

# NZX Announcement

2 March 2010

## **ALLIED NATIONWIDE FINANCE – CREDIT RATING ANNOUNCED**

Allied Nationwide Finance Limited, part of the NZX listed Allied Farmers group, confirms that it has obtained a BB- long term counterparty credit rating from Standard & Poor's, with a negative outlook. It has also been assigned a B short term credit rating.

In its media release on the rating, Standard & Poor's Rating Services included the following comments:

"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 (Allied Nationwide's) status as a core operating entity within the recently recapitalized Allied Farmers Ltd (Allied Farmers) group, and its business profile being more diverse relative to domestic peers."

John Loughlin, Chairman of Allied Nationwide said, "This is our first credit rating and it has been undertaken in challenging times. We have a strong incentive to continue to improve our business and strengthen Allied Nationwide's balance sheet in order to demonstrate that we are worthy of the credit rating that we feel we deserve and can achieve."

"Allied Farmers Limited has yet to transfer any assets acquired from Hanover Finance and United Finance into Allied Nationwide. However, the Directors of Allied Farmers have committed to do so, and to provide support to further strengthen the balance sheet and capital position of Allied Nationwide on completion of internal reviews and the necessary external party approvals."

