

HEARTLAND

New Zealand Limited

NZX Release

RBNZ Reduces Regulatory Capital Requirements for Heartland Bank

14 January 2015

Heartland New Zealand Limited (**NZX: HNZ**) advises that the Reserve Bank of New Zealand has determined to reduce the regulatory capital requirements for HNZ subsidiary, Heartland Bank Limited (**Heartland Bank**) to be in line with those of the other New Zealand banks.

Heartland Bank was granted bank registration in December 2012 with its conditions of registration requiring it to maintain higher levels of regulatory capital than its bank peers. Heartland Bank's conditions of registration will be amended on 31 January 2015 to reflect its new regulatory capital ratios being:

- Total capital ratio not less than 8%
- Tier 1 capital ratio not less than 6%
- Common equity tier 1 capital ratio not less than 4.5%
- Buffer ratio 2.5%

Although Heartland Bank holds capital in excess of regulatory minimums, there is no current intention to reduce the amount of capital held at the bank level.

- Ends -

For further information please contact:

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