


Overview of Heartland New Zealand Limited

Frankfurt Equity Forum



HEARTLAND
New Zealand Limited

Heartland at a glance



Listed	Heartland New Zealand Limited (Heartland) is listed on the NZX Main Board* with approximately 8,000 shareholders
Market Capitalisation	~NZ\$495m (12 November 2014)
Bank registration	Granted to principal subsidiary Heartland Bank Limited (HBL) on 17 December 2012
Diversified	Diversified asset portfolio, balanced geographic footprint and a widespread depositor base through HBL
Total assets	~NZ\$3.0 billion
Principal activities	Specialist banking products for Household, Business and Rural sectors
HBL Credit rating	BBB credit rating from Standard & Poor's BBB credit rating from Fitch Ratings
Dividends	6¢ paid in FY14 which equates to a 6% gross dividend yield on a share price of NZ\$1.00 for foreign investors. Foreign investors receive supplementary dividend to offset non-resident withholding tax.

Market Dividend Yields¹

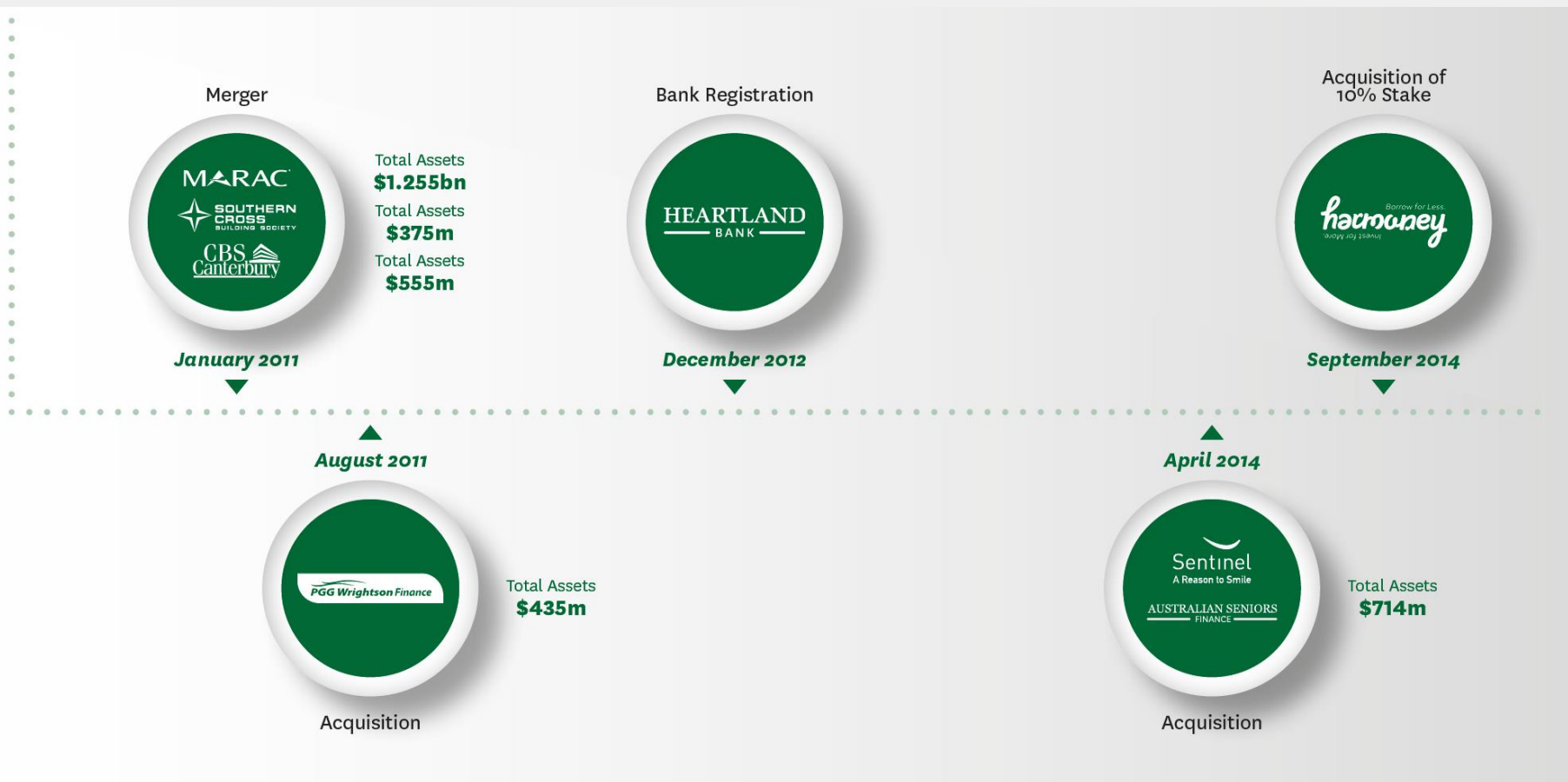
Nikkei	2.0%
ASX200	4.6%
NZX50	4.1%
NASDAQ	1.2%
S&P500	2.0%

¹ Source: S&P Cap IQ annualised dividend yield 10/11/2014

*The NZX Main Board is a registered market operated by NZX Limited, a registered exchange, regulated under the Securities Markets Act 1988. NZX Limited accepts no responsibility for any statement in this presentation.

A Journey of Transformation

\$NZD

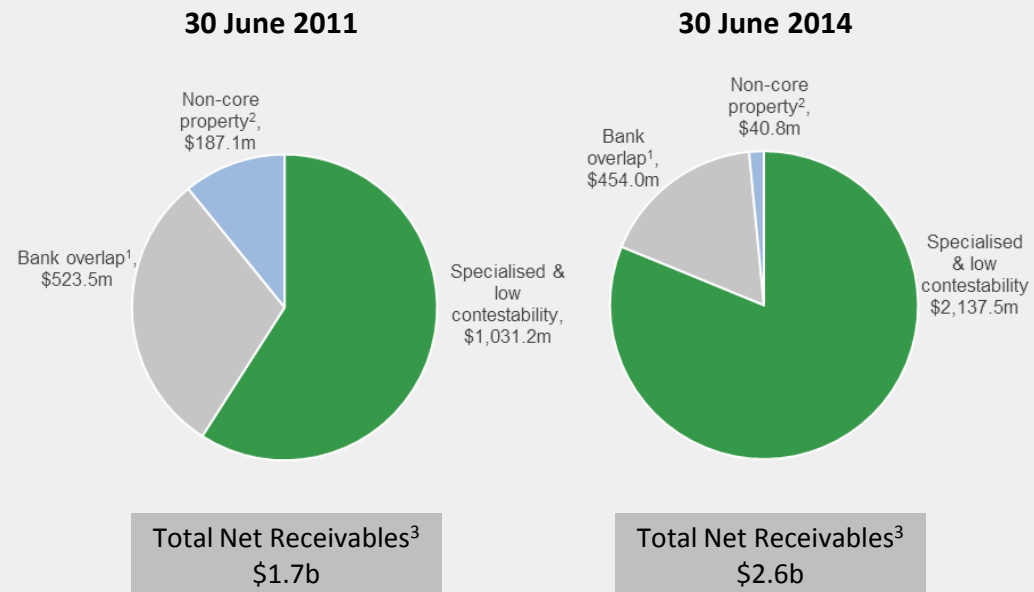


Different to local bank competitors

\$NZD

Strategy of focusing on market niches

- 75% of loans in either specialised or less contestable markets
- Number 1 in Home Equity Release (HER) loan market in New Zealand
- Number 1 or 2 in intermediated motor vehicle loan market
- Strategy is to grow through new products, organically or via acquisition in target sectors (household, rural and business)



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

²Includes investment properties

³Total net receivables include consumer, residential mortgages, property (including investment property), plant & equipment, business, invoice finance, livestock, other rural and HER. Other asset categories (e.g. cash, investments etc.) are not included

Performance improvement

\$NZD

Profit and Return on Equity increasing

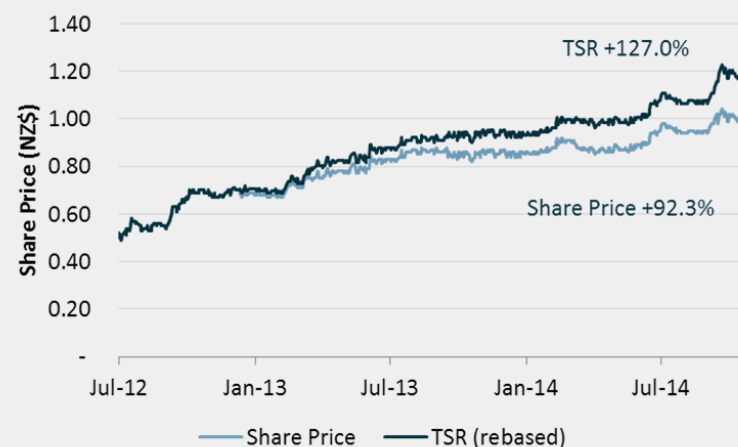
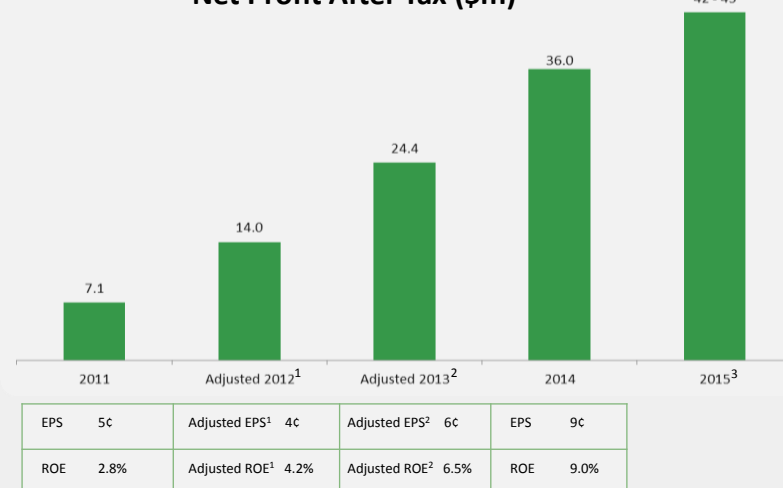
- Profitability increasing
- ROE trending up
- ROE of 9.0% for year ended 30 June 2014 compared to ROE of 1.8% and Adjusted ROE² of 6.5% for the prior year
- Specific focus on improving ROE
 - Continued focus on higher yielding products
 - Continued investigation of potential ROE accretive acquisitions
- Total shareholder return (TSR) (share price appreciation and dividends received) of 127% since 1 July 2012

¹Adjusted for \$9.6m one-off tax benefits

²Adjusted for Change in Strategy provisions (\$18.0m), management fee (\$6.1m), management expenses (\$0.2m) added back

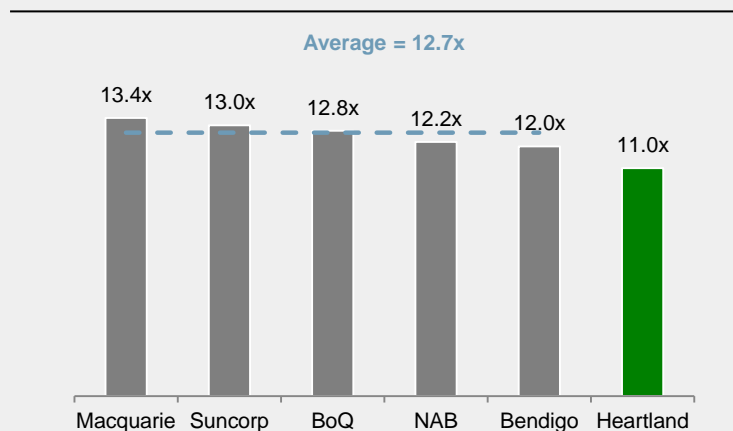
³Based on current forecast

Net Profit After Tax (\$m)

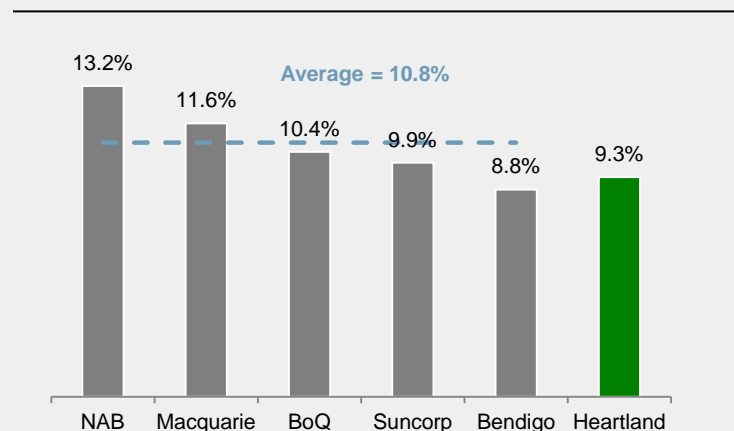


Selected Australasian peer group

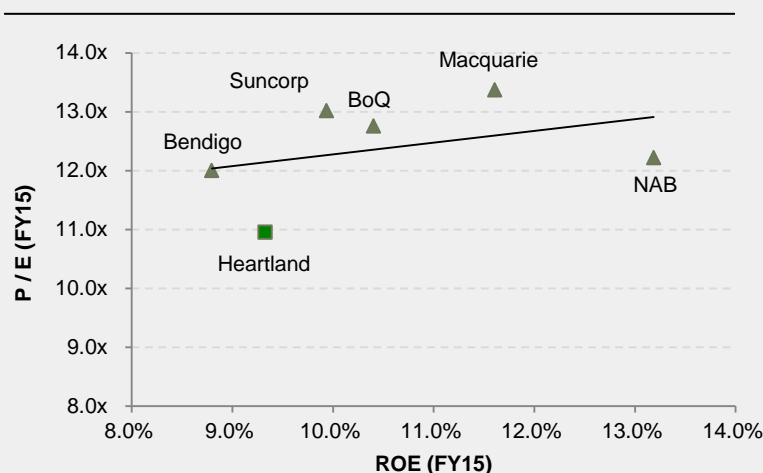
P / E (FY15)



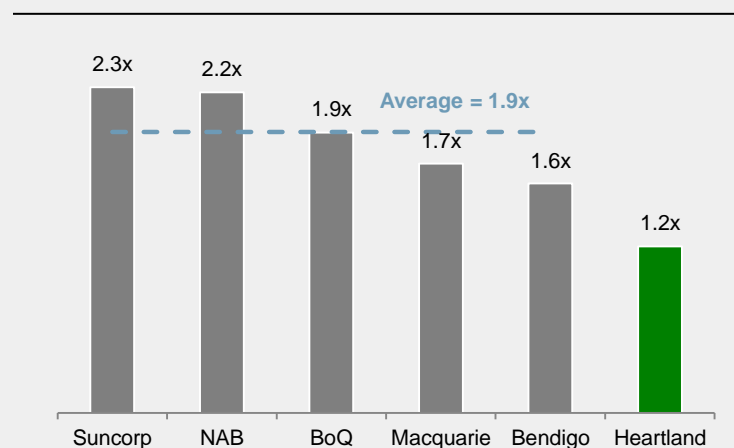
ROE (FY15)



P / E v ROE (FY15)



P / NTA^(a)



Source – First NZ Capital: Capital IQ, Company information. All metrics in NZ\$ and calendarised to June. Market data as at 17 October 2014

(a) Most recently reported NTA

Questions



HEARTLAND

New Zealand Limited