



Media Release  
10 December 2010

## THE \$2.2 BILLION MERGER HAS THE GREEN LIGHT

The \$2.2 billion merger proposal to create a New Zealand controlled listed banking<sup>(1)</sup> and financial services group is on track for final court orders on the 16<sup>th</sup> of December 2010. This follows the completion today of the seventh and final vote. Over the past three weeks the shareholders and depositors of the respective merger parties have met and voted resoundingly in favour of the merger proposal.

The chairman of Building Society Holdings Limited (the merged group or "BSHL"), Bruce Irvine, confirmed that the target date for final court orders to be obtained was the 16<sup>th</sup> of December, leaving only a small number of implementation steps to be completed which will result in the formal joining of CBS Canterbury, South Cross Building Society and MARAC Finance Limited (MARAC), the financial services subsidiary of Pyne Gould Corporation Limited early in the new year.

"Support for the merger has been overwhelming. It is not only from our shareholders and depositors who have voted yes. But it is also from a much broader cross section – businesses, community leaders, politicians and others – all of whom want to see us succeed in our aspiration of becoming a bank.

"We certainly think we are well placed to look after a part of the market which is currently under serviced - that being the banking market for SMEs, rural businesses and NZ individuals and families.

"We firmly believe the merger is a compelling value enhancing proposition for members and shareholders that would not otherwise be available to each of us on a standalone basis. Our depositors and shareholders obviously support this view."

Mr Irvine noted that whilst the legal entities change and a new structure takes effect it would be very much business as usual for customers and staff with the businesses continuing to trade under their existing brands – CBS Canterbury, Southern Cross Building Society and MARAC following the merger, until the new brand was launched in the second quarter of 2011.

Following the completion of the merger the next milestone will be the NZSX listing of BSHL, with the quotation of BSHL shares expected to occur on 31 January 2011.

Mr Irvine said that the integration process of the three businesses can now commence. "We have a strong executive team, with strong banking experience, which is driving this process. There is also an experienced board in place to oversee the business strategy."

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(1) None of Combined Building Society, Building Society Holdings Limited, CBS Canterbury, SCBS, PGC or MARAC is a registered bank under the Reserve Bank Act 1989. The ultimate intention of the merger parties is that Combined Building Society will become a registered bank. Obtaining bank registration is subject to satisfaction of the Reserve Bank's registration requirements.

An application has been made to NZX Limited for permission to list the shares in Building Society Holdings Limited, and all requirements of NZX Limited that can be complied with on or before 10 December 2010 have been duly complied with. However, NZX Limited accepts no responsibility for any statement in this announcement. NZX Limited is a registered exchange regulated under the Securities Markets Act 1988.