

HEARTLAND BANK

Annual Meeting

21 November 2017



Agenda

- Welcome and formalities
- Chair's address
- Chief Executive Officer's report
- Shareholder discussion
- Voting and conduct of poll
- Other business

Board of Directors

Geoff Ricketts	Chair and Independent Non-Executive Director
Bruce Irvine	Deputy Chair and Independent Non-Executive Director
Jeff Greenslade	Executive Director and Chief Executive Officer
Ellie Comerford	Independent Non-Executive Director
John Harvey	Independent Non-Executive Director
Graham Kennedy	Independent Non-Executive Director
Chris Mace	Independent Non-Executive Director
Vanessa Stoddart	Independent Non-Executive Director
Greg Tomlinson	Non-Executive Director

Strategic Management Group

Jeff Greenslade	Chief Executive Officer
Chris Flood	Deputy Chief Executive Officer
Laura Byrne	Chief Operating Officer
Richard Lorroway	Chief Risk Officer
David Mackrell	Chief Financial Officer
Sarah Mannion	Head of People & Culture
Sarah Smith	Head of Business Enablement
Lydia Zulkifli	Head of Digital Strategy

Other formalities

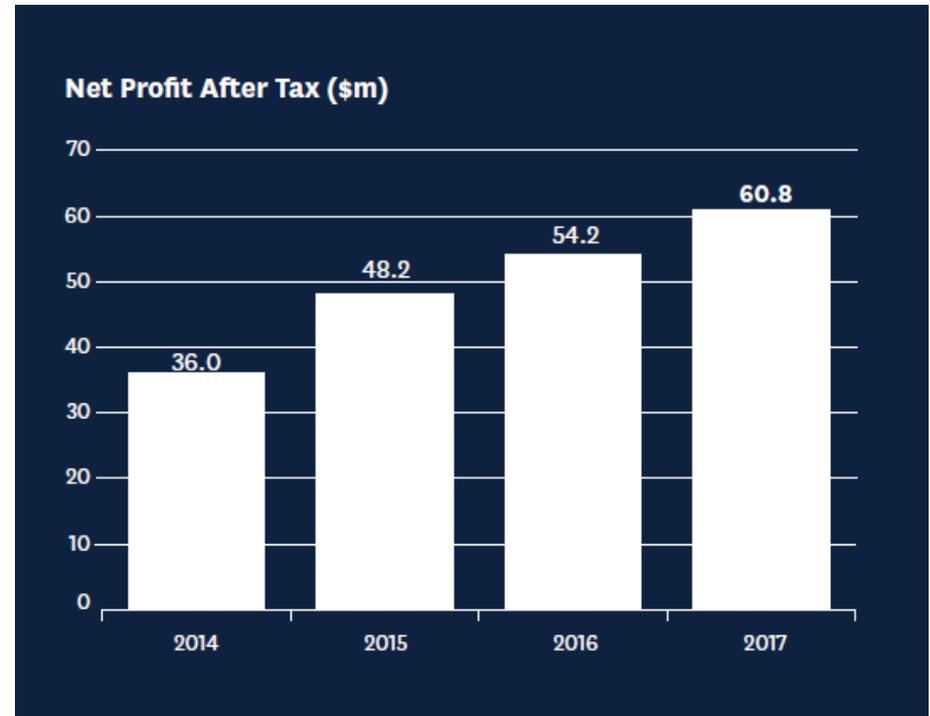
- Proxies and postal votes received
- Meeting procedures
- Voting procedures and declaration of poll
- Notice of meeting
- Minutes of last Annual Meeting

Chair's Address

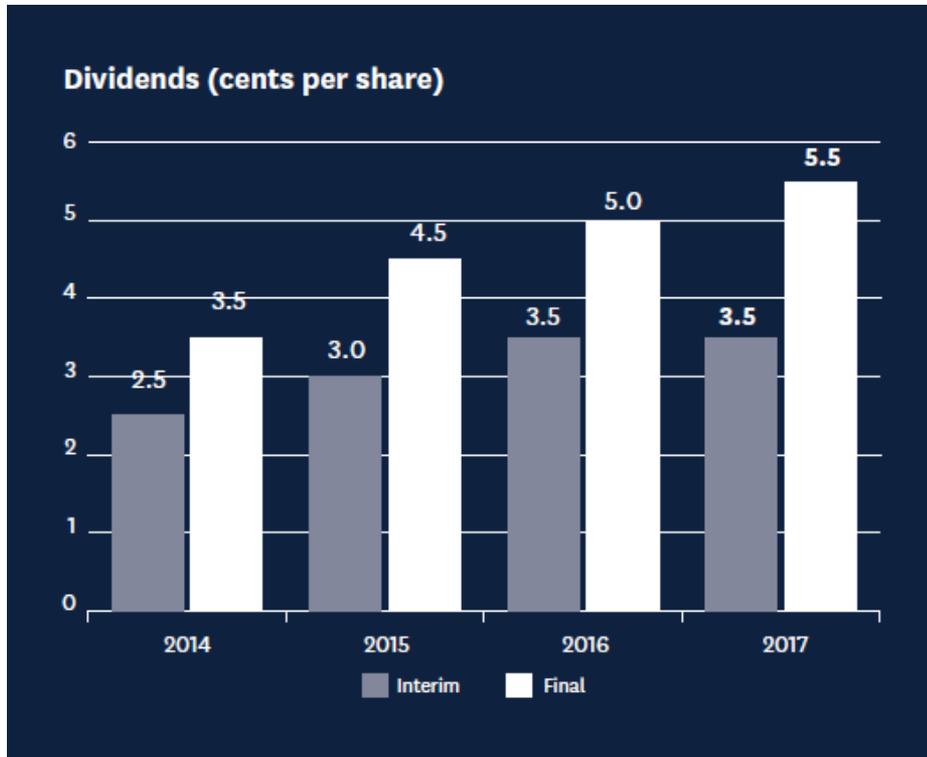


Another successful year for Heartland

- Net profit after tax of \$60.8m, up 12%
- Return on equity of 11.6%, up from 11.1%
- Key strategic milestones met
- 'BBB' credit rating affirmed



Delivering shareholder value



- Total dividend declared of 9.0 cents per share, up 6%
- TSR* for FY17 was 60.9%
- TSR* over the last 5 years has averaged 38.3%

*Total shareholder return (TSR) means share price appreciation plus dividends received and has been calculated including the benefit of imputation credits.

FY18 Performance and Forecast

- For the three months to 30 September 2017:
 - Net profit after tax of \$16m, up 12% on previous corresponding period
 - 16% annualised growth (4% for the 3 month period) in net finance receivables
- Pleased to reaffirm expected net profit after tax for FY18 to be in the range of \$65m to \$68m

Pro Rata Rights Issue

Heartland is seeking to raise up to approximately \$59 million of new equity to support continued growth in its loan portfolio and maintain a strong balance sheet.

- 1 for 15 pro rata rights issue
- Issue price of \$1.70 per share, being a 10.1% discount to the closing price on 8 November 2017 and a 9.5% discount to the theoretical ex-rights price
- Open to New Zealand and Australian shareholders as at 5pm on 17 November 2017, as well as institutional shareholders in Hong Kong, Singapore, the United Kingdom and Norway (no U.S. persons)
- Open from 23 November 2017 to 8 December 2017 (unless extended)
- Any rights not taken up will be sold under a shortfall bookbuild
- Shareholders who take up their rights in full may participate in the shortfall bookbuild
- The offer is not underwritten given size and intended use of proceeds for supporting continued strong asset growth in time
- Rights will not trade on the NZX Main Board

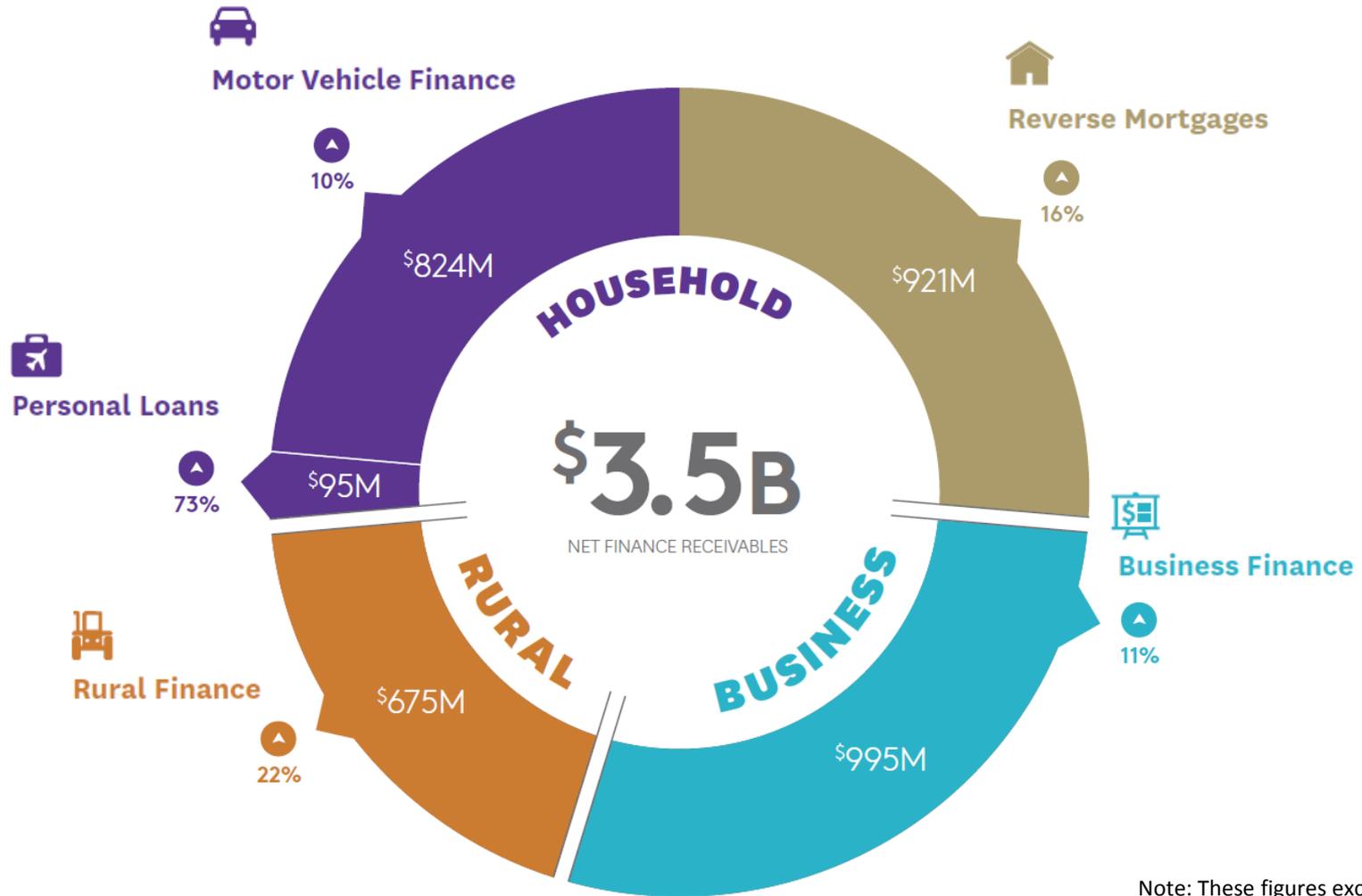
Heartland in the community



CEO's Report



Growth Across All Divisions



Note: These figures exclude \$36m of residential mortgage lending

Funding

- Growth in retail deposits of 13%
- Deposits remain the primary source of funding
- \$150m retail bond issue completed in September 2017



FY18 Outlook

- Expect asset growth to continue for FY18
- Some signs of competitive activity in deposits
- Industry moving off historically low levels of impairments

Strategy

- Offer “best or only” products in the markets in which we operate through superior product features and a frictionless customer on-boarding experience
- Growth through digital distribution channels and intermediaries / partnerships
- Digital platforms launched including for SME working capital finance, livestock finance, personal loans and deposits
- Objective is to have the majority of our products initiated or sold online

Start your application

How much would you like to borrow? **\$25,000**

\$5k | \$75k | \$250k+

What's your yearly business turnover? **\$150,000**

\$20k | \$100K | \$500K | \$2m+

APPLY NOW →

“Diversity means having the broadest range of perspectives, the widest access to talent and a rich diversity of thought.”

Shareholder Discussion



Voting



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