

Bulletin:

MARAC Finance Ltd. Rating Unchanged Following Fiscal 2007 Results

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MELBOURNE (Standard & Poor's) Sept. 3, 2007--Standard & Poor's Ratings Services said today that its 'BBB-/Stable/A-3' counterparty credit ratings on New Zealand finance company MARAC Finance Ltd. (MFL) remain unchanged, following MFL's announcement last week of a 7.4% increase in net profit after tax in fiscal 2007 to NZ\$24.9 million.

"MFL's improved earnings for fiscal 2007 have benefited from sound lending volume growth, continued strong asset quality, and maintenance of its operational efficiency," Standard & Poor's credit analyst Craig Bennett said. "However, the company's net interest margin was affected by higher funding costs and may progressively be affected by MFL's increased focus on better credit-quality lending."

Current disruptions caused by the failure of some finance companies, which are being placed in receivership or liquidation, may increase pressure on liquidity and growth in the broader market. However, Standard & Poor's expects that MFL's spread of funding sources, which includes committed bank lines from four banks, a recently introduced securitization program, and retail debentures, will enable the company to contend with these challenges. The ability to access alternative funding avenues provides the company with additional flexibility to manage liquidity, which improves its operational resilience.

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