



24 December 2009

### **PGG Wrightson Finance to offer Excluded Securities**

New Zealand Treasury's recent revision of the Crown Guarantee Scheme allows Finance companies to concurrently offer guaranteed and non guaranteed deposits from 1<sup>st</sup> January 2010. Deposits will be termed "Guaranteed Securities" and "Excluded Securities" respectively.

"This is an important and welcome change to the scheme, in that it allows a much longer and more balanced transition - effectively over two years - away from the Scheme back to business as normal where all companies are judged on their merits without the underpinning cover-all guarantee. If you consider that the fundamental reason for the guarantee scheme in the first place was to support the weaker finance companies and thereby their investors, you could imagine that as one of the larger and stronger companies, we look forward to the ultimate cessation of the scheme. Notwithstanding, we recognise the need to provide stability during one of the worst financial times in recent history" commented head of PGG Wrightson Finance, Mark Darrow.

"By the time the extended Crown guarantee scheme finishes in December 2011, the investor market would have had an extensive period to view the operation of the new NBDT (non-bank-deposit-taker) regulatory framework, which includes much more robust governance, including a compulsory credit rating, independent directors, a detailed risk management program and new capital adequacy requirements. This will provide much higher levels of transparency, surety and comfort for investors."

Over the last 6 months, PGG Wrightson Finance has seen unwavering support from its investor base, with key reinvestment rates being maintained at close to 80%, only once dropping below 65% for a single month over a longer 3 year period.

"The reinvestment rate is a valuable measure for investor confidence, and the continued support from our longstanding loyal clients has been both humbling and very appreciated" added Darrow.

Interest rates for Excluded Securities from 1<sup>st</sup> January 2010, will indicatively be around 1% higher than Guaranteed Securities.

Importantly, it gives investors choice. If they are sufficiently comfortable to invest without the support of a Crown guarantee, then there is a commensurate reward of a higher interest rate, given the finance company does not pay the guarantee fee to New Zealand Treasury.

PGG Wrightson Finance will be one of the first companies to offer both forms of deposit, and has registered a new Prospectus on 21<sup>st</sup> December 2009, to cover the addition of the Excluded Securities.

#### **For more information contact:**

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PGG Wrightson Finance Limited is a subsidiary of PGG Wrightson Limited, New Zealand's only nationwide full-service provider to the agricultural sector. Most of its clients are also parent company clients, for whom the finance products and services comprise a highly important value-added offering.

For a copy of PGG Wrightson Finance's Prospectus and Investment Statement, please call 0800 744 346