

NZF
GENERAL
12 October 2010

(NZF) NZF Group Limited – Subsidiary companies NZF Money Limited and Finance Direct Limited successfully exit the Crown Retail Deposit Guarantee Scheme.

NZF Group Limited (NZF) is pleased to advise that its wholly owned subsidiary (NZF Money Limited) and 70% owned subsidiary (Finance Direct Limited) have successfully exited the Crown Retail Deposit Guarantee Scheme (RDGS).

The RDGS was established on 12 October 2008 by the Government for a term of two years, to provide confidence and stability within the NZ banking system (as well as the non bank sector) at a time of worldwide financial crisis. NZF Money Limited (NZFM) was one of the first non banks to be accepted into the RDGS, with Finance Direct Limited (FDL) following shortly thereafter.

While the RDGS achieved its objective of stabilising the market, it also had the adverse effect of attracting large numbers of investors only seeking a higher return with a Government guarantee, with absolutely no intention of remaining long term investors. This put unnatural pressure on cash flows nearing the expiry of the guarantee.

NZFM and FDL planned out their cash flows and carefully managed their deposit and lending books to ensure that they could successfully manage the expected net outflow of investors that were taking advantage of the RDGS.

NZFM and FDL would like to thank all long term loyal investors that have remained with them before, during and beyond the expiry of the RDGS.

ENDS



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