



**Market Announcement**  
**28 October 2009**

**PGG Wrightson Finance announces intentions with extended Deposit Guarantee Scheme**

PGG Wrightson Finance, New Zealand's largest non-bank financier to the agricultural sector, has indicated its intention to apply to join the Government's extended Deposit Guarantee Scheme in early 2010.

Commenting on the decision, company head Mark Darrow said, "We expect to meet the eligibility criteria by March 2010 once we have finalised our credit rating, which we have scheduled to complete in February 2010, ahead of the new non-bank-deposit-takers regulatory requirements."

"When that is in place, and based on achieving the minimum requirement of a BB rating and other eligibility criteria, we intend to make an application to The Treasury to join the Scheme through to its completion in December 2011," said Mark Darrow.

Initially, we viewed the Extended Scheme as cost prohibitive under the revised pricing structure, and given it is a final transitional arrangement, we supported the opinion that the banks and stronger finance companies would not need to join the scheme. Like others we saw the extended scheme as the final transition back to a more normal market that existed prior to the original Scheme being put in place in October 2008, said Mr Darrow.

"What importantly emerged in our discussions with officials is the ability to offer customers both guaranteed and non-guaranteed deposit products concurrently, with the obvious interest rate differential across the two options, which would essentially cover the cost of the Scheme.

"In that way, we give our investors choice, which is a very positive thing, and makes the scheme cost neutral, although still open to competitive market forces. The timing through to December 2011 is perfect in that it will also give the finance companies and their investors time to get used to the new regulatory environment," said Mr Darrow.

**For further information, please contact:**

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