

COMPARISON OF STANDARD PAYOUT WITH FULL PAYOUT - FINANCIAL IMPACTS

SOUTH CANTERBURY FINANCE LIMITED	Standard Payout utilizing Revised Deed <small>A practical payout approach, that is all available mitigation strategies used (use of revised deed).</small>	Full Payout <small>A full payout of all secured debenture holders and those guaranteed under the deed (pre positioned payout).</small>	Savings from full payout
Post Acceleration Interest	\$105m	\$ - m	\$105m
Administration Costs	\$ 10m	\$ 1m	\$ 9m
Interest Gained (Through Slower Payout)	(\$ 50m)	(\$ - m)	(\$50m)
Ineligibles Paid	\$ - m	\$ 20m	(\$20m)
Gaming	\$ 65m	\$ - m	\$ 65m
Total "Comparative" Cost - SCF alone	\$130m	\$ 21m	\$109m
Other defaulting entities			
Post acceleration Interest	\$6m	\$ 1m	\$ 5m
Ineligibles Paid	\$ - m	\$ 8m	(\$ 8m)
Total "comparative Cost - other entities defaulting under DGS	\$6m	\$9m	(\$ 3m)
TOTAL 'Comparative" Cost standard vs Full Payout	\$136m	\$27m	\$106m

ASSUMPTIONS

The post acceleration interest shown is the amount currently provisioned for in the Crown Accounts

Payout commences after two months (if slower PAI will increase) - revised deed option

Payout takes four years (if longer PAI will increase) - revised deed option

There is an insurance benefit associated with the full payout option (no gaming possible)

Gaming - 33% of depositors hold out for payment for six years - revised deed option

Fairness / equity argument indicates that it may be appropriate to "make whole" the ineligibles from past payouts.

Legal risks exist in varying degrees in each option

Ineligibles Paid (Current Receiverships) circa \$8m

Assuming 30% of depositors are on the revised deed