

**RECEIVERS' THIRD REPORT ON THE STATE OF AFFAIRS
of
ALLIED NATIONWIDE FINANCE LIMITED (IN RECEIVERSHIP)
"ANF" or "the Company"**

**RECEIVERS' THIRD REPORT
FOR THE PERIOD 20 FEBRUARY 2011 TO 19 AUGUST 2011**

1. Introduction

On 20 August 2010 Andrew John Grenfell and Kerry Mark Downey were appointed Joint and Several Receivers and Managers of Allied Nationwide Finance Limited ("ANF" or "the Company") under the security granted under the Trust Deed for Secured Debenture Stock and Unsecured Deposits ("Trust Deed") dated 18 November 1994 in favour of The New Zealand Guardian Trust Company Limited ("the Trustee").

The appointment followed a request from the directors of ANF to the Trustee that a Receiver be appointed.

We set out below our third report on the state of the affairs of the Company as required by section 24 of the Receiverships Act 1993. This report should be read in conjunction with our second report dated 18 April 2011.

2. Disclaimer

This report has been prepared by us in accordance with Section 24 of the Receiverships Act 1993.

It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership pursuant to Sections 26 and 27 of the Receiverships Act 1993. In compiling this report we have relied on information obtained from the Company.

The Receivers' do not accept any responsibility or liability for any errors, omissions or misinformation contained in this report or for any losses occasioned to any party as a result of the circulation, publication, reproduction, or use of this report.

3. Receivers trading

Since receivership, the Company has accepted no new deposits.

A number of ANF staff have been retained to assist with the on-going collection and management of the Company's loan book.

Loans are being collected as they fall due and where necessary enforcement action is been commenced or continued over past due and impaired loans.

4. Proposals for realisation of receivership property

The Receivers' sold the non-performing consumer loan book in April 2011.

The other non performing loans continue to be collected and pursued by ANF staff.

The Receivers have:

1. Completed a sales process for specific loans included within ANF's performing loan book ("ANF Portfolio").
2. Requested expressions of interest on behalf of the board of Speirs Securities Limited ("SSL"), for the performing receivables incorporated in SSL's securitisation vehicle ("SSL Portfolio") to which ANF is administrator.

No satisfactory offers were received for either the ANF Portfolio or the SSL Portfolio from the above processes.

The Receivers' have recently initiated discussions with further interested parties who are currently performing due diligence on the remaining loan books.

5. Receipts and Payments

Attached is a Summary of Receipts and Payments for the six month period 20 February 2011 to 19 August 2011.

6. Amounts owing to the Secured Debenture Holders

At the date of our appointment \$128,079,796 (excluding accrued interest) was owed to Secured Debenture Stock Holders under the Trust Deed. Secured Debenture Stock Holders have been repaid by the Crown under the Retail Deposit Guarantee Scheme. Realisations from the receivership will therefore be used to repay the Crown. We are currently unable to determine to what extent the Crown will be repaid.

Distributions made to the Crown from the date of our appointment to 19 August 2011 and to the date of this report, are as follows:

Distributions to the Crown	
(\$'000)	NZ\$
20 August 2010 to 19 February 2011	17,000
20 February 2011 to 19 August 2011	33,000
Distributions to 19 August 2011	50,000
20 August 2011 to date	10,000
Total distributions to date	60,000

For the avoidance of doubt, the Company's Perpetual Bonds are not eligible for repayment under the Crown Deed of Guarantee. The Perpetual Bonds are subordinated unsecured debt, which means they are excluded, and always have been excluded, from coverage under the Crown Deed of Guarantee.

7. Other security interests

We have not identified any party with a registered financing statement on the Personal Property Securities Register with a claim in priority to the Trustee.

8. Preferential creditors

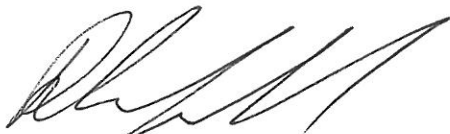
The amounts owing to preferential creditors as at the date of our appointment have been paid in full.

9. Unsecured creditors

It is unlikely there will be any surplus funds available from the realisation of assets to meet the claims of unsecured creditors.

10. Information provided by the company

The employees of the Company co-operated fully in making available the information required by the Receivers to complete this report.



Andrew Grenfell
Receiver and Manager

28 October 2011

Receivers address:

C/- McGrathNicol
Level 17, 34 Shortland Street, Auckland
PO Box 91644, Auckland, 1142

Allied Nationwide Finance Limited (In Receivership)

Summary of Receipts and Payments

For the period 20 February 2011 to 19 August 2011

<i>Amounts include GST (if any)</i>	<u>\$NZ</u> (\$'000's)	<u>\$NZ</u> (\$'000's)
Opening balance 20 February 2011		17,623
Receipts		
Loan receipts	32,865	
Sale of property, plant & equipment	166	
Other income	1,034	
Total Receipts		34,065
Payments		
Debt acquisition	2,700	
Advances to existing borrowers	1,126	
Rent	138	
Salaries & wages (incl PAYE & ACC)	894	
Legal fees - Receivership	162	
Trustee fees	5	
Receivers fees (Including GST)	509	
Other professional services	126	
Other operating costs	384	
Total payments		6,044
Total funds available for distribution		45,644
Distribution to secured/ preferential creditors		
IRD preferential payment	1,385	
Distribution to Crown	33,000	
		34,385
Funds held at Bank at 19 August 2011		11,259

Important Note and Disclaimer:

The Receivers do not accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.