



NZF
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GENERAL

New Zealand Finance announces two more significant funding lines.

New Zealand Finance Holdings Limited (NZX-NZF) has secured two significant lending facilities.

The first, Commonwealth Bank of Australia (owner of ASB Bank Limited) has approved a new finance facility of \$40 million for New Zealand Finance Limited.

The second facility, with Westpac, increases the warehouse line by \$50 million to \$250 million in the name of NZF Mortgages Limited.

John Callaghan, Managing Director, says, "The fact that two major trading banks in this financial climate are prepared to support New Zealand Finance shows the strength of our loan book and the confidence they have in our management team and the governance by our Board.

"These facilities give NZF more liquidity as debenture flows are affected by a lack of confidence in the industry as more finance companies fail.

"On a positive note it also allows NZF to continue its growth. It means we can take advantage of profitable lending opportunities which arise as many of our competitors are simply unable to fund new business," ended Mr. Callaghan.

Adds Chairman, Richard Waddel, "The CBA funding line for \$40 million ranks equally with debenture holders, unlike some other companies which have facilities which rank ahead of debenture holders. Of note too, is the fact that the interest rate which NZF has to pay CBA is slightly less than NZF pays to its debenture holders.

"This new credit line coupled with cash reserves means that NZF has one of the strongest liquidity profiles for any finance company in New Zealand.

Mr. Waddel ended, "The Group will continue to pursue its policy of low risk property based lending while the new facilities allow the Group to continue with its expansion program."

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