



27 January 2011

Trading commences in Building Society Holdings stock

Trading will begin on Tuesday 1 February on NZX, the New Zealand share market, in the ordinary shares of newly formed Building Society Holdings Limited (BSHL), a financial services group catering for the needs of 'Heartland' New Zealanders.

The listing marks the completion of a year long project to bring together CBS Canterbury, Southern Cross Building Society and MARAC Finance to create a New Zealand financial services group with assets of approximately \$2.2 billion and an investment grade credit rating.

BSHL will list on NZX having a net tangible asset backing ("NTA") of approximately \$265 million (based on unaudited pro forma accounts prepared at 30 June 2010). At the time of listing, BSHL will have 300 million shares on issue, with an effective NTA backing of approximately \$0.88 per share.

BSHL is the holding company for Combined Building Society which will continue to operate the three business brands. Combined Building Society, which is the funding vehicle for the financial services group, was assigned an Investment Grade credit rating (BBB-, Outlook Stable, short term A3) by Standard & Poor's on 5 January 2011.

BSHL Managing Director Jeff Greenslade says the listing will allow existing and new shareholders to participate in the growth of the business into a fully fledged financial services group able to provide the full range of financial services people in 'Heartland' New Zealand require.

"Though the merger took nearly a year to bring together, the support from businesses, community leaders and others for us to bring these three groups together has been extremely encouraging. Certainly the reward for bringing together these three historic businesses has seen the speedy achievement of an investment grade credit rating from Standard & Poor's. This was a key goal for us. In announcing the credit upgrade Standard & Poor's noted that the merger has created a larger and more-diversified financial institution, with a sound funding and liquidity position and adequate capital adequacy. There is still much work to do to achieve our goals but we are off to a very good start."

NZX Chief Executive Officer Mark Weldon welcomed the addition of BSHL to the NZX Main Board.

"NZX is really pleased to welcome BSHL to the NZX market as the first listing of 2011. NZX congratulates the company and its shareholders on their vision, and on bringing

together three institutions to offer one, larger, investment opportunity to NZ investors - where it has previously been lacking from the market," said Mr Weldon.

"NZX wishes the company, its employees and its shareholders all the best for a great experience on the NZX markets."

BSHL is expected to form part of the NZX50 once PGC has completed its previously announced in-specie distribution of its shareholding in BSHL to PGC shareholders. This is currently scheduled for the first half of 2011.

- Ends -

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