

The Heartlander

THE NEWSLETTER OF HEARTLAND BANK – NEW ZEALAND'S SPECIALIST BANK

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HOW DO WE STAY IN OUR FAMILY HOME?

HOME EQUITY LOAN



Heartland Saver*

3.75% P.A.

Interest paid monthly.
Variable interest rate subject to change.

* IMPORTANT INFORMATION

The Heartland Saver is an on call account. The current Heartland Bank Limited (Heartland Bank) Disclosure Statement is available at any Heartland Bank branch, at www.heartland.co.nz or by calling 0800 85 20 20.

If you are interested in our Term Deposits or Savings Optimiser account, please also see our investment statements for those products, available as above.

Heartland Bank is a subsidiary of Heartland New Zealand Limited (HNZ). HNZ does not guarantee the obligations of Heartland Bank in relation to deposits.

As New Zealand's specialist bank, Heartland focuses on niche areas where we can offer market leading products. Heartland is a people business built on relationships – we are committed to finding products for people, not people for products. We are very excited to be expanding our offering by entering the home equity release market. On page 2 you can read about the market leading and socially responsible product Heartland has developed, which will enable retirees to continue to live in their own home and make the most of their retirement.

This socially responsible ethos is part of Heartland's vision, which is to enable prosperity for businesses, farmers and families in heartland communities. One way we achieve this is by supporting organisations and clubs which are the fabric of the communities in which they operate. In the last Heartlander we asked for nominations for two \$500 gifts to worthy organisations – we were absolutely overwhelmed by submissions from outstanding organisations that do great work in our wonderful country. Choosing just two was a real challenge so we decided to contribute to a few more. See who won on page 4.

Another recent recipient of a grant from Heartland is student Loren McCarthy. Heartland assisted Loren to attend the International Model United Nations. The account of her journey on page 3 is a great read, and it is clear that Loren is set to achieve great things.

As you know, Heartland is also a supporter of Bowls New Zealand, and I was privileged to attend the finals of the Heartland Bank National Open Championships in Dunedin earlier in the year. What a fantastic event, with a couple of games as tense as any All Black test. You can read more about the finals on page 3.

As the days become shorter and winter looms I hope you enjoyed a great Kiwi summer. Thank you for your continued support, and if you have any questions or feedback on *The Heartlander* please feel free to contact me on 0800 85 20 20

Andrew Ford
National Retail Manager

HEARTLAND NEW ZEALAND LIMITED POSTS HALF YEAR PROFIT

Heartland Bank (Heartland) is New Zealand's specialist bank. We want to operate in areas where we can achieve market leading, best in category positions while maintaining a balanced portfolio across three key segments of the economy – households, small-to-medium sized businesses and the agricultural sector.

Through our legacy entities, Heartland has a long and proud history serving these markets, which we aim to build on. We have made good progress, which was demonstrated in the performance for the six months to 31 December 2013. During this period Heartland's parent company, Heartland New Zealand Limited (HNZ)¹ posted a net profit after tax of \$16.7m, which was in line with forecast guidance. This compares to a net profit after tax of \$10.7m for the previous corresponding reporting period for the period ended 31 December 2012.

Acquisition

On 14 February 2014, HNZ advised that it had entered into a Sale and Purchase Agreement with Seniors Money International Limited for the acquisition of its Home Equity Release mortgage businesses².

This acquisition provides Heartland with the product capability to meet the needs of New Zealand's 65+ demographic, which is a growing market and is typified by those with the majority of their personal wealth tied up in their primary residential dwelling. It also advances Heartland's ongoing strategy of pursuing niches within the household, business and rural sectors where it can obtain a market leading position through the best products, people and service.

You can read more about Home Equity Release Loans in the article below.

NZ FACT

New Zealand leads the world when it comes to dairy, accounting for over a third of the world's international dairy trade. Our products feed more than 100 million people worldwide.

Dairy NZ

¹ Heartland Bank Limited (Heartland Bank) is a subsidiary of Heartland New Zealand Limited (HNZ). HNZ does not guarantee the obligations of Heartland Bank in relation to deposits. Heartland Bank's Disclosure Statement is available at any Heartland branch, at www.heartland.co.nz or by calling 0800 85 20 20. This report is based on the consolidated financial statements of HNZ for the six months ended 31 December 2013.

² For further details see HNZ's market announcement of 14 February 2014.

HOME EQUITY RELEASE LOANS

At Heartland Bank, we pride ourselves in finding products for people, not people for products.

Like many of our global counterparts, New Zealand has an aging demographic that is typified by those with a majority of their personal wealth tied up in their home. A home equity release loan allows retirees to borrow against the equity in their home without having to sell it. The money can be used to fund home repairs, fulfil dreams of travel, assist the next generation or simply to take the pressure off day-to-day living expenses.

Heartland has developed a market leading and socially responsible product to meet these needs – the Heartland Home Equity Loan. The Heartland Home Equity Loan is designed to give customers the financial freedom to enjoy their retirement while still living in the place they call home. Anyone over the age of 65 and who owns their own home can apply, with the amount available determined based on their age and the value of their home. As an example, a 70 year old can typically borrow up to 25% of the value of their home.

The Heartland Home Equity Loan is designed to release funds to improve quality of life, but we recognise that this is a big decision and customers place a lot of trust in us. That's why we make the following promises:

Promise one

Lifetime occupancy

Your home will remain the place you live for as long as you choose.

Promise two

No negative equity guarantee

The amount required to repay the loan will never exceed the net sale proceeds of the property.

Promise three

Loan repayment guarantee

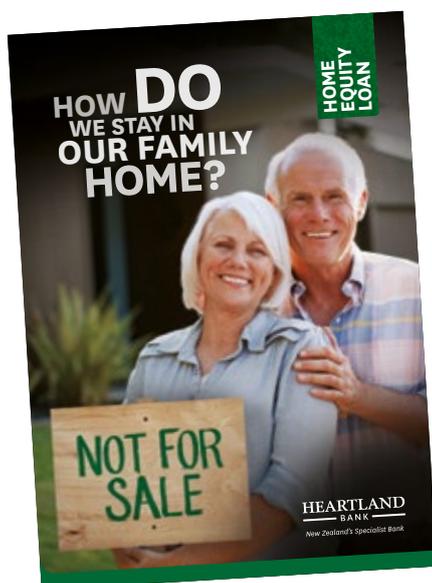
There is no requirement to make any loan repayments until the end of the loan.

In addition, we also offer a thirty-day cooling-off period (which means if you change your mind within thirty days you can simply pay off your loan and we will refund the application fee in full) because we are committed to ensuring our customers are 100% comfortable and happy with their decision to take out a Heartland Home Equity Loan. It is an important decision, so we recommend that independent financial advice is sought, and as part of the application process, we require an applicant seeks legal advice. We also recommend that applicants talk it through with their families.

At Heartland Bank we are dedicated to delivering best-in-category products, helping customers where it really matters. We are confident that the time is right for home equity release loans in New Zealand, and we are confident we have the product, procedures and expertise to give a customer experience 'The Heartland Way'.

If you or someone you know is interested in finding out more about a Heartland Home Equity Loan visit www.heartland.co.nz or call 0508 432 785 to talk to an expert and receive a free brochure.

Lending criteria, fees and charges apply.



FROM HEARTLAND TO THE HAGUE

When I found out that I had been selected as a New Zealand representative to attend The Hague International Model United Nations, I knew raising the funds to get me there would rely on the help and support of people who recognised it not only as a chance to go overseas, but also to give me exposure to an environment that would inspire and motivate me to do the most I can with the life ahead of me.

My family and I have been Heartland customers for a long time and I knew all about their values and the support they offer for people to succeed. I approached them through Tauranga branch manager, Deb Lee and was bowled over when they said they'd support me.

Great Expectations

I had expected great things of the conference. However, the experience proved itself even more fantastic than I could have hoped and I would like to endeavour to share some of that with you. We started off in New York and visited many famous landmarks and sites. The most sombre, but for me one of the most important, was the 9/11 memorial. We also spent time with the NZ ambassadors and diplomats and had the privilege of meeting and talking to Helen Clark, hearing about her role as Head of the United Nations Development Programme. Next it was Geneva, Switzerland with visits to the Red Cross Museum, New Zealand Permanent Mission and the United Nations headquarters. We spent some valuable time hearing the role of NZ diplomats overseas and their relationships with the United Nations. The next city was Berlin – I can't quite believe I'm reeling off some of the most incredible cities in the world as if I'm writing a shopping list – a city rich in culture and very different to New Zealand. Having taken German at school I was looking forward to trying it out



Loren (back row, fourth from left) and fellow delegates in Geneva

in 'real life', and wasn't disappointed. Berlin stood out as a city with a lot of history and one we have much to learn from. We were struck by the way Berlin chooses to honour its past publicly and with respect. Truly inspiring. Next Brussels and then Amsterdam, where I fulfilled a childhood ambition of visiting Ann Frank's house, an eye opening experience.

The Hague

From Amsterdam we reached The Hague, the venue for The Hague International Model United Nations. Calling on our recently gained knowledge, my partner and I spent every day at the Security Council, lobbying, debating and negotiating with the 30 other delegates to reach a consensus on the four resolutions we were to address. Somehow we also found time to visit the International Court of Justice and meet Kiwi judge Sir Kenneth Keith. Our time with Sir Kenneth left us all inspired, and in no doubt of the fantastic things New Zealanders can achieve at a world changing level.

Back Home

The most difficult part of the trip was saying farewell to our fellow delegates and fantastic

directors, all of whom had inspired, motivated and supported us throughout our trip. I know that personally, I have returned a changed person. Not only do I have a greater knowledge of the UN system, but I feel more confident in my own future and driven to make a positive change in our world. My starting point has been accepting a scholarship at University of Auckland studying a Bachelor of Science majoring in Biomedical Science, with a goal of entering medicine next year. I'll also remain committed to the UN Youth in New Zealand, having applied to be a facilitator at their next event. It's important to me to give back as much as possible and give other people the life-changing opportunities I had. And for those opportunities I would like to thank you. By supporting Heartland, you have supported me and without it, I would not have been able to embark on such an amazing journey of learning, passion and discovery.

Thank you for helping to make such a positive difference.

Loren Mccarthy

THRILLING FINALS REVEAL WORTHY CHAMPIONS

The sun was shining and it was standing room only for the Singles Finals at the recent Heartland Bank National Open Championships in Dunedin. The carrot of selection for the forthcoming Commonwealth Games in Glasgow attracted a top class field, which resulted in some fantastic matches being played across the competition. The coveted men's title was won by Blackjack Ali Forsyth in a tense match against the young Australian Sean Ingham. The nineteen year-old pushed Ali to the last ball in what many have described as one of the most dramatic finals ever played. The women's final also provided a stage for the sport's up-and-coming in the form of 18 year-old Tayla Bruce, but ultimately the skill and experience of Victoria Bowling Club's Helen King proved too much, with King taking the match and the title in a dominating performance.

In the pairs, a new partnership of Bowls New Zealand President Ann Muir and Carolyn Crawford took the woman's title and Blackjack (and Heartland bowling ambassador) Tony Grantham and partner Michael Nagy provided the crowd with another nail-biter as they took their match to the wire before securing the title.

The women's fours title was taken by one of the youngest teams ever fielded – Blackjack Mandy Boyd and her team of Amy McIlroy, Gemma Watts and Selina Goddard, and it was another title for Men's pair's champions Tony Grantham and Michael Nagy as they took the Men's fours with team mate Andrew Kelly and skipper Mike Kernaghan.

The two-week competition is one of the largest annual sporting events in New Zealand – one that Heartland was very proud to be a part of.



Heartland's Andrew Ford with Singles Champions Helen King and Ali Forsyth.

We congratulate all the competitors and thank the hundreds of volunteers who made it such a success.

CHELSEA'S PASSIONFRUIT MELTING MOMENTS

Passionfruit is the perfect filling for these silky, buttery biscuits that require very little effort to whip up. This recipe makes 16 biscuits once filled – you can halve the recipe if you prefer fewer, but that's not advised!

Ingredients

260g butter, at room temperature
1/2 cup icing sugar
1 tsp vanilla paste or extract
1 1/2 cups plain flour
1 tsp baking powder
2/3 cup cornflour
Zest of 1 lemon
Icing sugar, for dusting
Extra cornflour, for dusting the fork

Icing

2 cups icing sugar
25g butter
Pulp and seeds from 5-6 passionfruit

Method

Preheat the oven to 160c (140c fan bake) and line a large baking tray with baking paper.
Beat/cream the butter and icing sugar until well combined. Beat in the vanilla.



Sift the flour, baking powder and cornflour into another bowl and whisk to mix well. Then, add to the creamed mixture with the lemon zest and mix to form a crumbly dough.

Roll into walnut-sized balls and place 5cm apart on the prepared tray. Press each one down lightly with a fork dipped in the extra cornflour.

Bake in the oven for 10-12 minutes – they shouldn't colour (or only very slightly) then leave to cool completely on the tray.

Beat the icing sugar and butter together, beat in the passionfruit. If it's too runny, add more icing sugar. If it's too thick, add more passionfruit pulp. Spoon the icing on a biscuit half and press another half on top. Dust with icing sugar and keep in an airtight container in a cool place (even the fridge).

You can find more of Chelsea's delicious recipes in her best selling book 'At My Table' or visit www.chelseawinter.co.nz

CAUSE FOR CELEBRATION – CHARITY COMPETITION RESULTS

In our last edition of *The Heartlander* we asked you to nominate a charity or organisation that was close to your heart and could benefit from a \$500 donation from Heartland. Our plan was to pick two entries that stood out from the crowd and donate \$500 to each, but as is the case with many plans, we soon realised this one would need a little 'refining'!

We were overwhelmed not only by the number of entries we received, but by the amazing stories of the roles these groups play in our communities. Our judging panel debated the merits of each entry, debated them again, and then finally reached agreement. So without further ado, I am pleased to announce that The Big Little Theatre Company of Ashburton and Otaki St Johns Shuttle of Kapiti Coast, will each be receiving \$500 from Heartland.



Heartland Team members with the entry from The Big Little Theatre Company

However...competition was so tight that our judges have also recommended that a further five entries also receive a \$100 donation from Heartland.

Thank you to all of you who took the time to enter this competition and our very best wishes to all of the organisations involved.

CONTACT US

Visit your local Heartland Bank branch or PGG Wrightson store, or call us today to chat about which account or deposit is right for you, and for a copy of our Disclosure Statement, Investment Statements and Account and Service General Terms and Conditions.

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