets	Year End NZDth	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	55.4	79,212.0	56.71	68,098.0	48.92	64,547.0	51.83	52,678.0	46.14
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	26.0	37,229.0	26.65	40,489.0	29.09	39,466.0	31.69	36,258.0	31.76
5. Other Loans	0.2	226.0	0.16	200.0	0.14	0.0	0.00	n.a.	-
6. Less: Reserves for Impaired Loans	0.2	226.0	0.16	200.0	0.14	143.0	0.11	87.0	0.08
7. Net Loans	81.4	116,441.0	83.36	108,587.0	78.01	103,870.0	83.40	88,849.0	77.83
8. Gross Loans	81.6	116,667.0	83.52	108,787.0	78.16	104,013.0	83.52	88,936.0	77.90
9. Memo: Impaired Loans included above	0.6	868.0	0.62	1,835.0	1.32	2,471.0	1.98	526.0	0.46
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	8.4	12,000.0	8.59	19,101.0	13.72	7,800.0	6.26	13,300.0	11.65
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	5.9	8,370.0	5.99	7,676.0	5.51	9,689.0	7.78	9,074.0	7.95
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	95.6	136,811.0	97.94	135,364.0	97.25	121,359.0	97.45	111,223.0	97.43
C. Non-Earning Assets									
1. Cash and Due From Banks	0.2	310.0	0.22	620.0	0.45	96.0	0.08	171.0	0.15
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	1.7	2,407.0	1.72	2,354.0	1.69	2,380.0	1.91	2,349.0	2.06
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	0.0	17.0	0.01	39.0	0.03	79.0	0.06	158.0	0.14
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	0.1	138.0	0.10	812.0	0.58	623.0	0.50	259.0	0.23
11. Total Assets	97.7	139,683.0	100.00	139,189.0	100.00	124,537.0	100.00	114,160.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	5.0	7,148.0	5.12	13,967.0	10.03	15,704.0	12.61	14,613.0	12.80
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	78.8	112,647.0	80.64	105,794.0	76.01	89,636.0	71.98	81,438.0	71.34
4. Total Customer Deposits	83.7	119,795.0	85.76	119,761.0	86.04	105,340.0	84.59	96,051.0	84.14
5. Deposits from Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	400.0	0.32	n.a.	-
8. Total Money Market and Short-term Funding	83.7	119,795.0	85.76	119,761.0	86.04	105,740.0	84.91	96,051.0	84.14
9. Senior Unsecured Debt (original maturity > 1 year)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	0.3	400.0	0.29	n.a.	-	n.a.	-	n.a.	-
13. Total LT Funding (original maturity > 1 year)	0.3	400.0	0.29	n.a.	-	n.a.	-	n.a.	-
14. Derivatives	0.0	44.0	0.03	71.0	0.05	n.a.	-	n.a.	-
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	84.1	120,239.0	86.08	119,832.0	86.09	105,740.0	84.91	96,051.0	84.14
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	n.a.	n.a.	-	5.0	0.00	5.0	0.00	92.0	0.08
4. Current Tax Liabilities	0.0	29.0	0.02	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	0.3	422.0	0.30	469.0	0.34	541.0	0.43	508.0	0.44
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	1.1	1,609.0	1.15	2,137.0	1.54	2,123.0	1.70	1,503.0	1.32
10. Total Liabilities	85.5	122,299.0	87.55	122,443.0	87.97	108,409.0	87.05	98,154.0	85.98
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	11.3	16,215.0	11.61	15,593.0	11.20	14,991.0	12.04	14,885.0	13.04
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	0.8	1,169.0	0.84	1,153.0	0.83	1,137.0	0.91	1,121.0	0.98
6. Total Equity	12.2	17,384.0	12.45	16,746.0	12.03	16,128.0	12.95	16,006.0	14.02
7. Total Liabilities and Equity	97.7	139,683.0	100.00	139,189.0	100.00	124,537.0	100.00	114,160.0	100.00
8. Memo: Fitch Core Capital	12.1	17,367.0	12.43	16,707.0	12.00	16,049.0	12.89	15,848.0	13.88

Exchange rate

USD1 = NZD1.4304

USD1 = NZD1.4466

USD1 = NZD1.3351

USD1 = NZD1.1542

Wairarapa Building Society Summary Analytics

	31 Mar 2017	31 Mar 2016	31 Mar 2015	31 Mar 2014
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	5.68	6.57	6.26	6.23
2. Interest Expense on Customer Deposits/ Average Customer Deposits	3.44	4.05	4.05	3.99
3. Interest Income/ Average Earning Assets	5.08	5.66	5.57	5.47
4. Interest Expense/ Average Interest-bearing Liabilities	3.43	4.05	4.07	4.00
5. Net Interest Income/ Average Earning Assets	2.05	2.10	2.05	2.04
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	2.02	2.06	2.00	2.00
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	2.05	2.10	2.05	2.04
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	24.39	22.71	12.92	22.13
2. Non-Interest Expense/ Gross Revenues	76.99	75.95	84.81	86.75
3. Non-Interest Expense/ Average Assets	2.04	2.01	1.94	2.21
4. Pre-impairment Op. Profit/ Average Equity	4.99	5.10	2.58	2.31
5. Pre-impairment Op. Profit/ Average Total Assets	0.61	0.64	0.35	0.34
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	5.88	13.35	13.49	10.08
7. Operating Profit/ Average Equity	4.69	4.42	2.23	2.08
8. Operating Profit/ Average Total Assets	0.57	0.55	0.30	0.30
9. Operating Profit / Risk Weighted Assets	0.56	0.53	n.a.	n.a.
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	3.64	3.66	0.66	1.78
2. Net Income/ Average Total Assets	0.45	0.46	0.09	0.26
3. Fitch Comprehensive Income/ Average Total Equity	3.74	3.76	0.76	1.89
4. Fitch Comprehensive Income/ Average Total Assets	0.46	0.47	0.10	0.27
5. Taxes/ Pre-tax Profit	22.35	22.12	70.47	14.24
6. Net Income/ Risk Weighted Assets	0.44	0.44	n.a.	n.a.
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	12.20	12.08	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	12.43	12.01	12.90	13.90
3. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
4. Total Regulatory Capital Ratio	12.10	12.81	12.49	13.27
5. Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Equity/ Total Assets	12.45	12.03	12.95	14.02
7. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.
8. Internal Capital Generation	3.58	3.59	0.66	1.77
E. Loan Quality				
1. Growth of Total Assets	0.35	11.77	9.09	10.38
2. Growth of Gross Loans	7.24	4.59	16.95	3.94
3. Impaired Loans/ Gross Loans	0.74	1.69	2.38	0.59
4. Reserves for Impaired Loans/ Gross Loans	0.19	0.18	0.14	0.10
5. Reserves for Impaired Loans/ Impaired Loans	26.04	10.90	5.79	16.54
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	3.70	9.79	14.51	2.77
7. Impaired Loans less Reserves for Impaired Loans/ Equity	3.69	9.76	14.43	2.74
8. Loan Impairment Charges/ Average Gross Loans	0.04	0.05	0.06	0.04
9. Net Charge-offs/ Average Gross Loans	0.02	n.a.	n.a.	n.a.
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.74	1.69	2.38	0.59
F. Funding and Liquidity				
1. Loans/ Customer Deposits	97.39	90.84	98.74	92.59
2. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (excluding derivatives)	99.67	100.00	99.62	100.00
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

Wairarapa Building Society
Reference Data

	31 Mar 2017		31 Mar 2016		31 Mar 2015		31 Mar 2014		As % of Assets
	Year End USDm	Year End NZDth	As % of Assets	Year End NZDth	As % of Assets	Year End NZDth	As % of Assets	Year End NZDth	
A. Off-Balance Sheet Items									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	19.0	27,120.0	19.42	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	114,160.0	100.00
B. Average Balance Sheet									
Average Loans	78.8	112,727.0	80.70	106,400.0	76.44	96,474.5	77.47	87,250.0	76.43
Average Earning Assets	95.1	136,087.5	97.43	128,361.5	92.22	116,291.0	93.38	105,907.0	92.77
Average Assets	97.5	139,436.0	99.82	131,863.0	94.74	119,348.5	95.83	108,793.0	95.30
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	83.9	120,035.5	85.93	112,786.0	81.03	100,895.5	81.02	90,812.5	79.55
Average Common equity	11.1	15,904.0	11.39	15,292.0	10.99	14,938.0	11.99	14,743.5	12.91
Average Equity	11.9	17,065.0	12.22	16,437.0	11.81	16,067.0	12.90	15,856.5	13.89
Average Customer Deposits	83.7	119,778.0	85.75	112,550.5	80.86	100,695.5	80.86	90,796.5	79.53
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	99.5	142,323.7	101.89	138,279.3	99.35	n.a.	-	n.a.	-
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	99.5	142,323.7	101.89	138,279.3	99.35	n.a.	-	n.a.	-
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	99.5	142,323.7	101.89	138,279.3	99.35	n.a.	-	n.a.	-
E. Equity Reconciliation									
1. Equity	12.2	17,384.0	12.45	16,746.0	12.03	16,128.0	12.95	16,006.0	14.02
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	12.2	17,384.0	12.45	16,746.0	12.03	16,128.0	12.95	16,006.0	14.02
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	12.2	17,384.0	12.45	16,746.0	12.03	16,128.0	12.95	16,006.0	14.02
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	0.0	17.0	0.01	39.0	0.03	79.0	0.06	158.0	0.14
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	12.1	17,367.0	12.43	16,707.0	12.00	16,049.0	12.89	15,848.0	13.88

Exchange Rate

USD1 = NZD1.4304

USD1 = NZD1.4466

USD1 = NZD1.3351

USD1 = NZD1.1542

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