



Prometheus Profile

Prometheus News

The global financial meltdown and recession has created a lot of negative news but there are some bright spots and one is a big increase in the interest in socially-responsible finance. Two of our sister institutions in Europe who support Prometheus with investment – Triodos Bank and GLS Gemeinschaftsbank – are seeing huge growth as people turn away from the traditional banks.

Prometheus has been at the forefront of socially-responsible finance in New Zealand for 25 years. Seeing this general interest but difficult local conditions for increasing savings, we are launching two new initiatives featured in this newsletter.

- A partnership account with the Soil & Health Association, publishers of Organic NZ
- A donor-advised giving service, a first for New Zealand, aimed at making charitable giving much easier

We hope you enjoy reading about these and if you want to find out more contact us and we will send you more information.

Savings on track Total savings stood at \$14.0 million at the end of July. We're satisfied with this for the moment. It's close to the level when we joined the Government Deposit Guarantee Scheme in October 2008. Membership of the scheme provides reassurance to depositors but it is expensive for Prometheus should we push for growth and so we are watching how this is likely to develop as we get closer to its review in October 2010.

Lending slips back Loans were \$7.9 million at the end of July down from \$8.6 million at the start of the year. This is to be expected with the recession and the greater cautiousness people are showing towards new projects.

We continue to look for new opportunities to lend and welcome applications from soundly-based projects with good security. There is increasing speculation that the economy is starting to pick up again and we expect to see an increase in loan applications over the next year.

Outlook It hasn't been easy to be a finance company over the last year or so. A third have disappeared and this was mainly *before* the credit crisis. We're pleased we've stayed steady and stable through this time and we're encouraged that the general interest in socially-responsible finance is growing in New Zealand. People are looking for new ways to work and we think now is the time for careful new initiatives which build on this interest. So watch this space for further changes over the year to come.

A new partnership for organics

At Prometheus, we've worked for years lending to all sorts of organic and bio-dynamic projects. Farming, growing, distribution and shops – from field to table, everything needed to get good food grown with respect for the environment and into the shops so it can be sold and eaten. Borrowers like Ceres which is seeing increasing growth importing and distributing organic food around the country into local shops and supermarkets; like Wairuna Organics growing a wide range of organic vegetables in the deep south; like Piko Wholefoods, retailing organic food in Christchurch. They're all contributing to a real organic future for New Zealand

We wanted to take this further and have been working with the Soil & Health Association, publishers of Organic NZ, one of the main sources of news and information for organics – and a member of OANZ, the umbrella body for the development of organic growing and food. And so we're setting up the Organic Saver account with them.

Open an Organic Saver account and your savings will earn a good return and be targeted to organic and bio-dynamic projects. And we will pay Soil & Health just over 4% of all interest we pay to savers using the account. So your money is used for organic projects and Soil & Health will get funds to support their important work.

We're launching the account at the OANZ national conference in November (see their web site www.oanz.org.nz if you're interested in going). We hope it will mirror what our sister bank, Triodos Bank, set up with the Soil Association in the UK, providing significant funding over many years to help the development of organics.

If you're interested, phone us on 0800 776 648 and we'll send you more information.



Farmers' Markets help increase the quantity of organic produce being sold to the public. Healthy organic greens destined for a local organic box scheme.

Sharing knowledge and being part of a community.

Donor-advised giving

Prometheus has worked for years with 'loan' money – savings from depositors which are then lent on to our many borrowers. But many of the people who approach us for funding need 'gift' money – grants and donations. They might be an arts group performing for children, or an environment centre providing information and courses for people, or a school setting up new facilities, or a health centre providing a free service for the local community. The list is long and the needs many. And in these difficult times, the needs are growing. We've usually not been able to help other than to point them in the direction of trusts and foundations who provide this sort of funding.

Some of our sister organisations overseas have worked successfully over many years with gifts as well as savings and loans. One of them is RSF Social Finance based in San Francisco. They were a pioneer in donor-advised giving. Their idea was that they should be a channel for people who wanted to give to projects which needed gifts – gift banking similar to the loan banking which Prometheus does. We've channelled savings to projects which need loans. This new service will channel gifts to projects needing grants and donations.

This has grown enormously in the US over the last 20 years and is now a multi-billion dollar activity providing essential funds for many charities. They have a huge culture of giving. We think we can do something similar here. Kiwis are generous too, but this has been more in their *time* – Kiwis are great volunteers. But often projects need money as well in the form of grants and donations and so we want to provide a channel for those who can and want to *give* money. This can be for local projects, for national charities or even international activities. Many small gifts will often do what's needed. This is what we want to target.

So we have set up a new charity – Prometheus Gifting Foundation – which will offer people gift accounts where they can make a donation to be held till they decide to which specific activities and projects it should go. We already have some first gift account holders including a first large donation of over \$3 million. This will be used over several years to fund new activities in New Zealand.

November launch

We expect to launch the service fully in November but if you are interested get in touch now and we will send you information about the various services we will be offering.

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How does it work?

You open a gift account with Prometheus. That holds the money till you decide where you want it to go. That can be anything charitable, entirely your own choice. And, if you want that, we'll send you regular information about activities looking for funding.

Once paid in, you can't get your money back because paying into your gift account is making a charitable gift, but you do get a tax credit straight away for the full amount you've paid whether it's passed on to a charity immediately or later - and later can mean as long as you like. That means anyone paying tax will get back \$33.33 for every \$100 they put into their gift account.

We'll do the work to make sure that you are giving to approved charities, we'll give you annual statements showing where your money has gone, we'll give you the forms needed to reclaim the tax - which will be one form not many - and there are no fees or charges unless you want to make a gift to an overseas charity and there's extra expense involved.

You can also be anonymous or acknowledged in any gift. It's up to you.

You'll also get a special newsletter telling you about charities looking for funding, but the money is under your control: you say where it should go so long as it's to a charity.

Want to set up your own foundation?

Setting up your own foundation has really been for the relatively wealthy to date. Lawyers and accountants, setting up the entity, running it - all this costs money which eats up what's available for the causes you want to support. The basic idea is simple: set up something charitable under your control which will invest the funds and provide income for activities you want to see prosper.

We've been approached by lots of people who want to do this but have had nothing to offer until now. Gift accounts have provided this overseas and we can do it here with this new development, cost effectively and providing services which standalone trusts would not have - information on charities and areas needing funding, simple administration, checking that donations fulfil charitable rules. Foundations can be anonymous or acknowledged in their giving. The tax benefits can be managed effectively.