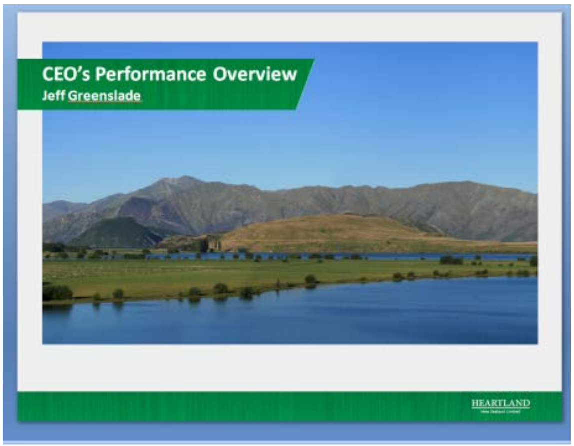
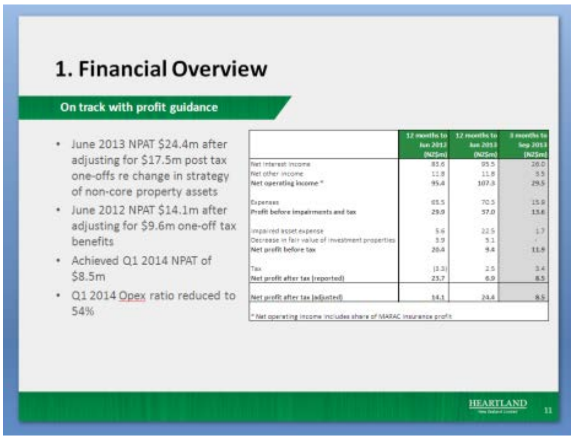
CEO PRESENTATION NOTES

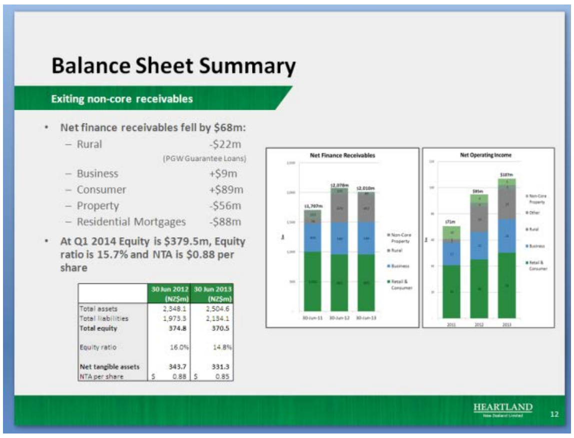
HEARTLAND NEW ZEALAND ANNUAL MEETING

1 NOVEMBER 2013





- In June, a one-off cost of $17.5m post tax was announced along with the termination of the RECL agreement. Management of the legacy property portfolio taken in-house and under a new strategy.
- Adjusting for this and for a one-off tax benefit last year to compare underlying performance shows that net adjusted earnings improved from $14m to $24m.
- The first quarter earnings for this year at the end of September, NPAT was $8.5m which is consistent with our forecast guidance of $34m-$37m.
- At the end of September the Opex ratio (Cost to Income) reducing to 54%.



1. In the FY2013, Net Financial Receivables reduced due to exiting:

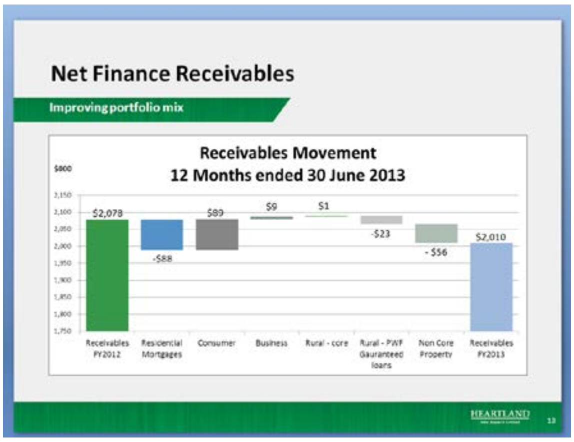
    i. Non-core Residential Mortgages $88m;

    ii. Non-core legacy property $56m; and

    iii. Non-performing Rural loans guaranteed by PGG Wrightson being taken back by them of $22m.

2. NOI continued to grow – driven by reduced cost of funds following bank registration and improved product mix.

3. The equity ratio reduced to 13.8% down from 14.5% following the write-downs due to property but as at September this financial recovered to 14.6%.



- Made progress in core areas of Consumer, Business and Rural.
- Credit Growth is very subdued and will continue to be constrained in the current year.

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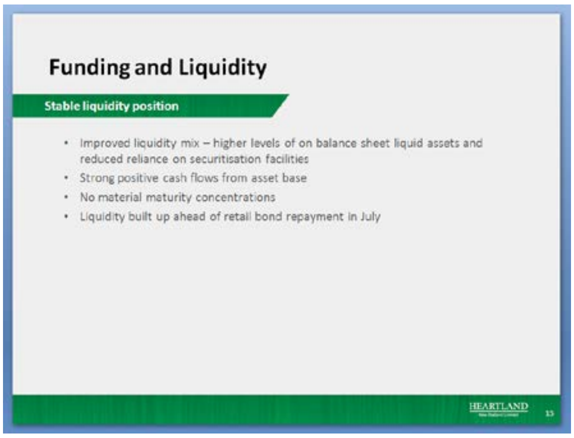
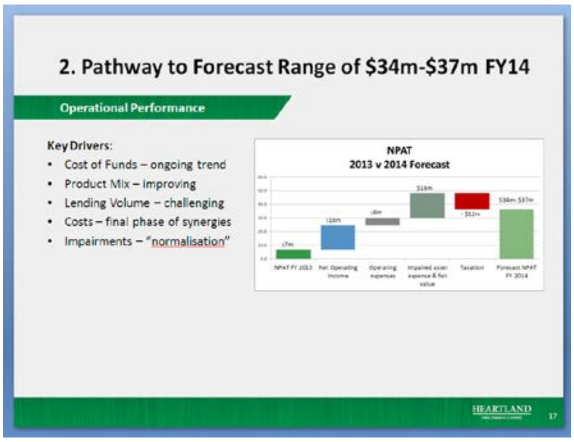


- Lending book is weighted towards shorter and amortising products.
- This is beneficial from a liquidity perspective and the MARAC $104m Bond was repaid out of accumulated cash.
- Growth in Call Deposits post Bank Registration.
- The funding book is strongly based in Retail Deposits.

- Accelerated “Bucket” in majority of total $107m.
- Do not disclose numbers in order to maintain commercial leverage.

- Since start of strategy on 1 July almost one quarter of loans realised in the accelerated category.
- Ahead of the exit timeframes but often the easiest loans go first.
- General overview of market in that it remains difficult but is in better shape and more amenable to realisation than in last three years.



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- Being different to major banks is at the core of strategy.
- We are committed to 3 sectors:

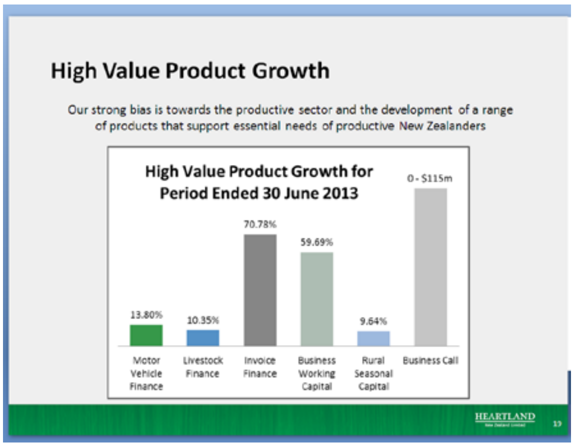
  Household (Families) - Motor Vehicle

  Rural (Farmers) - Livestock

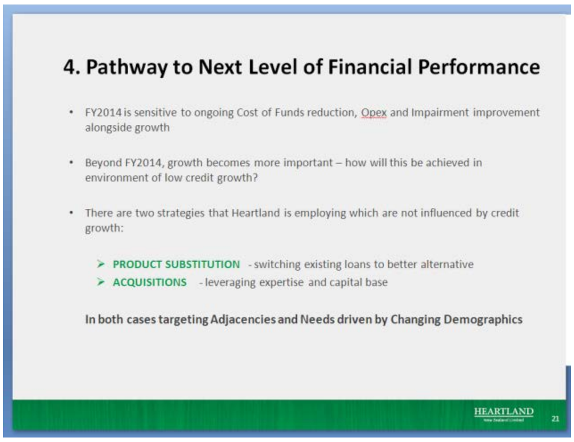
  Business (SME's) - Invoice Finance, Asset Finance, Working Capital

  Depositors (Across all 3 sectors) - Business Call

- Product specialisation is our pathway to service excellence (vs distribution or processing).



- Examples of performance in existing products – some percentages are off a lower base
- Business model is not impacted by the RBNZ's introduction of LVR controls.
- There are parts of the wider mortgage market where we will participate if we can obtain a premium and add value.



Built a platform for the current financial year to deliver earnings $34m-$37m.

Credit growth is likely to be constrained and beyond 2014 the aim is to achieve growth in two ways:

1. Product Specialisation – offering products that are substitutes for existing loans.
2. Accelerated earnings growth through potential acquisitions.

   The areas of interest are opportunities in the three sectors we currently operate in:

   - Households
   - Farming
   - SME

In particular, adjacencies to current activities such as Motor Vehicles, Livestock, Invoice Finance and Asset Finance.

Also through product development and acquisitions, opportunities arising from demographic changes within New Zealand:

(i) the “baby boomers” who are reaching retirement.

(ii) the need for New Zealanders to save more.

Opportunities must fit with our strategy, our risk appetite and be attractive in terms of shareholder value.