



Welcome

# Product Disclosure Statement.

OFFER OF SECURED DEPOSITS BY WELCOME LIMITED  
1 JULY 2025

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz). Welcome Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

# 1. Key Information Summary

## What is this?

This is an offer of secured deposits. Secured deposits are debt securities issued by Welcome Limited (**Welcome, we, us, or our**). You give Welcome money, and in return Welcome promises to pay you interest and repay the money at the end of the term. If Welcome runs into financial trouble, you might lose some or all of the money you invested.

## About Welcome

Welcome is a non-bank deposit taker licensed by the Reserve Bank of New Zealand. Welcome focuses primarily on residential and commercial property lending in New Zealand, secured by first-ranking mortgages or another similar right. Welcome does not offer personal loans, vehicle finance, or any type of unsecured lending. Our lending is funded mainly through this offer of secured deposits, although we may also use other funding sources.

## Key terms of the offer

DESCRIPTION	<p>This is an offer of secured debt securities issued by Welcome Limited in accordance with the Trust Deed.</p> <p>When you purchase a secured deposit (as described below) you will be asked to select your preferred product and term from the available options. For our current products and terms, including current interest rates, please visit <a href="https://welcome.co.nz">welcome.co.nz</a>.</p>
TERM	<p>Secured deposits are either:</p> <ul style="list-style-type: none"><li>· term deposits, with a fixed term ranging from three months to five years;</li><li>· notice deposits that do not have a fixed term and may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day and the required amount of notice has been given. The notice period may range from 30-120 days; or</li><li>· call deposits that do not have a fixed term and may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day (although call deposits may not always be offered).</li></ul> <p>Repayments are made to your Wallet held with Adminis Limited (<b>Adminis</b>), our registrar. Please refer to Section 2 of this PDS (<i>Terms of the Offer</i>) for more information.</p>
MINIMUM INVESTMENT	<p>You must invest a minimum of \$10,000 in secured deposits, unless we agree to a smaller amount.</p>
INTEREST RATES	<p>Interest may be:</p> <ul style="list-style-type: none"><li>· fixed for the term of the secured deposit – this will be the case for any term deposit unless otherwise agreed with you; or</li><li>· variable and subject to change during the term of the secured deposit – this will be the case for call and notice deposits.</li></ul> <p>Interest rates are available on our website and are subject to change without notice. We aim to set competitive interest rates which reflect market conditions and our preferred maturity and liquidity profile.</p>

INTEREST PAYMENTS	<p>Interest on call and notice deposits will be paid on a monthly basis.</p> <p>Depending on the term, interest on term deposits can be paid monthly or quarterly, compounded to your investment on a quarterly basis, or paid on maturity. Holders of term deposits choose their preferred option when purchasing a secured deposit.</p> <p>Interest is calculated on a daily basis in arrears from the business day we receive your order for a secured deposit, provided you have sufficient funds in your Wallet held with Adminis, our registrar, to pay for the secured deposit. However, if your order is received after 2:00pm, or on a non-business day, interest will be calculated from the next business day. Interest is paid to your Wallet. Please refer to Section 2 of this PDS (<i>Terms of the Offer</i>) for more information.</p>
EARLY WITHDRAWALS	<p>In exceptional circumstances we may, at our discretion, allow you to withdraw a term deposit before maturity. We will normally only consider an early withdrawal in cases of significant hardship due to unforeseen circumstances. If we allow an early withdrawal we may reduce the rate of interest we pay you to reflect the shorter term. We may also repay any term deposit early.</p> <p>Please refer to Section 2 of this PDS (<i>Terms of the Offer</i>) for more information.</p> <p>We do not charge any fees.</p>
OPENING AND CLOSING DATES	<p>This offer is intended to open on 9 July 2025. This is a continuous offer, meaning there is no closing date.</p>

### No guarantee

Welcome is solely responsible for the repayment of secured deposits and the related returns. Welcome has no guaranteeing subsidiaries or other guaranteeing entities. Secured deposits are not guaranteed by Welcome, Covenant Trustee Services Limited (**Supervisor**), or any other person.

### How you can get your money out early

Call and notice deposits may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day, although for notice deposits the required amount of notice must be given first. Notice deposits cannot be withdrawn unless the required notice is given.

In exceptional circumstances we may allow an early repayment of a term deposit before maturity at your request. This will normally only be in the case of significant hardship due to unforeseen circumstances.

We have the right to repay depositors early in certain circumstances and, if an event of default occurs under the Trust Deed, you could be repaid early. See Section 2 of this PDS (*Terms of the Offer*) for further details.

These secured deposits cannot be sold to anyone else.

### How secured deposits rank for repayment

In the event of a liquidation of Welcome, your rights and claims under the secured deposits would rank:

- **after** certain Supervisor liabilities, and all creditors given priority by law and the Trust Deed (including any permitted prior security interests, as explained below);
- **equally** with all other holders of secured deposits; and
- **ahead** of any lower ranking secured creditors, all unsecured creditors, and the equity invested by our shareholders.

We are permitted under the Trust Deed to create a security interest over our assets which ranks in priority to the security interest granted to our Supervisor (and therefore in priority to holders of secured deposits), including to secure any borrowing or money owed in purchasing or acquiring assets of any type. The amounts secured by all prior ranking security interests must not exceed 2% of our total tangible assets.



For more information, refer to Section 4 of this PDS (*Key Features of Secured Deposits*).

#### **What assets are these secured deposits secured against?**

We have entered into a trust deed with our Supervisor dated 1 July 2025 (**Trust Deed**). Under the Trust Deed, we have granted a first ranking general security interest over all of our present and future personal property and have charged all of our other property to our Supervisor as security for its payment obligations under the secured deposits. Our assets include cash and cash equivalents, short term bank deposits, loan receivables, and other assets used to operate our business.

For more information, refer to Section 4 of this PDS (*Key Features of Secured Deposits*).

#### **Welcome's financial information**

The financial position and performance of Welcome are essential to an assessment of Welcome's ability to meet its obligations under the secured deposits. No financial information is required to be included in this PDS because Welcome has not commenced business as at the date of this PDS.

#### **Key risks affecting this investment**

Investments in debt securities have risks. A key risk is that Welcome does not meet its commitments to repay you or pay you interest (credit risk). Section 5 of this PDS (*Risks of Investing*) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these secured deposits should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair. Welcome considers that the most significant risk factors are:

- **Credit risk:** this is principally the risk that we are not able to recover loans in full from our borrowers. If a borrower or several borrowers do not pay interest instalments when due or fail to repay the loan balance at the end of the loan term, and we are unable to recover the full amounts owing by selling the security property or taking other recovery action, there may be insufficient funds to fully repay holders of secured deposits. This is a particular risk due to the nature of our business activities and the risk is elevated during our initial growth phase, while we develop a larger and more diversified portfolio of loans.
- **Liquidity risk:** this is the risk that we do not have sufficient liquid funds to meet our financial commitments as they fall due. This includes repaying secured deposits as they mature and paying interest as it falls due. A liquidity mismatch may occur if our loans and other investments have a longer term than our liabilities, meaning we may not receive repayments on our loans in time to meet our payment obligations. In addition, if reinvestment rates or borrower repayments are less than forecast there is a risk that we may be unable to pay depositors in a timely manner. This is a particular risk due to the nature of our business activities.

This summary does not cover all of the risks of investing in the secured deposits. You should also read Section 5 (*Risks of Investing*) and other places in the PDS that describe risk factors (for example the key features of the secured deposits).

#### **No credit rating**

Welcome is exempt from the requirement to have its creditworthiness assessed by an approved rating agency. This is because Welcome is exempted by the Non-bank Deposit Takers (Credit Ratings Minimum Thresholds) Exemption Notice 2016 from the need to obtain a credit rating (or rely on another exemption) until 28 February 2026. The exemption applies because Welcome has only recently commenced business as a non-bank deposit taker, making it unduly onerous for it to comply with the requirement under the Non-bank Deposit Takers Act to have a credit rating. This means that Welcome has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

#### **Protection under depositor compensation scheme**

The secured deposits are protected deposits under the depositor compensation scheme, which protects up to \$100,000 per eligible depositor per deposit taker. For more information about the scheme, please refer to the Reserve Bank of New Zealand's internet site at [rbnz.govt.nz/dcs](https://www.rbnz.govt.nz/dcs).

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# Letter from the Chair

Hello

I'm delighted to introduce you to Welcome.

We're New Zealand's newest non-bank deposit taker, recently licensed by the Reserve Bank of New Zealand. While we may be new to the market, our directors and senior managers have extensive experience across banking, insurance and financial services, including in some of New Zealand's largest institutions and the world's leading investment banks.

Welcome focuses primarily on residential and commercial property lending secured by first-ranking mortgages. Importantly we don't offer personal loans, vehicle finance, unsecured or SME lending. Every lending decision we make is underpinned by rigorous due diligence and robust financial analysis.

Our lending activities are funded by our equity capital and secured deposits offered to depositors under this PDS. Your money is held in DCS-protected accounts, which means your deposits are protected under the depositor compensation scheme, up to \$100,000 per eligible depositor.

We want you to have confidence in us. Our plans are ambitious, but realistic. Our business is overseen by an independent supervisor with a strong focus in the non-bank deposit taking market, and we are supported by recognised experts in legal, accounting, tax, and compliance matters.

This PDS provides you with an overview of Welcome, and the secured deposits we are pleased to be offering. We believe Welcome has a great future ahead and would love for you to be part of our journey.

Warm regards

A handwritten signature in black ink, appearing to be 'Tracey Jones', with a stylized, flowing script.

Tracey Jones  
Chair, Welcome Limited

## 2. Terms of the Offer

### Terms of the Offer

DESCRIPTION	<p>This is an offer of secured debt securities.</p> <p>Secured debt securities are debt securities issued by Welcome Limited in accordance with the Trust Deed.</p> <p>When you purchase a secured deposit (as described below) you will be asked to select your preferred product and term from the available options. For our current products and terms, including current interest rates, please visit <a href="https://welcome.co.nz">welcome.co.nz</a>.</p> <p>The secured deposits are protected deposits under the depositor compensation scheme, which protects up to \$100,000 per eligible depositor per deposit taker. For more information about the scheme, please refer to the Reserve Bank of New Zealand's internet site at <a href="https://rbnz.govt.nz/dcs">rbnz.govt.nz/dcs</a>.</p>
TERM	<p>Secured deposits are either:</p> <ul style="list-style-type: none"><li>· term deposits, with a fixed term ranging from three months to five years;</li><li>· notice deposits that do not have a fixed term and may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day and the required amount of notice has been given. The notice period may range from 30-120 days. The notice period is calculated in calendar days and excludes the day that notice is given; or</li><li>· call deposits that do not have a fixed term and may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day (although call deposits may not always be offered).</li></ul>
MINIMUM AND MAXIMUM INVESTMENTS	<p>For term deposits, the minimum deposit amount which must be paid by you is \$10,000. However, higher amounts may be required for particular terms or rates.</p> <p>For call and notice deposits, the minimum initial balance required is \$10,000.</p> <p>We may also set maximum balances. Details of any maximum balance will be included on our website.</p> <p>We may allow you to invest outside of the minimum and maximum limits at our discretion.</p> <p>Secured deposits are only accepted in New Zealand dollars.</p>

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#### INTEREST RATES

Interest may be:

- fixed for the term of the secured deposit, at a rate which depends upon the length of term invested – this will be the case for any term deposit unless otherwise agreed with you; or
- variable and subject to change during the term of the secured deposit – this will be the case for call and notice deposits.

Interest rates are available on our website and are subject to change without notice. We aim to set competitive interest rates which reflect market conditions and our preferred maturity and liquidity profile.

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#### INTEREST PAYMENTS

Interest on call and notice deposits will be paid on a monthly basis, on the last business day of each month.

Holders of term deposits can choose from the following interest payment options when purchasing a secured deposit (although not all options may be available for all investment terms):

- *monthly direct credit*: under this option, the net interest earned on your investment will be paid on a monthly basis;
- *quarterly direct credit*: under this option, the net interest earned on your investment will be paid on a quarterly basis;
- *quarterly compounding*: under this option, the net interest earned on your investment will be automatically reinvested on a quarterly basis – you will then earn interest on interest; and
- *paid on maturity*: under this option, the net interest earned on your investment will be paid when your term deposit matures.

If you choose to have interest paid monthly or quarterly it will be paid on the last business day of the month. If you choose to have interest compounded quarterly it will be paid on maturity.

Interest is calculated on a daily basis in arrears from the business day we receive your order for a secured deposit, provided you have sufficient funds in your Wallet held with Adminis, our registrar, to pay for the secured deposit. We must also have received all required supporting information as set out in the application form. However, if your order is received after 2:00pm, or on a non-business day, interest will be calculated from the next business day.

Interest is paid to your Wallet. You can transfer amounts paid to your Wallet to your bank account, or hold them in your Wallet to make an additional investment in secured deposits. In the future we and Adminis intend to offer automatic payments of interest paid into your Wallet out of your Wallet to your nominated bank account.

Amounts held in your Wallet are held on your behalf by Adminis independently of us. They are held in a trust account with a registered bank, and not with us. Amounts held in your Wallet do not earn interest. Fees are not charged on your Wallet.

Tax will be deducted from interest payments. Please refer to Section 6 of this PDS (Tax) for more information.

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MATURITY	<p>Call deposits may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day.</p> <p>Notice deposits may be withdrawn in part or in full at any time, provided your request is received before 2:00pm on a business day and the required amount of notice has been given.</p> <p>For term deposits, we will notify you before the maturity date and give you the option to either have your deposit repaid or reinvested for another term. If you do not tell us whether you want to have your deposit repaid or reinvested, we will repay it to your Wallet held with Adminis, our registrar.</p> <p>Repayments are made to your Wallet. You can transfer amounts paid to your Wallet to your bank account, or hold them in your Wallet to make an additional investment in secured deposits. Please refer to <i>interest payments</i> above for more information about the Wallet.</p>
EARLY WITHDRAWALS	<p>We rely on committed term deposits to manage liquidity and fund our lending activities. As a result, term deposits can only be withdrawn before maturity in exceptional circumstances, and even then only at our discretion. We will normally only consider an early withdrawal request where continued investment may lead to significant hardship due to unforeseen circumstances.</p> <p>If we agree to an early repayment of a term deposit we may reduce the rate of interest we pay you to reflect the shorter term. This calculation will depend on the timing and circumstance of the withdrawal. An estimate of the adjusted interest rate is available from us on request.</p> <p>We have a general right to repay deposit holders early. We may do this by giving at least fourteen days' notice in writing of our intention to do so to our Supervisor and all deposit holders. We do not need your approval to repay you early.</p> <p>In addition, an early repayment could occur if there was an event of default under the Trust Deed and either:</p> <ul style="list-style-type: none"> <li>• our Supervisor decided to demand immediate repayment; or</li> <li>• a special resolution of deposit holders under the Trust Deed or any deposit holder holding 30% or more of all secured deposits required our Supervisor to demand immediate repayment.</li> </ul>
FEES	<p>You will not be charged any fees or be required to make further payments other than your investment in secured deposits. However, as mentioned above (see <i>early withdrawals</i>), if we allow an early withdrawal we may reduce the rate of interest we pay you to reflect the shorter term.</p>
BROKERAGE	<p>We may pay brokerage to third parties (such as financial advisers) who refer deposit holders to us. Brokerage is paid by Welcome out of our money, and not by deposit holders.</p>

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RANKING OF  
SECURED  
DEPOSITS ON  
LIQUIDATION

We have granted a first ranking general security interest to our Supervisor as security for our payment obligations under the secured deposits.

In the event of a liquidation of Welcome, your rights and claims under the secured deposits would rank:

- **after** our Supervisor's costs, charges, expenses and liabilities, and all of its remuneration together with interest, and all creditors given priority by law and the Trust Deed (including any prior security interests permitted by the Trust Deed);
- **equally** with all other holders of secured deposits, including those who invest under a later PDS; and
- **ahead** of any lower ranking secured creditors, all unsecured creditors, and the equity invested by our shareholders.

For more information, refer to Section 4 of this PDS (*Key Features of Secured Deposits*).

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OPENING  
AND CLOSING  
DATES

This offer is intended to open on 9 July 2025.

This is a continuous offer, meaning there is no closing date.

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## Trust Deed

We have entered into the Trust Deed dated 1 July 2025 with our Supervisor. A copy of the Trust Deed is available from us and can be obtained on the *Disclose* register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for “Welcome” in the offer register section of *Disclose*).

Our Supervisor, Covenant Trustee Services Limited, is licensed by the Financial Markets Authority pursuant to the Financial Markets Supervisors Act 2011 to act as a supervisor of debt securities. Details of this licence, including its duration and conditions, are available on the Financial Service Providers Register at [fsp-register.companiesoffice.govt.nz](https://fsp-register.companiesoffice.govt.nz) and on the Financial Markets Authority’s website at [fma.govt.nz/business/licensed-providers](https://fma.govt.nz/business/licensed-providers) (search for “Covenant”).

## Interest rate comparison

We aim to set competitive interest rates which reflect market conditions and our preferred maturity and liquidity profile. For our current products and terms, including current interest rates, please visit [welcome.co.nz](https://welcome.co.nz).

A comparison of our secured deposits with other deposit interest rates (along with information relating to credit ratings, minimum deposit sizes, and interest payment information), can be found at [interest.co.nz](https://interest.co.nz). Please be aware that this website is not operated by Welcome, and accordingly we do not accept any liability for its content.

## 3. Welcome and What it Does

### Overview

Welcome is a New Zealand owned and operated company incorporated on 7 March 2024.

Welcome was issued a non-bank deposit taker licence by the Reserve Bank of New Zealand on 6 January 2025, and a financial institution market services licence by the Financial Markets Authority on 31 March 2025.

Welcome focuses primarily on residential and commercial property lending in New Zealand. We borrow money from depositors in the form of secured deposits, and lend that money to borrowers. We make these loans for various purposes to individuals, companies, trusts, and other types of borrower. Our loans are tailored to each borrower's requirements.

We lend carefully, following robust due diligence processes and undertake sound financial analysis. All of our lending is secured by a first-ranking mortgage over land and/or buildings, or another similar right. Guarantees are also taken from persons or entities associated with a borrower, where relevant. We may also take additional security over other assets associated with a borrower and/or guarantor.

Unlike many other non-bank deposit takers, Welcome does not offer personal loans, vehicle finance, or any type of unsecured lending. We do not offer SME or business lending, unless secured by a first-ranking mortgage or another similar right.

While we are new to the market, our shareholders, directors, and management team have extensive experience in the finance industry, including in bank and non-bank lending.

For more information about us, visit [welcome.co.nz](https://welcome.co.nz).

Welcome does not have any subsidiaries. It is the only company in the issuing group.

### The industry that we operate in

We are a non-bank deposit taker licensed by the Reserve Bank of New Zealand under the Non-bank Deposit Takers Act 2013. We are also a financial institution licensed by the Financial Markets Authority under the Financial Markets Conduct Act 2013.

We are not a registered bank under the Banking (Prudential Supervision) Act 1989. However, we are part of the financial services industry and operate alongside banks, other non-bank deposit takers offering secured deposits, and other similar businesses.

Our main competition for deposits is registered banks, other licensed non-bank deposit takers (regulated finance companies, credit unions, and building societies), mortgage funds, and non-prudentially regulated finance companies seeking investments from wholesale investors.

Our main competition for lending is licensed non-bank deposit takers (regulated finance companies, credit unions, and building securities), mortgage funds, and non-prudentially regulated finance companies. We also compete with registered banks for lending opportunities, but typically our borrowers would either not currently qualify for bank lending or are operating in areas that banks do not actively operate in or target.

## Aspects of our business that are key to generating income

We depend on funds being raised from secured deposits (and potentially other sources, such as equity invested by our shareholders or wholesale sources of funding, which could include funding provided by our shareholders or other related parties, as well as unrelated third parties) to fund our lending operations.

Growth in secured deposits comes from existing deposit holders, our marketing activity, word-of-mouth, and through financial advisers and other distributors. We employ relationship managers who work directly with our deposit holders, providing a personal touch.

Growth in lending follows growth in secured deposits and other funding. We source lending proposals from mortgage brokers and directly from borrowers.

The aspects of our business that are key to generating income are:

- the total value of the loans that we make; and
- the margin that we make between our borrowing and our lending rates.

We also generate income from fees and charges for loan establishment, early termination (for borrowers), and various administrative activities related to loans.

Our profitability can be impacted by any losses that we incur on loans, the amount of cash that we hold (as part of our liquidity management, pending loans being made, or for working capital), and the amount of other expenses we incur in operating our business.

## Our lending activities

We focus primarily on residential and commercial property lending in New Zealand.

We lend for a variety of different purposes, with solutions tailored to each borrower's requirements. Our loans generally enable borrowers to complete a short-term transaction – such as preparing a property for sale, bridging a property acquisition, enhancing, subdividing, building, constructing on and improving a property, or funding a business purchase or expansion, including working capital.

We do not offer personal loans, vehicle finance, or any type of unsecured lending. We do not offer SME or business lending, unless secured by a first-ranking mortgage or another similar right.

We lend for periods of up to five years, but loans are typically for periods of six to 24 months. Interest is a mix of fixed and floating rates. Interest is normally required to be paid periodically during the loan term, but in some circumstances interest may be capitalised and payable on maturity.

A first-ranking mortgage or another similar right is taken in all instances, as security to support our lending. In some circumstances, we take additional security (such as a general security agreement) over other assets associated with a borrower and/or guarantor. Guarantees are also taken from persons or entities associated with a borrower, where relevant. In particular, where loans are made to companies or trusts we generally require a guarantee from the individuals behind the borrower.

We source lending proposals from mortgage brokers and directly from borrowers. The loans that we make are intended to be funded mainly by secured deposits offered to depositors under this PDS. However, they may also be funded by other sources, such as equity invested by our shareholders or wholesale sources of funding, which could include funding provided by our shareholders or other related parties, as well as unrelated third parties.



## *Credit and lending policies*

We lend carefully, and work closely with mortgage brokers and potential borrowers to assess each loan application.

All loans are assessed in accordance with our credit policy. Our loan approval process requires a submission to the appropriate approver or committee for review. The submission will generally include details of the loan purpose, a description and details of the security property and a valuation, the sale and purchase agreement (if applicable), income and expense or servicing details, and appropriate credit checks. This material is reviewed against our credit policy, and the loan is approved or declined.

In addition, lending is only made in accordance with our lending policy. This currently includes the following:

- *Asset class*: we can make loans secured over all types of residential property, including residential investment property, bare land, lifestyle and rural blocks, and commercial property including retail, office, industrial, and accommodation properties.
- *Lending amount and Loan to Value Ratio (LVR)*: loans are advanced to a maximum of 80% (including fees and charges) of the value of the property to be mortgaged as security for the loan for residential property (at the time of loan approval), or 70% (including fees and charges) for commercial property. Maximums may be lower depending on location and the condition of the property.
- *Security*: in all instances we take, by way of security, a first-ranking mortgage over land and/or buildings in New Zealand, or another similar right. We may also take further security including a second ranking charge over additional property, a general security agreement (GSA) over various other assets including plant and equipment, and guarantees.
- *Loan exposures*: we will ensure our lending exposure to any one borrower or related group of borrowers does not exceed the greater of 20% of our total tangible assets or \$2 million, with this limit reducing to 10% of our total tangible assets (without the \$2 million alternative threshold) from 1 July 2026.
- *Development and construction loans*: while not expected to be a significant part of our business, we may enter into residential and commercial development and construction loans that meet our credit and lending criteria.
- *Consumer lending*: while not expected to be a significant part of our business, we may enter into consumer credit contracts regulated by the Credit Contracts and Consumer Finance Act 2003 that meet our credit and lending criteria. Any such lending will be made in accordance with prevailing consumer lending laws, including relevant lender responsibility and affordability requirements.
- *Geographical exposure*: exposure to individual geographic regions of New Zealand is limited to certain percentages of our total loan portfolio (different percentages apply to different regions, with larger exposures permitted in areas with greater populations).

Our board and/or investment committee may set tighter or more restrictive limits than what is set out above, depending on economic, financial market and property market conditions, as well as the position and performance of our loan portfolio.

We anticipate some degree of concentration in our loan book during our initial growth phase while we develop a larger and more diversified portfolio of loans. See *credit risk* in Section 5 of this PDS (*Risks of Investing*) for more information.

### *Arrears management*

We actively manage loan arrears in accordance with the arrears management section of our credit policy. This involves contacting the borrower for instalment arrears and arranging for payments to be re-presented. When arrears reach 30 days without a suitable resolution or clear path to such, we will normally issue a Property Law Act 2007 notice, with enforcement proceedings commencing (if needed) on the expiry of that notice.

We do not carry credit protection insurance, should a loan go into default. Borrowers are not required to take out payment protection insurance.

### *Risk management programme*

Under the Non-bank Deposit Takers Act 2013 we are required to have a risk management programme, and to take all practicable steps to comply with that programme. Our written risk management programme sets out the procedures that we will use for the effective identification and management of credit, liquidity, market, and operational risks.

We review our risk management programme at least on an annual basis or whenever there is a significant change in our business, and may make changes with the approval of our Supervisor. In addition, our Supervisor is required to review the risk management programme and advise whether it is satisfied that it meets the requirements set out in section 27(2) of the Non-bank Deposit Takers Act.

## Our board and senior managers

We have four directors, two of whom are independent directors (including our chair) and two of whom are non-independent directors (including our managing director). Our board are supported by our senior management team, including our managing director.

### Directors

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#### Tracey Jones

*Independent Chair*



Tracey is a seasoned professional in governance, with extensive experience spanning the financial services, technology, investment, property, consumer, public, and not-for-profit sectors. Tracey has held diverse roles across various business scales.

Currently, Tracey holds key positions such as Chair of Nikko Asset Management NZ Ltd, Director and Chair of the Audit Committee for Partners Life, Director of NZX listed Stride Property Group, and Director of Lamcam Ltd.

Her previous board roles include serving on the boards of ASX-listed Harmoney Corp, where she chaired the Audit and Risk Committee, New Plymouth PIF Guardians Ltd, the Petal Foundation, and Punakaiki Fund. With over two decades of experience in the investment sector and ultra-high net wealth environments, Tracey spent a significant portion of her career as CFO & COO at one of New Zealand's largest private investment portfolios.

Tracey holds a Bachelor of Commerce from the University of Canterbury, is a Chartered Accountant, and is a member of both the Chartered Accountants of Australia & New Zealand and the NZ Institute of Directors.

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#### Sarah Smith

*Independent Director*



Sarah has built a strong portfolio of governance roles in the financial services sector.

Currently, Sarah is an Independent Director and Chair of the Conduct and Culture Committee for Farmers Mutual Group and a Director of Partners Life. Sarah is also the independent chair of the Audit and Risk Committee for Consilium NZ Limited.

Sarah has previous governance roles with Heartland Group Holdings Limited and MARAC Insurance Ltd, and has held executive roles with Heartland, ANZ/OnePath, and BNZ Investments & Insurance.

Sarah brings critical and relevant expertise in the areas of digital transformation, data and cyber security, risk management, regulatory management, strategic and business development.

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**Hamish Frame**  
*Non-Independent Director*



Hamish has enjoyed a 30+ year career in management and leadership roles within the banking and financial sectors.

He is currently an Executive Director at Tumu, a diversified New Zealand family-owned business, with interests spanning wood processing and manufacturing, import & distribution, transport & logistics, property investment and finance. Tumu is the major shareholder in Welcome.

Hamish brings broad experience across executive and governance roles with particular expertise in private capital investment, risk management and financial services.

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**Anton Douglas**  
*Managing Director (Non-Independent)*



Anton is the Managing Director at Welcome where his executive responsibilities include execution of strategy, operational business management, people leadership, risk management and communication with key stakeholders.

Anton has 30+ years' experience across mortgage lending, capital markets, investment banking, corporate finance and wealth management. Anton was previously the CEO and Investment Committee Chair at Midlands Funds Management Limited, a NZ non-bank property lender and MIS Manager and a Non-Executive Director of General Finance Limited, a Non-bank Deposit Taker licensed by the RBNZ.

Prior to that Anton was based in the US (New York) where he was the Chief Investment Officer for Credit Suisse Asset Management's EM private debt & special situations fund, prior to that he was the global head of Credit Suisse's EM Financing business. Anton also held various senior executive roles at Credit Suisse including co-head of fixed income for Asia Pacific. Anton began his career with the National Bank of New Zealand Treasury Division in 1992.

Anton is on the Advisory Board of Killarney Capital, a Trustee of the IHC Foundation, a member of INFINZ and a member of the Institute of Directors. Anton has a Bachelor of Commerce (Finance) from Otago University and the NZ Certificate in Financial Services (Level 5), Residential Lending (2023).

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*Senior Managers*

**Anton Douglas**  
*Managing Director*

Anton is our Managing Director, responsible for Welcome's day to day operations. Refer to Anton's biography above.

Our directors and senior managers will change from time to time. Details of our current directors and senior managers are available on our website, [welcome.co.nz](https://welcome.co.nz). In addition, the names of the current directors can be found on the Companies Office website, [companies-register.companiesoffice.govt.nz](https://companies-register.companiesoffice.govt.nz).

Our senior management team are supported by Tumu Merchants Limited, our majority shareholder. Tumu Merchants Limited provide accounting and other services to our business.

## 4. Key Features of Secured Deposits

### Ranking and security

The secured deposits are secured by a security interest which we have granted under the Trust Deed over all of our current and future assets in favour of our Supervisor, for the benefit of depositors investing in secured deposits. The security interest secures all amounts payable by us in respect of secured deposits and all other moneys payable by us under the Trust Deed, which includes our Supervisor's fees and expenses.

The assets subject to the security interest will include net loans and advances, other assets including cash and cash equivalents held by us, and other assets used to operate our business.

The amount of the liability secured by the security interest and the total value of the assets subject to the security interest based on Welcome's financial position as at the date of this PDS, adjusted to reflect the change in the value of our assets and liabilities that we reasonably expect to result from the issue of secured deposits under this PDS, is \$16,000,000 and \$18,280,000 respectively. Please see the explanation as to how these amounts have been determined on page 19.

Once a balance date has been completed the amount of the liability secured by the security interest and the total value of the assets subject to the security interest at our most recent balance date will be available online on the *Disclose* register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for "Welcome" in the offer register section of *Disclose*).

We are permitted under the Trust Deed to create a security interest over our assets which ranks in priority to the security interest granted to our Supervisor (and therefore in priority to holders of secured deposits), including to secure any borrowing or money owed in purchasing or acquiring assets of any type. The amounts secured by all prior ranking security interests must not exceed 2% of our total tangible assets. As at the date of this PDS, we have not granted any prior ranking security interests. The only claims that rank ahead of the first-ranking general security interest given to our Supervisor are those given preference by law, such as tax.

Except as set out above, the Trust Deed prevents us from creating any security interest over our assets which ranks in priority to, or equally with, the security interest granted to our Supervisor. In addition, the Trust Deed requires us to:

- maintain our capital ratio at 10% or more, as measured against our risk-weighted assets;
- ensure our aggregate exposure to related parties does not exceed 5% of capital (and in practice, while it is not required by the Trust Deed, we will aim to limit our aggregate exposure to related parties to no more than 2% of capital, and we will not provide any loans to related parties);
- ensure our exposure under financing receivables to any one debtor or related group of debtors does not exceed the greater of 20% of our total tangible assets or \$2 million, with the maximum permitted exposure reducing to 10% of our total tangible assets (without the \$2 million alternative threshold) from 1 July 2026; and
- provide a monthly liquidity report to our Supervisor, and to manage our liquidity so that our forecast liquidity for the next three months is always positive. In addition, we have agreed with our Supervisor (outside of the Trust Deed) that we will manage our liquidity so that our forecast liquidity coverage ratios (LCRs) included in our monthly liquidity reports under the Trust Deed are not less than 1.10, 1.07 and 1.05 for months 1, 2 and 3.



The terms used in these covenants, and the calculations under these covenants, are in accordance with the Trust Deed and the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.

The diagram below illustrates the ranking of the secured deposits in the event of a liquidation of Welcome:

	Ranking	Examples of liabilities	Indicative amount (see explanation below)
High ranking/ earlier priority  	Liabilities that rank in priority to the secured deposits on a liquidation of Welcome	Liabilities owed to preferential creditors, any permitted prior security interests, and our Supervisor's costs, fees and expenses, including where the liability arises after secured deposits are issued.	\$20,000
	Liabilities that rank equally with the secured deposits on a liquidation of Welcome	Secured deposits will rank equally with all secured deposits issued by Welcome, regardless of when they are issued (meaning further liability can arise after particular secured deposits are issued).	\$16,000,000
	Liabilities that rank below the secured deposits on a liquidation of Welcome	Lower ranking creditors, such as unsecured creditors.	\$160,000
Lower ranking/ later priority	Equity	Any surplus assets after paying all creditors in full, which can be distributed to our shareholders.	\$2,100,000

Once a balance date has been completed, a ranking diagram, including indicative amounts based on Welcome's financial position as at our most recent balance date, will be available online on the *Disclose* register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) (search for "Welcome" in the offer register section of *Disclose*).

#### *How the indicative amounts of assets, liabilities, and equity have been calculated*

The indicative amounts in the diagram above, and the estimated amount of the liability secured by our Supervisor's security interest and the total value of the assets subject to our Supervisor's security interest on page 17, are based on Welcome's financial position as at the date of this PDS, adjusted to reflect the change in the value of our assets and liabilities that we reasonably expect to result from the issue of secured deposits under this PDS.

The indicative amounts are calculated on the assumption that we issue \$16,000,000 of secured deposits under this PDS. The purpose of this offer is to raise funds from depositors by way of secured deposits to be used to fund our lending operations, with those loans (and any cash held for liquidity, pending loans being made, and for working capital) becoming an asset. As a result, any change in the estimated liabilities if a greater or lesser amount of secured deposits is issued is expected to be matched by a corresponding change in our estimated assets.

These amounts are unaudited and reflect an assumed snapshot of time whereas this is a continuous offer under which the amount raised by secured deposits, and the amounts of our assets, other liabilities, and equity, will change from time to time. As a result, no significant reliance should be placed on these amounts when making an investment decision.

## **Guarantees**

The secured deposits are not guaranteed by any party. Welcome is solely responsible for repayment of the secured deposits and the related returns.

## 5. Risks of Investing

### General risks

Your investment is subject to the general risk that, if we experience significant losses through our lending, we may become insolvent and may not be able to meet our obligations to depositors to pay interest or to repay the principal amount of secured deposits in part or in full.

### Specific risks relating to Welcome's creditworthiness

Should the following risks arise, the likelihood that we may default on our payment obligations under the secured deposits would significantly increase:

RISK	EXPLANATION
CREDIT RISK	<p>Credit risk is principally the risk that we are not able to recover loans in full from our borrowers.</p> <p>We rely on our borrowers to repay their loans and to make interest payments on their due date. If a borrower or several borrowers default by not paying interest instalments when due or by failing to repay the loan balance at the end of the loan term, and we are unable to recover the full amounts owing from the sale of security property or taking other recovery action, there may be insufficient funds to fully repay holders of secured deposits.</p> <p>While our lending will be geographically spread throughout New Zealand, concentrations of lending can be expected in main centres. A significant downturn in those regions (leading to a reduction in the value of properties over which we hold first mortgage security) could increase this risk.</p> <p>In addition, we anticipate undertaking some development and construction lending. Any such lending will be undertaken within strict parameters designed to manage risk. However, credit risk is inherently higher for this type of lending. In particular, a failure to complete a project can mean that a sale of the incomplete development does not recover the full amount of the loan funding advanced on it.</p> <p>Credit risk is a particular risk due to the nature of our business activities and the risk is elevated during our initial growth phase, while we develop a larger and more diversified portfolio of loans. This is because a larger and more diversified portfolio helps to mitigate the potential impact of losses on one or a small number of loans.</p> <p>We manage this risk by adhering to strict credit approval policies and loan portfolio exposure limits. All loan applications are subject to careful assessment. Once approved in accordance with our credit policy, all loans are managed and reviewed on an ongoing basis.</p>

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CREDIT RISK  
CONT'D

In addition, we restrict our exposure to any one borrower or group of closely related borrowers and will maintain at least the minimum capital ratio required by the Trust Deed. This provides a financial buffer to absorb any lending losses that may be incurred before holders of secured deposits suffer any loss.

For more information, refer to *credit and lending policies* in Section 3 of this PDS (*Welcome and What it Does*).

Credit risk is also the risk that we suffer a loss on other investments held, such as cash or cash equivalents held with a registered bank for liquidity, pending loans being made, or for working capital. We consider such a loss to be unlikely, but if this occurred it could have a significant impact and may mean we are unable to fully repay holders of secured deposits.

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LIQUIDITY  
RISK

Liquidity risk is the risk that we do not have sufficient liquid funds to meet our financial commitments as they fall due. This includes repaying secured deposits as they mature and paying interest as it falls due.

Our ability to meet our payment obligations is connected to the loans we make and to our ability to obtain a flow of new secured deposits. A liquidity mismatch may occur if our loans and other investments have a longer term than our liabilities, meaning we may not receive repayments on our loans in time to meet our payment obligations. In addition, if reinvestment rates or borrower repayments are less than forecast, there is a risk that we may not have enough cash on hand at any one time to pay depositors in a timely manner. This is a particular risk due to the nature of our business activities.

We manage liquidity risk by actively managing the maturity profile of our assets and liabilities, ensuring there are sufficient funds available to meet our financial obligations as they fall due. We aim to maintain consistent reinvestment rates and new investment inflows to meet our financial commitments.

The Trust Deed requires us to provide a monthly liquidity report to our Supervisor, and to manage our liquidity so that our forecast liquidity for the next three months is always positive. In addition, we have agreed with our Supervisor (outside of the Trust Deed) that we will manage our liquidity so that our forecast liquidity coverage ratios (LCRs) in our monthly liquidity reports are not less than 1.10, 1.07 and 1.05 for months 1, 2 and 3.

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INTEREST  
RATE RISK

Interest rate risk is the risk that interest rates will change, increasing or decreasing the cost of borrowing or the profitability of our lending.

Our profitability depends on maintaining an appropriate margin between the cost of funds we raise from holders of secured deposits (and any other funding we have) and the interest and fees we receive from borrowers. Ultimately, if our business is unprofitable it could result in us becoming insolvent and being unable to fully repay holders of secured deposits.

We manage interest rate risk by offering primarily fixed rate deposits and loans and by constantly managing and monitoring interest rate margins, aiming to match lending and secured deposit rates to achieve an appropriate margin.

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OPERATIONAL  
RISK

Operational risk is the risk that inadequate or failed procedures, systems or policies give rise to either financial loss or damage to our reputation and standing in the marketplace. This could result from, by way of example, a cybersecurity incident or IT systems failure. It could also occur if there is a failure affecting some of our key service providers, such as our registrar.

As a new business, we have a relatively small team and therefore rely heavily on the competency and availability of each team member and our systems. In addition, some of our functions are provided by third parties and we are reliant on them providing services to us to the required standard.

A material or sustained loss of confidence in our business could result in a reduction in our ability to attract or retain access to secured deposit funding, or new business from borrowers. This could have a material and adverse effect on our financial condition and ultimately affect our ability to fully repay holders of secured deposits.

We manage and seek to mitigate operational risk by ensuring tested procedures and robust systems are in place and reflect industry best practice. These procedures and systems are regularly reviewed. We also carefully monitor the performance of services by third parties, and will take action where the required standard of performance is not met.

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REGULATORY  
RISK

Regulatory risk is the risk associated with regulatory change or intervention.

The financial services industry is heavily regulated and we are required to comply with various legal obligations across our business. A material failure to comply with these requirements could result in damage to our reputation and/or expose us to financial and/or other penalties.

Severe reputational damage and/or large financial penalties could increase withdrawal rates and decrease reinvestment rates, which could have a material and adverse effect on our financial condition. This could ultimately affect our ability to fully repay holders of secured deposits.

Any change to existing laws, or the introduction of new laws, could result in additional legal requirements being imposed on us and/or result in increased costs for us. This is a particular risk at present, due to the transition to the Deposit Takers Act 2023 which will replace the Non-bank Deposit Takers Act that we currently operate under.

We manage regulatory risk through our risk management programme and through the engagement of experienced independent compliance and legal experts.

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CONDUCT  
RISK

Conduct risk is the risk of financial loss or reputational damage arising from inappropriate actions or behaviours within our business or involving our intermediaries. This risk encompasses various forms of misconduct, including unethical behaviour, conflicts of interest, non-compliance with laws, and breaches of professional standards.

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CONDUCT  
RISK CONT'D

Conduct risk is a particularly significant risk in the financial services sector, in part due to extent of regulation imposed on our operations as a financial institution licensed for conduct purposes by the Financial Markets Authority.

Misconduct could result in significant consequences for us, by causing damage to our reputation and/or exposing us to financial and/or other penalties. Severe reputational damage and/or large financial penalties could increase withdrawal rates and decrease reinvestment rates, which could have a material and adverse effect on our financial condition. This could ultimately affect our ability to fully repay holders of secured deposits.

We manage and seek to mitigate conduct risk through rigorous compliance programs, ethical codes of conduct, appropriate training, and ongoing monitoring of behaviour. Additionally, we have clear policies and procedures to address and prevent potential instances of misconduct, with swift disciplinary action taken when necessary.

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KEY PERSON  
RISK

Key person risk is the risk associated with reliance on key persons within our business. We have a relatively small team and rely on key personnel, notability our senior management team, to be able to efficiently operate our business. Should a number of staff be unavailable for a period of time, or leave our business, there is a risk that operations could be impacted until suitable replacements are identified.

We manage and seek to mitigate this risk through the development of comprehensive procedures, processes, and controls across key areas of our business, and in some cases we may seek to mitigate this risk and encourage alignment of interests by way of a shareholding interest in Welcome's holding company. In addition, we mitigate this risk by outsourcing some key functions to third parties. This includes our registrar, and the use of Tumu Merchants Limited to provide support functions such as accounting services.

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## 6. Tax

Your investment in secured deposits is subject to tax. New Zealand residents will have resident withholding tax deducted from interest that is payable on the secured deposits.

We are not required to deduct withholding tax if you hold an exemption. If you hold an exemption, you are required to notify us. You are also required to notify us if you held an exemption but it is withdrawn.

We are an approved issuer for the purposes of the approved issuer levy regime. If you are not resident in New Zealand for tax purposes and are not engaged in business in New Zealand through a fixed establishment in New Zealand, and you seek our prior agreement, then we will deduct the approved issuer levy, instead of non-resident withholding tax, from the gross interest payable to you.

We have appointed Adminis to process the deduction and payment of resident withholding tax on our behalf.

There may be other tax consequences from acquiring or disposing of secured deposits.

If you have any queries relating to the tax consequences of your secured deposit, you should obtain professional advice on those consequences, which is specific to your circumstances.

## 7. Who is Involved?

	Name	Role
Issuer	Welcome Limited	Issuer of the secured deposits
Supervisor	Covenant Trustee Services Limited	Provides independent monitoring and oversight of Welcome, in relation to the secured deposits, under the Trust Deed and applicable law
Registrar	Adminis Limited	Maintains the register of holders of secured deposits, operates the Wallet facility, facilitates the payment of interest, and will deduct resident withholding tax for payment to the Inland Revenue Department
Auditor	PwC	Conducts an independent audit of our annual financial statements, and our register
Solicitors	Anthony Harper	Our legal advisers with respect to this offer and our secured deposits, and other regulatory matters

## 8. How to Complain

Any complaints about the secured deposits can be made to us, our Supervisor, our approved dispute resolution scheme, or the Financial Markets Authority.

In the first instance complaints should be made to Welcome's Managing Director:

Level 1, 24 Porter Drive  
Havelock North 4130

Phone: 0800 WELCOME (0800 935 2663)  
Email: [info@welcome.co.nz](mailto:info@welcome.co.nz)

If you are still not satisfied, you may complain to our Supervisor:

Covenant Trustee Services Limited  
Level 6, 191 Queen Street  
PO Box 4243, Shortland Street,  
Auckland 1140

Phone: 09 302 0638  
Email: [team@covenant.co.nz](mailto:team@covenant.co.nz)

You may refer your complaint to Financial Services Complaints Ltd (**FSCL**) – a Financial Ombudsman Service. FSCL is our independent external ombudsman and dispute resolution service that has been approved by the Minister of Consumer Affairs under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. FSCL's service is free of charge to you. You can contact FSCL at:

Level 4  
101 Lambton Quay  
PO Box 5967  
Wellington 6145

Phone: 0800 347 257 or 04 472 FSCL (472 3725)  
Email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

Complaints can be made to the Financial Markets Authority through its website, [www.fma.govt.nz](http://www.fma.govt.nz).

## 9. Where You Can Find More Information

Further information relating to Welcome and the secured deposits is available on the *Disclose* register (for example, financial statements). A copy of the Trust Deed may also be obtained from the *Disclose* register. The *Disclose* register is at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz) (search for "Welcome" in the offer register section of *Disclose*) and the information can be obtained on request by you to the Registrar of Financial Service Providers.

The following information will be sent to you by email regarding your secured deposit:

- when your application has been accepted by us you will be sent confirmation of the investment details;
- statements of interest and any withholding tax deductions whether interest is paid or compounded (as a minimum you will be sent a statement quarterly); and

- advance notice of the maturity of any term deposit.

We operate an investor portal where you can find up-to-date information about your secured deposit such as the principal amount, maturity date and the next date on which interest is payable. You can also use the investor portal to view account history and other information about your investment. You can access our investor portal at [www.welcome.co.nz](http://www.welcome.co.nz). Our website also includes other useful information about us, and our products and services.

As well as accessing them on our website, you are entitled to request from us:

- a copy of our most recent financial statements;
- a copy of the current PDS; and
- certain information concerning your secured deposit(s) (such as the principal amount, maturity date and the next date on which interest is payable).

The information is available to you free of charge by contacting us using our details listed in Section 11 of this PDS (*Contact Information*).

## 10. How to Apply

To apply for a secured deposit, you need to complete an application form and return it to us, together with the supporting documents referred to in the form.

An application form accompanies this PDS, and an online version can be found at [welcome.co.nz](http://welcome.co.nz). You can request additional application forms by contacting us.

Investments are made via your Wallet held with Adminis, our registrar. Once you have completed our investor onboarding process and we have opened an account for you, we will provide you with the details needed to deposit money into your Wallet. You can then use amounts held in your Wallet to invest in secured deposits.

## 11. Contact Information

Contacting Welcome	Contacting the registrar
<p>Welcome Limited Level 1, 24 Porter Drive Havelock North 4130</p> <p>Website: <a href="http://welcome.co.nz">welcome.co.nz</a> Email: <a href="mailto:info@welcome.co.nz">info@welcome.co.nz</a> Phone: 0800 WELCOME (0800 935 2663)</p>	<p>Adminis Limited Level 1, 125 Featherston Street Wellington 6011</p> <p>Website: <a href="http://adminis.co.nz">adminis.co.nz</a> Email: <a href="mailto:enquiries@adminis.co.nz">enquiries@adminis.co.nz</a> Phone: 04 909 7655</p>



welcome.co.nz

0800 WELCOME (0800 935 2663)  
24 Porter Drive, Havelock North 4130  
PO Box 2308, Hastings 4156

