A:

(NZF) : NZF Group Limited

Results for announcement to the market

Reporting Period	6 months to 30 September 2009
Previous Reporting Period	6 months to 30 September 2008

	Amount (000s)	Percentage change
Revenue from ordinary activities	$16,799	-21.5%
Profit from ordinary activities after tax attributable to security holders.	$1,995	57.1%
Net profit attributable to security holders	$1,995	57.1%

Interim Dividend	Amount per security	Imputed amount per security
No interim dividend has been declared for this reporting period.	$0.0000	$0.00000
NZF has no dividend reinvestment plan currently in operation.		

Record Date	N/A
Dividend Payment Date	N/A

Comments:

The Group is pleased to announce its six monthly results to 30 September 2009 with a net operating profit before tax of $2.877m which compares with a net loss before tax of $4.834m for the full twelve months ended 31 March 2009.

Managing Director, John Callaghan said it is pleasing to announce the profit turnaround at a time when most others in the industry have only been able to disclose bad news. The result includes a write back of previously impaired loans and a net gain on interest rate swaps.

It is important to understand that the write back of impaired loans means that we took a very conservative view on the possible losses from impaired loans in March. However, we have been able to dispose of troublesome assets at much better prices resulting in a write back of some of the impairment allowance.

The gain on interest rate swap contracts relates to the Group’s home loans which was signaled in the annual address to shareholders in August 2009 that a positive movement in financial instrument valuations had started to occur and this has in fact eventuated.

Although the overall result is a testament to the conservative approach the Group adopts, conditions still remain difficult and it will be a challenge to continue to produce consistent results.

Despite the difficult conditions, total assets increased by 6.9% to $301.654m and the bulk of this growth has been achieved in the home loans division.

No dividend has been declared as it is considered more prudent to retain cash in the current market conditions.

B: NZF Group Limited
Preliminary announcement for the half year ended 30 September 2009

Preliminary **half year** report on consolidated results (including the results for the previous corresponding half year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on unaudited financial statements.

The accounting policies used in the preparation of these financial statements are consistent with those used in the interim financial statements for the six months ended 30 September 2008 and in the audited financial statements for the year ended 31 March 2009.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

C: Consolidated Income Statement

	Sep-09 $NZ '000	Up / Down %	Sep-08 $NZ '000
Interest income	12,310		14,781
Interest expense	(10,392)		(12,089)
Net interest income	**1,918**	**-28.7%**	**2,692**
Fee and commission income	4,360		6,475
Fee and commission expense	(2,430)		(2,725)
Net fee and commission income	**1,930**		**3,750**
Franchise sales, rent receivable and other income	**129**		**141**
Total net operating income	**3,977**	**-39.6%**	**6,583**
Bad debts written off	**(187)**		**(64)**
Movement in loan impairment allowances	**1,269**		**(61)**
Net gain/(loss) on interest rate swap contracts	**1,603**		**(388)**
Operating expenses and staff costs	**(3,785)**	**-9.0%**	**(4,162)**
Operating profit before income tax	**2,877**	**50.8%**	**1,908**
Income tax expense	(864)	**47.1%**	(587)
Operating profit after income tax	**2,013**	**52.4%**	**1,321**
Profit for the period	**2,013**	**52.4%**	**1,321**
Profit attributable to minority shareholders during the period	(18)	**-64.7%**	(51)
Profit attributable to equity holders of the Company	**1,995**	**57.1%**	**1,270**

	Cents	***Cents***
Earnings Per Share:		
Basic and Diluted	**2.60**	**1.66**
Operating Profit After Income Tax and Minority Interests	**2.60**	**1.66**

D: Consolidated Balance Sheet

	Sep-09 $NZ '000	Up / Down %	Sep-08 $NZ '000
Assets			
Cash and cash equivalents	8,872		6,662
Derivative assets held for risk management	0		172
Loans and advances to customers	269,003		252,119
Trade and other receivables	1,515		2,118
Current tax assets	205		524
Property, plant and equipment	653		854
Intangible assets	16,696		16,710
Deferred tax asset	1,288		304
Other assets	3,422		2,816
Total assets	**301,654**	**6.9%**	**282,279**
Liabilities			
Trade and other payables	2,392		2,210
Derivative liabilities held for risk management	2,394		186
Term loans	191,900		188,203
Capital notes	20,050		20,050
Unsecured subordinated notes	0		234
Secured debenture stock	63,664		45,670
Other liabilities	539		838
Total liabilities	**280,939**	**9.1%**	**257,391**
Net assets	**20,715**	**-16.8%**	**24,888**
Equity			
Share capital	7,503		7,503
Retained earnings	13,301		16,395
Hedge accounting reserve	(590)		0
Total equity attributable to equity holders of the Company	**20,214**		**23,898**
Minority interest	**501**		**990**
Total equity	**20,715**	**-16.8%**	**24,888**
	Cents		***Cents***
Net tangible assets per share (excluding intangible assets)	**5.24**		**10.67**

E: Statement of Changes in Equity

	Sep-09 $NZ '000	Up / Down %	Sep-08 $NZ '000
Profit for the period	**2,013**		**1,321**
Hedge accounting reserve	648		0
Distributions to owners	0		(767)
Minority shareholders	(32)		0
Movements in equity for the period	**2,629**		**554**
Equity at start of the period	**18,086**		**24,334**
Equity at end of the period	**20,715**	**-16.8%**	**24,888**

F: Consolidated Statement of Cash Flows

	Sep-09 $NZ '000	Up / Down %	Sep-08 $NZ '000
Net profit for the period	2,013		1,321
Add/(Less):			
Depreciation of property, plant and equipment	88		111
Loss on sale of property, plant and equipment	15		1
(Decrease)/increase in collective and specific loan allowances	(1,269)		61
Bad debts written off	187		64
Net increase in loans and advances to customers	(9,209)		(6,538)
Net (increase)/decrease in derivative assets and liabilities held for risk management	(1,729)		388
Increase in accounts receivable and other assets	(101)		(14)
Increase/(decrease) in accounts payable and other liabilities	61		(550)
Decrease in current tax assets	329		272
Decrease/(increase) in deferred tax asset	666		(111)
Net cash flow from operating activities	**(8,949)**	**-79.2%**	**(4,995)**
Net cash flow from investing activities	**(29)**		**(97)**
Net cash flow from financing activities	**9,954**		**(307)**
Net increase/(decrease) in cash held	**976**		**(5,399)**
Opening bank balance	**7,896**	**-34.5%**	**12,061**
Closing bank balance	**8,872**	**33.2%**	**6,662**
Made up as follows:			
Bank accounts	**8,872**	**33.2%**	**6,662**

G: Material Acquisition of Subsidiaries

N/A

H: Material Disposal of Subsidiaries

N/A

I: Material Investment in Joint Venture

(a) Name of joint venture	MPMH Limited
(b) Percentage of ownership acquired	50%
(c) Contribution to consolidated profit for the period	$89,068
(d) Date from which such contribution has been calculated	1/04/2009
(e) Contribution to consolidated profit for the previous corresponding period	$62,135
(f) Date from which such contribution has been calculated	1/04/2008

J: Issued and Quoted Securities at End of Current Period

Category of Securities Issued	Number	Quoted
ORDINARY SHARES:		
Total number of shares in issue	76,666,668	76,666,668
Issued during the current half year	-	-

K: Comments by Directors

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

(a) Material factors affecting the revenues and expenses of the group for the current full year or half year

Refer to Commentary in Section A.

(b) Significant trends or events since the end of the current full year or half year

None.

(c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed

None.

(d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

Impairment losses on loans and advances

An impairment allowance is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due according to the original contractual terms will not be collected. When a loan has been identified as impaired, the carrying amount of the loan is decreased by recording specific allowances for the loss to reduce the loan to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

There are two methods in assessing loans for impairment as follows:

Specific loan assessment

At each reporting date the Group reviews individually significant loans for evidence of impairment. All relevant information, including the economic situation, solvency of the customer/guarantor, enforceability of guarantees, current security values and the time value of future cash flows are taken into account in determining individual allowances.

Collective assessment

At each reporting date loans that have been individually assessed but no objective evidence of impairment existed and loans that are not considered individually significant (e.g. small business loans) are pooled in similar credit risk groups. These groups are then assessed for impairment based on historical loss experience of assets with similar risk characteristics. The historical loss experience is then adjusted for the impact of current observable data.

Management regularly reviews and adjusts the methodology and assumptions for impairment testing as improved analysis becomes available to minimise any differences between loss estimates and actual loss experience.

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated.

(e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

Refer to Commentary in Section A.

26 November 2009

(signed by) Authorised Officer of Listed Issuer

(date)

SEGMENT INFORMATION
HALF YEAR ENDED 30 SEPTEMBER 2009

		TOTAL ASSETS $'000	TOTAL REVENUE $'000	PROFIT FOR THE PERIOD $'000
FINANCE				
Group Continuing Operations	**30/09/2009**	**280,336**	**13,482**	**3,901**
Group Continuing Operations	30/09/2008	261,951	17,341	3,067
MORTGAGE AND INSURANCE BROKING				
Group Continuing Operations	**30/09/2009**	**1,943**	**799**	**116**
Joint Venture Continuing Operations	**30/09/2009**	**15,365**	**2,409**	**128**
		17,308	**3,208**	**244**
Group Continuing Operations	30/09/2008	2,079	1,263	17
Joint Venture Continuing Operations	30/09/2008	15,660	2,759	90
		17,739	4,022	107
OTHER BUSINESS AND CORPORATE COSTS	**30/09/2009**	**4,010**	**109**	**(1,268)**
	30/09/2008	2,589	34	(1,266)
GROUP	**30/09/2009**	**301,654**	**16,799**	**2,877**
	30/09/2008	282,279	21,397	1,908
INCOME TAX EXPENSE	**30/09/2009**			**(864)**
	30/09/2008			(587)
OPERATING PROFIT AFTER INCOME TAX	**30/09/2009**			**2,013**
	30/09/2008			1,321
PROFIT FOR THE PERIOD	**30/09/2009**			**2,013**
	30/09/2008			1,321
ATTRIBUTABLE TO MINORITY SHAREHOLDERS	**30/09/2009**			**18**
	30/09/2008			51
ATTRIBUTABLE TO EQUITY SHAREHOLDERS	**30/09/2009**			**1,995**
	30/09/2008			1,270