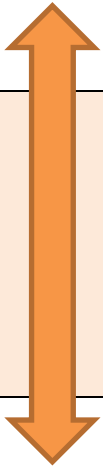


RANKING OF DEBT SECURITIES

This document forms part of a Limited Disclosure Document ("**LDD**") dated 29 September 2017 as may be supplemented from time to time, for the issue of subordinated redeemable shares (the "**SBS Capital Bond**") by Southland Building Society, trading as SBS Bank.

Financial Information stated as at 31 March 2018 for the Banking Group.

	Ranking on liquidation of the Bank	Examples	Indicative Amount ¹
	Higher ranking	Liabilities that rank in priority to the SBS Capital Bonds	\$4,070m
		SBS Capital Bonds, including accrued Interest, issued under the LDD	\$88m
		SBS Wholesale Capital Bonds, including accrued interest, issued under a Terms Sheet dated 26 March 2018	
		Subordinated Redeemable Shares, including accrued interest, issued by the Bank under an Investment Statement for Subordinated Redeemable Shares dated 30 April 2014 (the " Premier Bonds ") ² and any future instruments issued under the Master Deed which rank equally with the SBS Capital Bonds (there are none at present)	
		Liabilities that rank below the SBS Capital Bonds	Nil
Lower ranking	Equity	Relevant Tier 1 Capital Instruments (as defined in the Master Deed)	Nil
		Reserves and retained earnings. All members of the Bank (including holders of SBS Capital Bonds) participate equally in the surplus assets of the Bank (if any) remaining after all payments are made above	\$297m

¹ In the event of a liquidation of the Bank, the actual amounts of liabilities and equity of the Bank will differ from the indicative figures provided above. The amounts shown are presented in millions of New Zealand dollars and may be subject to rounding adjustments.

² The Premier Bonds will be progressively repaid from 12 May 2019 and will be fully repaid by 20 September 2019.