

NZF
GENERAL
15 June 2010

NZF Group (NZF) closes its inaugural NZ\$100m issue of New Zealand residential mortgage backed securities (RMBS).

NZF Mortgages Series 2010-1 Trust, arranged and lead managed by Westpac, is NZF's first RMBS transaction and the first RMBS transaction in New Zealand since 2007.

Details of the notes are:

Note Class	Issue Amount (NZ\$m)	Rating (S&P)	Estimated WAL (Yrs)	Pricing (3m BKBM Bid +)
A1	87.8	AAA	2.7	175
A2	9.1	AAA	2.7	260
B	2.5	AA-	5.0	Undisclosed
C	0.6	NR	5.0	Undisclosed

The transaction was built around strong reverse enquiry from a small group of institutional investors. NZF have retained a portion of the notes to support the transaction.

The notes are pass-through securities that will be repaid as (borrowers make principal payments on their mortgages/the trust receives principal from the underlying borrowers). The transaction is therefore a key funding tool for NZF, allowing the duration of funding to be aligned to that of the underlying mortgage loans.

The transaction further diversifies NZF's funding base and frees up NZ\$100m for future loan origination.

The notes are backed by mortgage loans to 348 borrowers, secured by 403 properties that are located in New Zealand. All loans benefit from mortgage insurance provided by Genworth Financial Mortgage Insurance Pty Limited.

Key characteristics of the loan pool include:

- weighted average loan size of \$286k
- weighted average seasoning of 28.9 months
- weighted average loan to value ratio (LVR) of 73.4%
- 73.4% principal and interest
- 64.5% fixed rate
- 41.8% low documentation loans to self employed borrowers.

ENDS

For more information please contact:
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A handwritten signature in black ink, appearing to read 'M Lindeque', written in a cursive style.

Malcolm Lindeque
For and on behalf of the board of directors
Company Secretary
NZF Group Limited