

## JULY 2006 NEWSLETTER

Welcome to our newsletter for July 2006.

It has been another eventful month with the apparent demise of one more finance company Western Bay Finance Limited being placed into receivership. Once again, Western Bay was primarily involved second-hand motor vehicle and consumer financing but what is probably more surprising is that there has been very little warning of all three recent collapses. The call for either more regulation or a more rigorous form of continuous disclosure, similar to that which applies to listed companies, will no doubt become louder. Management of NZF would support either or both of these measures but in the meantime would encourage Financial Planners and individual investors to continue to thoroughly research any debenture issuer before committing to any investment.

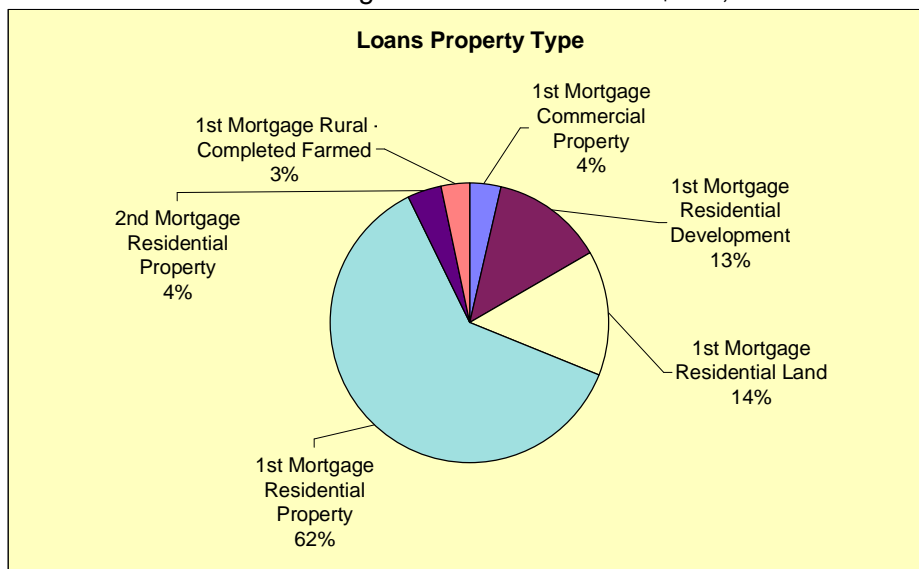
We are pleased to note that the re-investment rate by our existing investors was close to 70% for the month of July, which is considered to be very satisfactory given the continued negative comments surrounding the industry in general. Westpac Institutional Bank recently stated that given the diverse range of participants, the whole sector should not be tarred with the same brush.

New Zealand Finance Limited's subsidiary company NZF Homeloans has \$46.309m residential first mortgages under management through a NZF Mortgages Limited \$100m warehouse facility with Westpac Institutional Bank. This was an increase of \$4.715m for the month of July 2006.

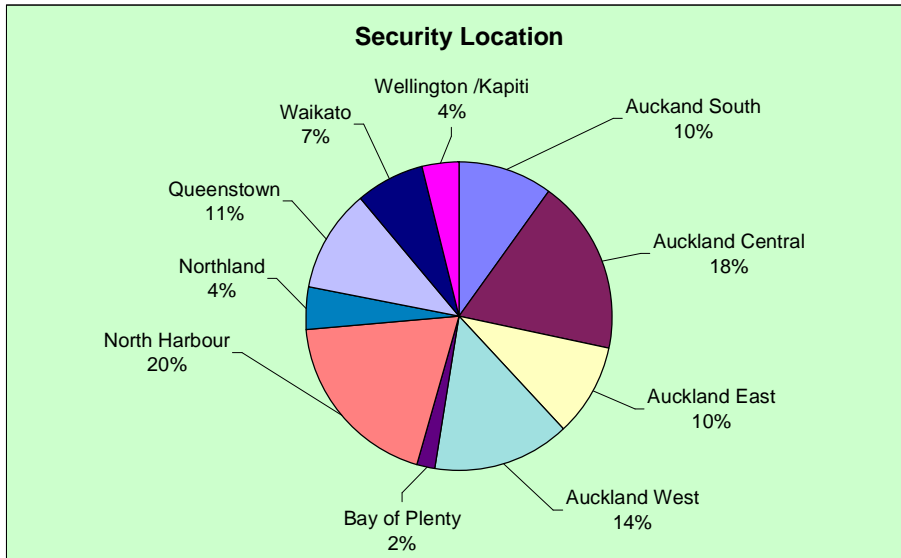
As at 31 July 2006, NZF had loans of \$78,206,198 comprising 141 individual loans, with an average loan size of \$554,653.

### Loan summary as at 31 July 2006

Total number of loans:	141
Total loans advanced:	\$78,206,198
Average loan size:	\$554,653



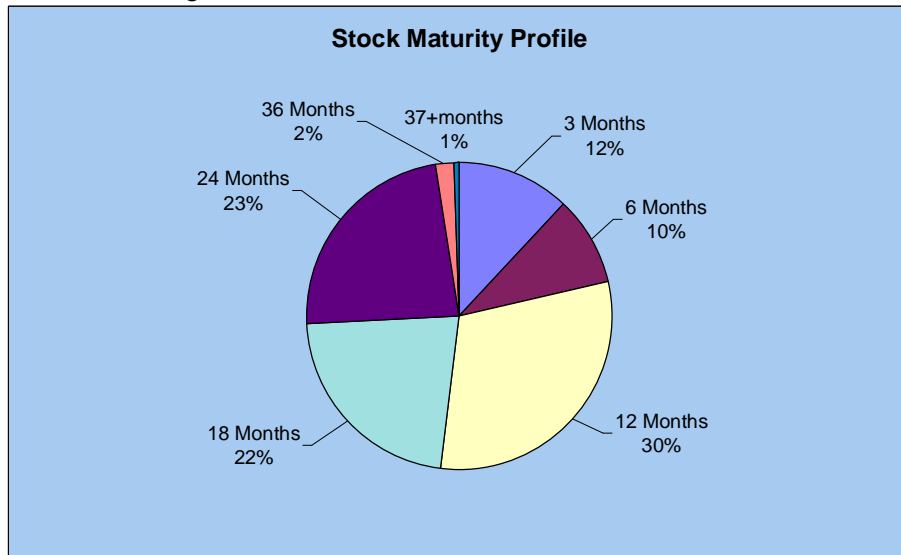
As at 31 July 2006, 96% of loans were secured by first mortgages (66% over existing properties, and 13% over property developments) and the balance of loans secured by second mortgages over existing properties.



As at 31 July 2006 our investor base is made up of 3,680 individual deposits totalling \$70,681,787 with an average deposit size of \$19,207.

### Funding analysis as at 31 July 2006

Total number of investments:	3,680
Total secured debenture stock:	\$70,681,787
Average investment size:	\$19,207



Current Term Investment rates can be found at [Investor Rates](#)

For further information and a copy of our Investment Statement and Application form [click here](#) , or alternatively please contact Susan Gin on **0800 20 70 70**.

We welcome any feedback or queries on these figures.

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