

HEARTLAND

New Zealand Limited

NZX Release

Heartland 2015 Annual Shareholder Meeting

11 December 2015

The Annual Shareholder Meeting for Heartland New Zealand Limited (**Heartland**) (NZX: HNZ) will be held today 11 December 2015 at Novotel Ellerslie, 72-112 Green Lane East, Auckland commencing at 1:30pm.

Please find attached the following documents relating to the Annual Shareholder Meeting:

1. Chairman's Address;
2. Managing Director's Address; and
3. Annual Meeting Presentation Slides.

- Ends -

For further information, please contact:

Rochelle Moloney
Head of Corporate Communications
Heartland New Zealand Limited
DDI 09 927 9287

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2015 ANNUAL MEETING CHAIRMAN'S ADDRESS

Good afternoon Shareholders.

2015 RESULT

It is my pleasure to be reporting to you today on Heartland's outstanding performance in the 2015 financial year. Once again, Heartland increased its profitability, achieving a net profit after tax or NPAT of \$48.2 million, which was up 34% from the previous financial year and was slightly ahead of the top of our forecast range. Equally as important, Heartland's operating performance was strong across all three core business divisions, Household, Business and Rural, with earnings being driven by organic asset growth.

Heartland also achieved a number of other key milestones during the course of FY15:

- The first of these milestones was an upgrade to Heartland Bank's credit rating to BBB (outlook stable). This investment grade credit rating was again affirmed by Fitch Ratings in October of this year. We were very pleased with the matters addressed in the Fitch Ratings report, including Fitch's expectation that Heartland Bank will continue its solid performance over the next 12 to 24 months. Fitch also confirmed that the upcoming amalgamation of Heartland New Zealand and Heartland Bank, which I will discuss in more detail shortly, will not affect the current credit rating.
- Another significant milestone was the decision from the Reserve Bank of New Zealand to reduce or 'normalise' Heartland Bank's regulatory capital requirements in January 2015. This brought our regulatory capital requirements in line with the other New Zealand banks, meaning that we were no longer obliged to hold more capital than the other banks, and also meaning that we could use other, less expensive, types of regulatory capital to meet Reserve Bank requirements. This has led to the proposal to undertake an issue of Tier 2 capital in April of next year, which I will also discuss in more detail shortly.

Firstly though, I will take you through a summary of Heartland's financial results for FY15.

As mentioned, Heartland's profit growth story continued in FY15, with NPAT increasing by 34%. Heartland's profit result was driven by strong asset growth, with net finance receivables growing by \$255 million to \$2.9 billion as at year end, up 10% from FY14.

Net operating income of \$145 million was achieved, up 18% on FY14. This increase was driven by core asset growth, together with the Reverse Mortgage assets acquired by Heartland in FY14. Our cost to income ratio also continued to improve through growth in net operating income outweighing increased costs. Heartland's asset quality was sound over the financial year, and we expect asset quality to be similar in the year ahead.

Pleasingly, along with these solid financial returns, the Group has also made great operational progress.

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Following my address, Heartland's Managing Director, Jeff Greenslade, will provide an overview on the performance and operations of each of Heartland's core business divisions and how these divisions contributed to the results for FY15.

On the funding side, we grew our retail deposits by \$361 million or 21% for FY15. Deposits remain Heartland's primary source of funding and we appreciate the support and confidence of our customers. By growing our deposits we can also deliver our strong asset growth.

A major focus in FY15 was to improve our return on equity or ROE. It is satisfying to say that we met this objective, with ROE increasing from 9% to 10.4%. There is more to be done here in FY16. We must continue to drive earnings growth upwards through execution of our strategy. The issue of Tier 2 capital and the proposed return of capital will also assist with improving ROE for FY16.

Heartland paid a total dividend of 7.5c (fully imputed) for FY15, which was up 25% on the previous year. This total dividend, together with the share price growth for FY15, resulted in a Total Shareholder Return of 31.8% for the financial year.

AMALGAMATION

Turning to the upcoming transactions referred to in the Notice of Meeting, being first the amalgamation of Heartland New Zealand with its wholly owned subsidiary Heartland Bank. An amalgamation is a legal process that will effectively merge these two companies to form one single company. This merged company will be named Heartland Bank Limited. The amalgamation is set to occur on 31 December 2015. From your perspective, as shareholders, this means that from 31 December, your shares will be held in the merged company Heartland Bank Limited. Aside from this, your investment will not be affected in any other way.

The purpose of the amalgamation is to simplify Heartland's current group structure and is purely an administrative change. The current group structure is the product of Heartland's historical transition - the merger of three separate financial institutions in 2011, the change from Heartland Building Society to Heartland Bank Limited in 2013, and a number of key business acquisitions. This has led to an overly complex group structure for Heartland's size. The amalgamation will simplify the current structure and will ultimately mean that from 31 December, Heartland Bank will be the first company that is both a registered bank in New Zealand and listed on the NZX Main Board.

As a consequence of the amalgamation we will be asking you to vote this afternoon on the appointment of directors to the board of the merged company. The proposed directors of the merged company are all currently directors of either Heartland New Zealand or Heartland Bank and accordingly are all present here today.

TIER 2 CAPITAL RAISING

The second upcoming transaction that is referred to in the Notice of Meeting is the issue of up to \$75 million of Tier 2 capital. Registered banks are required to hold a minimum amount of regulatory capital, which is prescribed by the Reserve Bank of New Zealand. There are a number of factors for a

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bank to consider in determining what types of regulatory capital it should hold, and in what amounts, in order to achieve an efficient regulatory capital structure that meets the requirements prescribed by the Reserve Bank and all our internal capital requirements which operate as a buffer to minimum regulatory requirements.

Following consideration as to how Heartland's regulatory capital structure could be optimised, particularly in light of the Reserve Bank's decision to 'normalise' Heartland Bank's regulatory capital requirements that I referred to earlier, the decision was made to proceed with an issue of Tier 2 capital, so long as market conditions remain favourable. This is expected to take place in April 2016 and will result in a more efficient capital structure for Heartland, particularly if it is carried out in conjunction with the proposed return of capital.

RETURN OF CAPITAL

This brings me to the third and final transaction that is referred to in the Notice of Meeting, being the return of capital. Following the amalgamation and the issue of Tier 2 capital, Heartland will hold excess capital, both in terms of the Reserve Bank's requirements and our own internal requirements. Heartland is in favour of active capital management and where the board considers the company has excess capital, it believes it is appropriate for the company to return that capital to its shareholders. In the event that capital is needed in the future, shareholders then have a choice whether to re-invest in the company by participating in any capital raising process. Accordingly, in the absence of any alternative use for Heartland's excess capital arising, it is proposed that Heartland return an amount of capital to you, the holders of Heartland's ordinary shares.

This afternoon, we are seeking approval to proceed with the return of capital to you, our shareholders. I trust you have had the opportunity to read the Notice of Meeting which sets out the full details of the proposed return of capital. I will now run through the main points.

If shareholder approval is received today, the return of capital will be conducted by way of a Court-approved scheme of arrangement. Under the Arrangement, the same proportion of each shareholder's shares will be cancelled and each shareholder will be given a cash payment in return for the cancellation of those shares.

This diagram demonstrates how the return of capital will affect you as a shareholder. This diagram was also included in the Notice of Meeting and is based on a shareholder who currently holds 10,000 shares in Heartland. For the purposes of this example, we have used a market price for Heartland shares of \$1.20. Accordingly, the market value of the shareholding prior to the return of capital is \$12,000. After the return of capital is executed, the shareholder will receive a cash payment of \$1,582.80, and will hold 8,681 shares in Heartland with a market value of \$10,417.20. The total value of the cash payment and the shares held after the return of capital is \$12,000. In other words, both before and after the return of capital, the total value held by the shareholder is the same - \$12,000.

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I also note that the Arrangement will be conducted in a way that is fair to all shareholders as capital will be returned on a pro rata basis. In other words, each shareholder's proportionate shareholding in Heartland remains the same both before and after the return of capital.

One point we do wish to make clear today is that even if shareholder approval to proceed with the return of capital is granted, circumstances may arise between now and April 2016 which mean that the return of capital does not proceed. Examples of such circumstances include if the issue of Tier 2 capital did not proceed, or if the board identified an acquisition or other investment opportunity prior to the return of capital being undertaken. I confirm that the board currently has no reason to believe that such an opportunity will arise. Jeff Greenslade will talk later about the potential acquisition of Motor Trade Finances which, for reasons that Jeff will explain, is too speculative at this stage to be considered as an opportunity that would impact the decision to proceed with the return of capital.

HEARTLAND TRUST – COMMUNITY SUPPORT

I turn now to the activities of the Heartland Trust during the financial year. The Heartland Trust is a charitable trust that was established to support and assist the communities that Heartland serves. This support is provided to a wide range of groups and organisations across New Zealand.

For example, the Heartland Trust supported a range of sporting events during the year including college rugby, hockey, bowls (from local clubs up to national competitions) and wider school sports in Canterbury. We were also extremely pleased to be able to provide three high-achieving year 9 students of Maori descent with three educational scholarships to attend King's College in Auckland. In addition, our Heartland staff volunteered at a number of community events throughout the year including the series of Special Children's Christmas Parties held across the country. For children suffering from life-threatening illnesses, physical or intellectual impairment, or living in underprivileged circumstances, these events give them the chance to experience Christmas, an opportunity they may not otherwise have.

The pictures shown here are just some of the groups and individuals that we helped during the year. Altogether, the Heartland Trust made approximately \$300,000 of charitable grants and donations during the financial year, supporting close to 70 organisations across the country. Heartland Bank also donated hundreds of thousands of dollars' worth of merchandise to KidsCan, a charity that supports disadvantaged children in New Zealand. We are indeed proud of the difference we can make in our communities.

OUR HEARTLAND PEOPLE

I wish to conclude my address this afternoon by expressing my thanks and gratitude to the directors on the Boards of both Heartland New Zealand and Heartland Bank for their wise counsel and support. I particularly wish to thank Jane Taylor and Richard Wilks who will be retiring following the amalgamation. With the amalgamation resulting in only one board of directors, the Group had too many directors – fortunately, all your directors are very competent and, given that, the board

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concluded an equitable way to reduce the board in size was to adopt a “last on, first off” policy as a starting point. This means Jane and Richard will be retiring on 31 December 2015, being the date of the amalgamation. Both Jane and Richard have made an outstanding contribution to the Heartland Group and I sincerely thank them for their input, commitment and dedication throughout their tenure as directors.

I wish to also thank Jeff Greenslade, our Managing Director and Chief Executive of Heartland Bank, for his hard work and effective leadership. Jeff sets high standards and expectations and continues to drive Heartland forward. He is relentless in pursuing the execution of Heartland's strategy. Jeff is ably supported by an Executive team with a strong and diverse skill set and I thank them, and all of Heartland's staff, for their contribution to our success to date.

Finally, I would like to thank you, our shareholders, for choosing to invest in Heartland. We look forward to continuing the delivery of excellent returns to you, as Heartland continues to execute its strategy and build on its successes.

Thank you.

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2015 ANNUAL MEETING MANAGING DIRECTOR'S ADDRESS

Kia ora koutou katoa.

Thank you for joining us at our 2015 Annual Meeting.

I would like to re-affirm the Chairman's report of Heartland's outstanding performance in the 2015 financial year. We achieved strong growth across all of our core business divisions; Household, Business and Rural.

It was pleasing that this growth was driven through the successful execution of our strategy to deliver specialised, market-leading products in our chosen niches. Achieving increased profitability of 34% and organic asset growth of 10% for FY15 is proof that our strategy is working.

This afternoon, it is my pleasure to report to you on Heartland's operating performance across our core business divisions for FY15 and provide you with an update on Heartland's strategic priorities for FY16 and beyond.

BUSINESS SNAPSHOT

First I wish to show you a snapshot of Heartland's current business, in particular, point out how it has changed over recent years. The graph on the right-hand side shows the spread of Heartland's lending across our business divisions and how this has evolved over the last three years.

The Household division (the green column) is clearly our largest, making up 55% of loans. The Household division consists of the Consumer book and the Reverse Mortgage book. The Business division, which focusses on small-to-medium enterprises or SMEs offering asset finance, working capital and invoice finance, is 28% of lending. Finally the Rural division, comprising lending in niches within the agricultural sector, makes up the remaining 17%. This reflects a portfolio targeting the heart of New Zealand; families, small business owners and farmers.

These graphs demonstrate not just growth but presents how that growth has occurred through moving towards specialised, market-leading products, away from highly contested markets such as residential mortgages.

HOUSEHOLD DIVISION

Starting with the Household division, which is divided into Consumer and Reverse Mortgages.

The Consumer book totals about \$750 million of net receivables and comprises motor vehicle finance and personal lending. We performed strongly in FY15, with Consumer net receivables growing \$90 million or 14%. Growth in Consumer lending is a priority for Heartland and offers an excellent risk return.

We have a strong market position in motor vehicle finance based on an intermediated model. This means that loans are made through a large network of motor vehicle dealers, so we are there directly at the point of sale when a customer is buying a motor vehicle.

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In the personal lending market, we lend through our own personal loan product that was recently launched under a separate brand, 'i-finance'. The i-finance brand deliberately speaks to a younger demographic, with 20 to 35 year olds being the target customer for this product. The advertising campaign for i-finance has specifically targeted customers who are coming to the end of an interest-free period on a loan enabling them to switch to i-finance and receive a significantly lower interest rate. Since launching the i-finance personal loan in May 2015, we have lent over \$11 million.

We also lend through Harmoney, a peer-to-peer online platform. Heartland acquired a shareholding in Harmoney during the 2015 financial year which currently sits at 11%. To date Heartland Bank has lent around \$35 million through its platform.

The Household division also includes the Reverse Mortgage book totalling almost \$760 million. We have experienced good growth in both New Zealand and Australia over the past 6 months. In Australia, we have expanded our broker distribution network, and this strategy began delivering results from July of this year. In New Zealand, we launched an advertising campaign in May 2015. This campaign, together with heightened media interest in reverse mortgages, has significantly increased awareness of the product and of Heartland generally.

We are pleased with the growth momentum in Reverse Mortgages despite the buoyant property markets in both Australia and New Zealand influencing borrowers to sell their house and cash up their equity.

We want to expand our reach in the Household sector through:

1. Online distribution in Consumer;
2. Building on our intermediaries in motor vehicle finance;
3. Expanding the broker market in Australia for Reverse Mortgages while increasing awareness in New Zealand; and
4. Capturing and analysing data, using the insights gained to reduce risk while increasing our reach through better understanding where good customers can be found.

BUSINESS DIVISION

The Business division grew strongly in FY15 up 18% to \$792 million of loans.

The priority is to reposition our lending towards smaller loan sizes targeting SMEs that value ease and simplicity, and avoid competition with mainstream banks. The key to this is online distribution channels and simplified processes. Execution of this strategy is underway with the recent launch of our online lending website for SMEs, Open for Business.

We believe that the 'traditional' way for SMEs to obtain finance is typically a complex and time-consuming process and that smaller SMEs are poorly served.

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RURAL DIVISION

Finally, the Rural division, which comprises around \$490 million of loans. FY15 saw good growth with lending increasing by 19%.

During the year there was heightened market interest in the dairy sector and we confirmed that Heartland's exposure to the dairy sector was \$220 million or less than 8% of Heartland's total book. While we expect a continuation of lower than historical milk pay-out levels, and a slow recovery, we remain well-positioned to support our dairy farmer customers and we currently have no expectation of losses as a result of the current dairy prices.

We want to compete on smart products. To do so, we must continue to deepen our understanding of micro and macro-economic factors in the agri-sector. In this regard, I am pleased to announce the recent appointment of Ben Russell to the role of Head of Rural for Heartland. Ben joined us at the end of November. He was formerly CEO of Rabobank New Zealand. We are fortunate to have Ben on board; he brings a wealth of experience in the agri-finance sector.

STRATEGIC PRIORITIES ACROSS HEARTLAND

Looking forward when it comes to Heartland's priorities, a similar theme is emerging of exploiting new technologies to either extend our reach (to get more people) or streamline processes (and be easy and simple to deal with).

Many of the technologies we are looking at are disrupting the traditional banking market where physical scale and presence is now less valuable. We believe the traditional approach of the mainstream banking industry, whether it is 'bricks and mortar', or even 'clicks and mortar', is ripe for change in the same way that many other markets are being disrupted worldwide through new technologies. Think of Uber in the taxi business, Air BnB in the accommodation market, or Amazon in the retail market. These businesses have not only fundamentally changed these existing markets, but have also created new markets through the use of technology.

Now it is the turn of the banking sector. In the US and UK there has been an emergence of online lending platforms such as Lending Club, Biz2Credit and Funding Circle. We met with a number of these businesses during the course of the year and have gained an understanding of their business models.

At the same time in this part of the world, there has been a lot of attention directed to these new peer to peer platforms. Whether, or to what extent, these models thrive remains to be seen but, what is clear, is that online loan origination is the way of the future. In the United States, small banks have successfully positioned themselves to support these platforms, to become beneficiaries of disruption, rather than victims.

These are the opportunities that Heartland needs to pursue; opportunities where our small size and agility are an advantage. We are not encumbered with significant investments in legacy systems or

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large branch networks that are costly to maintain and which necessarily dictate strategy. We are free to explore these new technologies and react quickly to them.

As I have said before, we need to be different from the major banks. We can operate within the same markets (Household, Business and Rural), but that is where we part company; we must seek out differentiated and less competitive niches within these markets that will continue to deliver us higher margins.

Ultimately, it is our people that are our most valuable point of difference – not infrastructure or presence – it is smart, hard-working people who understand technology, that will determine our success.

ACQUISITION OPPORTUNITIES

Acquisitions will remain a part of Heartland's growth strategy. We are particularly interested in the Consumer market, especially anything that offers compelling distribution capability or innovative technology. But all acquisitions must meet our financial criteria of being value accretive.

The market is aware of our interest in acquiring Motor Trade Finance. There are a number of long term matters that need to be understood and addressed in relation to MTF's business and there is currently no certainty as to whether any acquisition will proceed.

LOOKING FORWARD TO FY16

Looking to our performance expectations for FY16, we expect underlying asset growth to continue across the business through execution of the strategy I have just covered.

As you have heard from our Chairman, we are set for busy second half for FY16. We will be amalgamating Heartland Bank and Heartland New Zealand on 31 December 2015. We have an issue of Tier 2 capital in the pipeline. If we receive shareholder approval today for the return of capital, and provided that no acquisition or other investment opportunities arise in the interim, we intend to execute the proposed return of capital in April 2016.

We are confident that Heartland will meet its previously issued forecast for FY16 of \$51 million to \$55 million net profit after tax. I note that this forecast does not allow for any impact arising from the proposed capital management initiatives.

To summarise, for Heartland to succeed in all our markets we must have people capable of doing three things:

1. Develop specialised products;
2. Apply new technologies to expand distribution and speed up processes; and
3. Have urgency in execution.

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Finally, I would like to express my thanks and acknowledgement to Heartland's board of directors, the Executive team, and indeed all Heartland staff, for their support, commitment and sheer hard work.

Each of their contributions has led to Heartland becoming an agile, performance-driven organisation and I am confident that we will continue our growth momentum and delivery of excellent returns to you, our shareholders, in FY16 and beyond.

Thank you.

Heartland

Annual Meeting
11 December 2015

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Agenda

- Welcome and formalities
- Chairman's address
- Managing Director's address
- Shareholder discussion
- Voting and conduct of poll
- Other business

Introduction of Directors

Heartland New Zealand Limited

- Geoff Ricketts (Chairman)
- Jeff Greenslade
- Graham Kennedy
- Chris Mace
- Jane Taylor
- Greg Tomlinson

Heartland Bank Limited

- Geoff Ricketts
- Jeff Greenslade
- Graham Kennedy
- Bruce Irvine (Chairman)
- Nicola Greer
- John Harvey
- Richard Wilks

Introduction of Senior Management

- Laura Byrne - Chief Strategy Adviser
- Simon Owen - Chief Financial Officer
- Chris Flood - Head of Banking
- Chris Cowell - Head of Business
- Ben Russell - Head of Rural
- Richard Lorraway - Chief Risk Officer
- Sarah Selwood – Head of Human Resources
- Michael Drumm – General Counsel
- Todd Somerville - Head of Brand & Strategic Marketing
- Rochelle Moloney - Head of Corporate Communications
- Kate Watt - Head of Governance & Board Liaison

Other Formalities

- Proxies and postal votes received
- Meeting procedures
- Voting procedures and declaration of poll
- Notice of meeting
- Minutes of last Annual Meeting

Chairman's Address

Geoff Ricketts

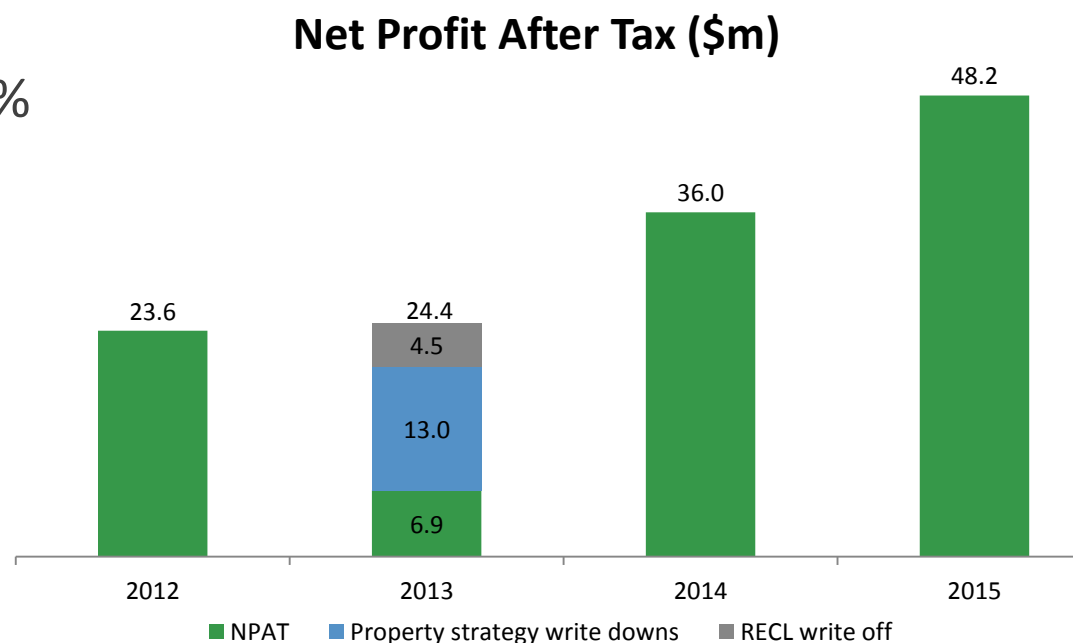


Key Milestones for FY15

- **Credit rating upgrade for Heartland Bank to BBB (outlook stable)**
 - Credit rating of BBB affirmed in October 2015
 - Fitch expects Heartland Bank to continue its solid performance
 - Confirmation received that amalgamation will not affect credit rating
- **Reserve Bank of New Zealand decision to reduce or 'normalise' Heartland Bank's regulatory capital requirements**
 - Aligned Heartland Bank with other New Zealand banks
 - Decision to proceed with issue of Tier 2 capital will be made in April 2016

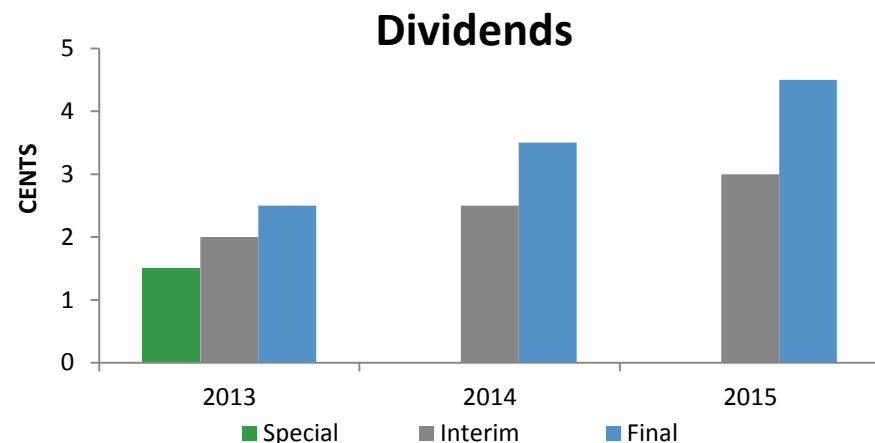
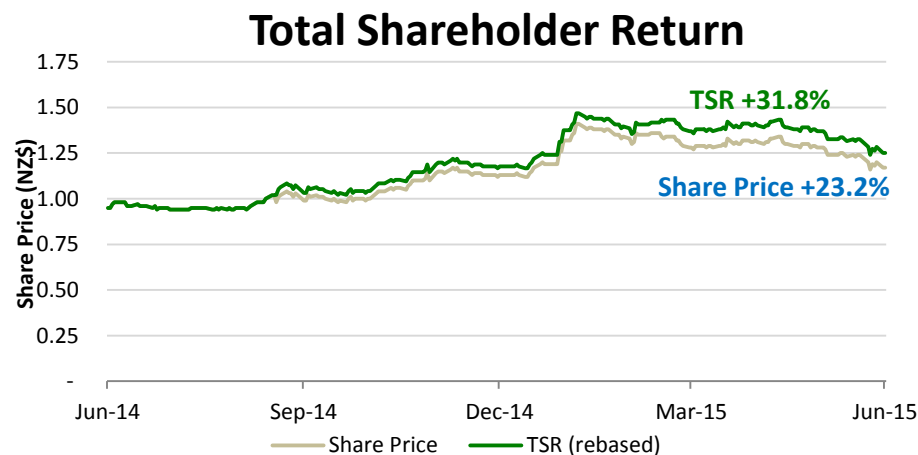
Strong Financial Results for FY15

- Net profit after tax of \$48.2m (↑ 34%)
- Growth in net finance receivables of \$255m (↑ 10%)
- Net operating income of \$144.7m (↑ 18%)
- Cost to income ratio of 47% (↓ from 53%)
- Asset quality sound
- Growth in deposits of \$361m (↑ 21%)
- Return on equity (ROE) of 10.4% (↑ from 9.0%)



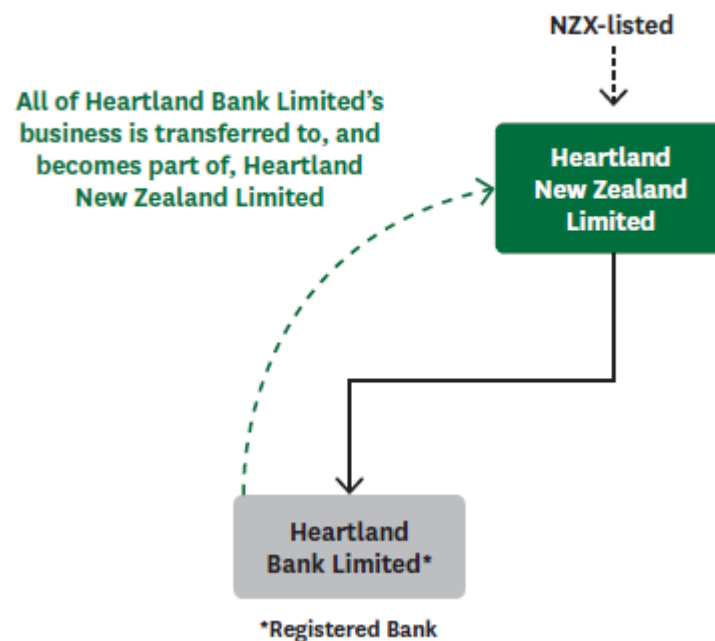
Shareholder Returns for FY15

- Total dividend of 7.5c (↑ 25%)
- Total shareholder return of 31.8%



Amalgamation of Heartland New Zealand and Heartland Bank

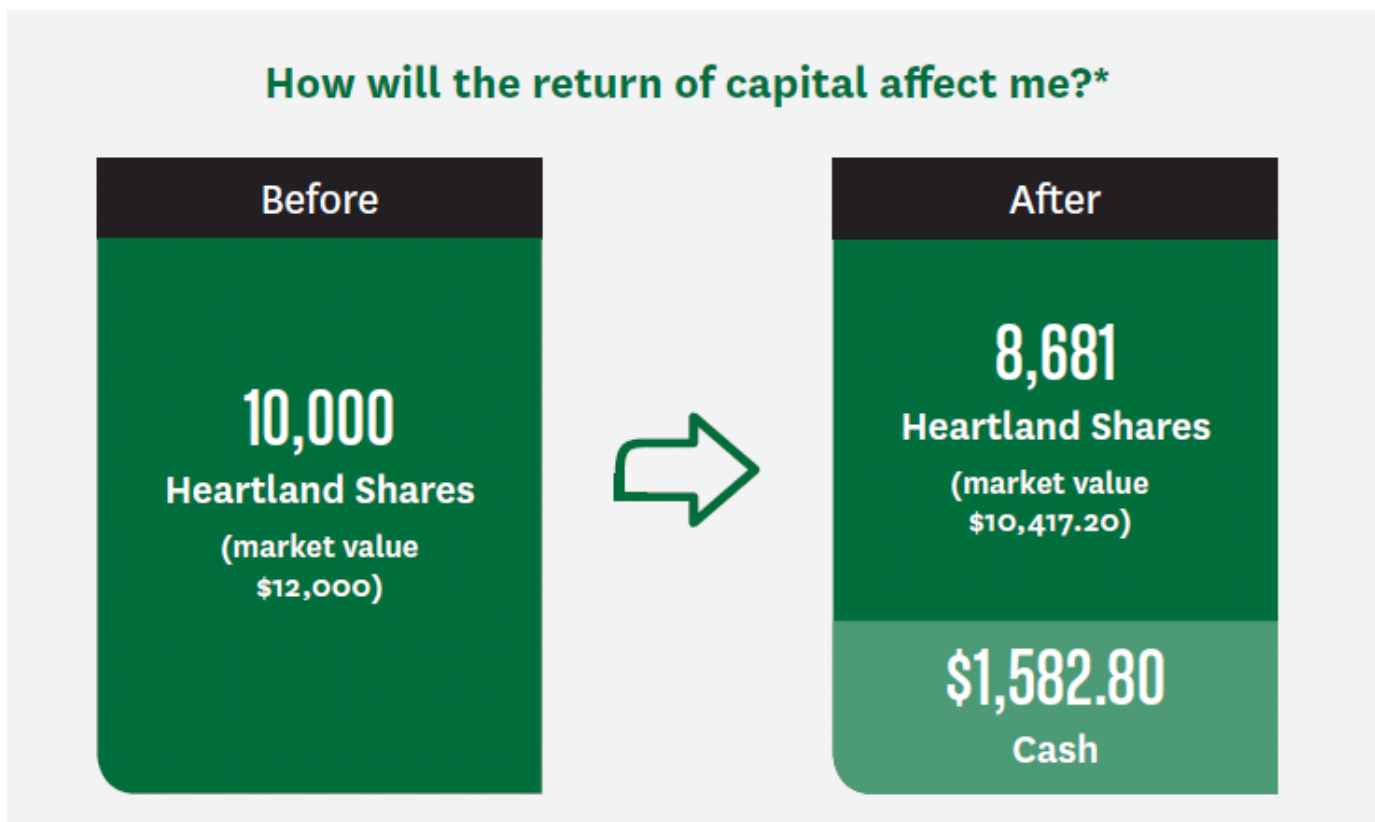
- Effective 31 December 2015
- Your shares will be held in Heartland Bank Limited
- Simplification of Heartland's group structure
- Your investment will not be affected
- Heartland Bank Limited will be the first NZ registered bank that is listed on the NZX Main Board



Issue of Tier 2 Capital

- Proposal to issue up to \$75 million of Tier 2 Capital
 - \$50 million plus up to \$25 million of oversubscriptions
- Expected timing April 2016
- Take advantage of the Reserve Bank's decision to 'normalise' Heartland Bank's regulatory capital ratios
- Will create a more efficient capital structure

Proposed Return of Capital



Your total value = \$12,000
Your % of total shares = 0.002%

Your total value = \$12,000
Your % of total shares = 0.002%

*Assuming \$75 million of capital is returned to shareholders and the market price is \$1.20 per share

Heartland Trust



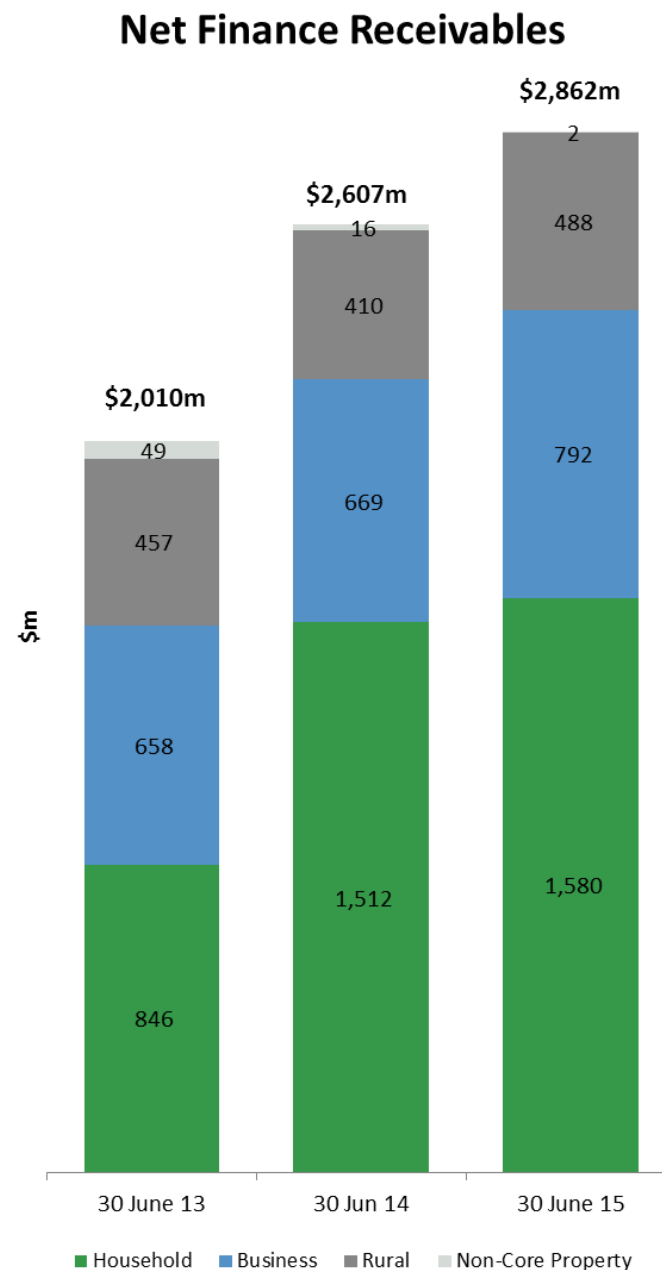
Managing Director's Address

Jeff Greenslade



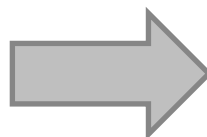
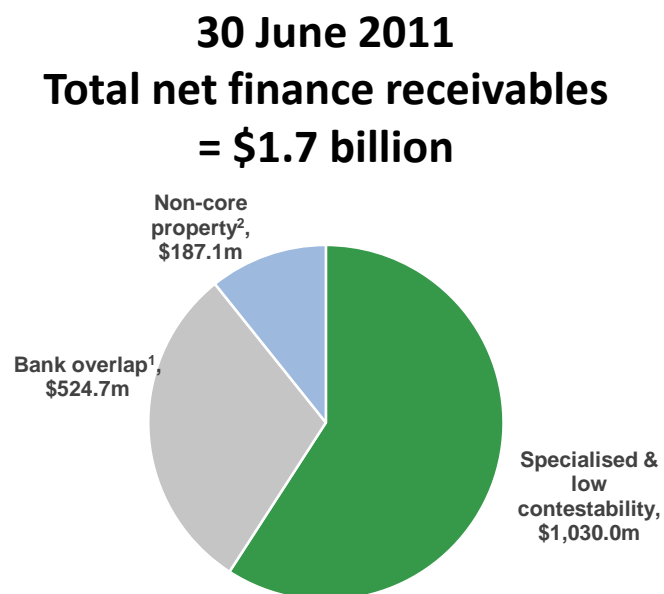
Business Snapshot

Division	FY15 Net Finance Receivables
Household	55%
Business	28%
Rural	17%



Business Snapshot (continued)

Realignment of asset mix towards specialised, market-leading products



¹ Bank overlap assumed to be residential mortgages and 50% of business and rural

² Includes investment properties

Household Division

Performance

- **Consumer**
 - Strong performance through intermediated model for motor vehicle finance
 - Growth in personal lending through Harmoney and i-finance
- **Reverse Mortgages**
 - Good growth occurring in New Zealand and Australia

Strategic Priorities

- Online distribution in Consumer
- Continued growth in intermediated motor vehicle finance
- Expand broker market in Australia for Reverse Mortgages
- Drive increased awareness of Reverse Mortgage product in New Zealand

Business Division

Performance

- **Strong growth achieved**
 - Growth in net finance receivables of 18%
 - Intermediated strategy (positioning at point of sale)
 - Product and service excellence

Strategic Priorities

- Reposition lending to smaller value business loans
- Compete on ease and simplicity
- Online distribution channels and simplified processes (Open for Business)

www.openforbusiness.co.nz

Rural Division

Performance

- **Strong growth achieved**
 - Growth in net finance receivables of 19%
 - Delivery of specialist products
- **Dairy sector exposure**
 - Less than 8% of total lending book as at 30 June 2015

Strategic Priorities

- Development of innovative products to service niche markets within agri-sector
- Deepen understanding of micro and macro-economic factors in agri-sector

Strategic Priorities across Heartland

- Align resources, distribution and marketing capabilities to exploit technologies that are disrupting the traditional banking market
- Continue to differentiate ourselves from the major banks and use our small size and agility to our advantage
- Increase scale and reach through digital distribution and process automation
- Continue to seek out differentiated and less competitive niches with the Household, Business and Rural sectors
- Focus on our people, developing and recruiting the skills required to support our strategic priorities

Acquisition Opportunities

- **Acquisitions remain a part of Heartland's growth strategy, particularly in the Consumer market**
 - Financial criteria
 - Distribution capability or innovative technology
- **Potential acquisition of Motor Trade Finance (MTF)**
 - Would increase market share of market vehicle finance market
 - Currently no certainty as to whether acquisition will proceed

Looking forward to FY16

- Expect underlying asset growth to continue across Heartland's three core business divisions; Household, Business and Rural
- Amalgamation of Heartland New Zealand and Heartland Bank on 31 December 2015
- Proposed issue of Tier 2 capital in April 2016
- Proposed return of capital in April 2016
- Confident in meeting FY16 forecast of \$51 million to \$55 million

Shareholder Discussion



Voting



Resolution 1: Auditor's Remuneration

To record the automatic reappointment of KPMG as Heartland's auditor and, if agreed, pass the following resolution as an ordinary resolution:

That the directors of Heartland New Zealand Limited are authorised to fix the auditor's remuneration.

Resolutions 2 to 9: Election of Directors

To re-elect the following persons as directors of Heartland:

- Geoffrey Ricketts
- Jeffrey Greenslade
- Graham Kennedy
- Christopher Mace
- Gregory Tomlinson

To elect the following additional persons as directors of Heartland:

- Bruce Irvine
- Nicola Greer
- Edward (John) Harvey

Resolution 2: Re-election of Geoff Ricketts

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Geoffrey Ricketts be re-elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 3: Re-election of Jeff Greenslade

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Jeffrey Greenslade be re-elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 4: Re-election of Graham Kennedy

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Graham Kennedy be re-elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 5: Re-election of Chris Mace

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Christopher Mace be re-elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 6: Re-election of Greg Tomlinson

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Gregory Tomlinson be re-elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 7: Election of Bruce Irvine

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Bruce Irvine be elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 8: Election of Nicola Greer

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Nicola Greer be elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 9: Election of Edward (John) Harvey

To consider and, if agreed, pass the following resolution as an ordinary resolution:

That Edward (John) Harvey be elected as a director of Heartland New Zealand Limited effective 31 December 2015.

Resolution 10: Return of Capital

To consider and, if agreed, pass the following resolution as a special resolution:

That the arrangement relating to the return of capital to shareholders, as described in the Arrangement Plan included in the Notice of Meeting, be approved.

Resolution 11: Revocation of Existing Constitution and Adoption of New Constitution

To consider and, if agreed, pass the following resolution as a special resolution:

That, effective 31 December 2015, the existing constitution of Heartland be revoked and a new constitution, in the form presented at the 2015 Annual Meeting, be adopted.

Conduct of Poll

Voting Cards are now being collected.

Please place your Voting Card in the ballot boxes as they are passed around.

If you require assistance, please raise your hand.

General Business

To consider any other matters that may be properly brought before the meeting.

Following the formal part of the meeting, you are invited to join the Directors and Senior Management team for refreshments.

Heartland

Annual Meeting
11 December 2015

HEARTLAND
New Zealand Limited