



## Press Release

### **New Zealand-Based Allied Nationwide Finance Ltd. Assigned 'BB-/B' Ratings On Weak Stand-Alone Capital; Outlook Negative**

Melbourne, March 1, 2010—Standard & Poor's Ratings Services said today that it has assigned its 'BB-' long-term counterparty credit ratings on New Zealand finance company Allied Nationwide Finance Ltd. (ANFL). At the same time we assigned our 'B' short-term rating. The outlook is negative.

The counterparty credit ratings on ANFL reflect: the finance company's weak stand-alone capital, noting that improvement is anticipated during 2010; recent asset quality deterioration; and that it remains beholden to debenture-holder confidence as a material amount of debenture refinancing is expected between March and October 2010. These factors are offset by its status as a core operating entity within the recently recapitalized Allied Farmers Ltd. (AFL) group, and its business profile being more diverse relative to domestic peers'.

"The negative outlook reflects our view that downside risks to the rating will likely prevail in 2010," Standard & Poor's credit analyst Gavin Gunning said. "We are unlikely to give full credit to AFL's recent recapitalization until valuations underpinning assets purchased from Hanover Finance Ltd. and United Finance Ltd. stand the test of time. Further, Standard & Poor's comfort regarding the current rating depends on AFL's ability to transfer capital from AFL into ANFL. This hasn't happened yet, but is expected in coming months. Negative ratings pressure is unlikely to ease until ANFL navigates debenture refinancing out to October 2010 and until we see meaningful and lasting signs that asset quality is recovering."

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