

The Heartlander

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

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Santa's little helpers – Some of the Heartland team (and their children) helping out at a Special Children's Christmas Party.

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.

It is that fantastic time of the year where the days are long and the weather is generally good, enabling plenty of quality time with family and friends – this is always the highlight of Christmas and New Year for me. It is also a time to help those who face challenges, and Heartland was proud to support Special Children's Christmas Parties around the country in December. I was one of many Heartlanders to help out and put a smile on the face of thousands of young ones – a very rewarding experience and something that will stay with me for a long time.

In the spirit of Christmas, in this edition of *The Heartlander* we provide you with the opportunity to recommend a charity, club, organisation or cause to support. We have two grants of \$500 to donate – see page 4 for further details.

Judging by the queues at the shopping mall near Heartland's head office I would say the tills are ringing just as loud as the carols that are playing. This bodes well for 2014, and I have written an article on page 3 that reflects on 2013 and looks forward to 2014.

Heartland is a different kind of bank. We are New Zealand's specialist bank with a core focus on

supporting the productive sector, which forms the backbone of the economy and drives prosperity in local communities. On page 2 of *The Heartlander* you can read an interesting story on a business that, with the support of Heartland, is growing rapidly and providing thrills to its customers.

Of course, summer is also all about food. Heartland's own Master Chef 2012 winner, Chelsea Winter, has a great recipe for tasty sausage rolls on page 4.

In early 2014, Stuart Mainwaring, who has dealt with Heartland investors through our legacy entities for over 20 years, is retiring. His name will be familiar to many of you and I have personally learnt a great deal over the years from Stu. I am sure you will join me as I wish him all the best for his retirement.

I hope you are having an enjoyable summer, and from all of the team at Heartland I would like to wish you all the best for 2014 and thank you for your continued support. 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

BOAT BUSINESS A ROARING SUCCESS

After travelling the world, risking life and limb at the helm of some of the world's fastest speed boats, you can understand why Kiwis Neville Kelly and Duncan Storrier wanted to take a step back and take life at a slightly slower pace – and although that's exactly what they did – it's probably not quite what you're imagining....

With a shared passion for life on the water, the two men decided to join forces and create one of New Zealand's most successful tourism ventures – Thunder Jet and Queenstown Water Taxis.

"We had over 50 years' of jet-boating experience between us and a shared passion for one of the most stunning areas the world has to offer. Creating a service that gave people a great experience in a truly spectacular location felt like a very natural thing for us to do" says co-founder Neville Kelly.

Duncan found that his other business commitments required more of his time, so Neville and his wife Debbie decided to take his share on too. "But we couldn't do it alone" continues Neville. "We needed financial knowledge and support from someone who could see our vision and understand what we wanted to achieve. We found that in Heartland Bank and specifically Relationship Manager, Martin Hannagan."

"When Neville and Debbie approached Heartland I could see they had a solid business but Heartland could help them do more" says



Martin. "They were a great family-owned Kiwi business who took pride in giving customers a great experience in the safest possible environment. They were looking for ways to grow and improve but wouldn't compromise their standards or a passenger's safety."

With the support of Heartland, Thunder Jet expanded its fleet to three and invested in one of the world's most technologically advanced and safest passenger jet boats – built right here in New Zealand.

"The Thunder Jet family is one of the hardest working businesses I know" says Martin "They have a hugely positive effect on the local economy, employ local staff and use local services to support their business. I'm proud to be associated with them."

Martin was so impressed with Thunder Jet that he nominated them for the Deloitte Fast 50 index for 2013 – a highly respected and world recognised listing that acknowledges the top 50 growing businesses in New Zealand. In the last three years this group of businesses has collectively boosted the New Zealand economy by \$267m and created over 886 jobs.

"We're incredibly proud" says Neville. "We offer a specialist service and so does Heartland. When you're putting your all into something, it's great to know that you have the support and belief of those around you. Heartland definitely provides that."

If you would like to book a journey on Thunder Jet or the more sedate Queenstown Taxis, please visit www.thunderjetqueenstown.co.nz

SUPPORTING OUR COMMUNITIES

HEARTLAND GREENS

In the last edition of *The Heartlander* we told you about our proud history of supporting lawn bowls across New Zealand, so we were delighted to be given the opportunity to sponsor Bowls New Zealand's Centennial National Open Championships, this year being held in Dunedin.

The premier event in the Bowls New Zealand calendar, the Heartland Bank National Open Championships, will be attended by over 800 players from across the country and give everyday club players the chance to meet, mingle and play against our top national players. There are also many opportunities to meet well known champions – past and present – in the many social events that are held around the "Nationals".

For many of the players attending, Heartland is a bank they are familiar with, as a good number of clubs and their members already bank with us. The network of bowls clubs throughout the country – of which Heartland supports over 30 – provides a vital role in offering a sports and social environment for many members, and importantly, a rich



training ground for younger players who are working their way up the rankings in a sport that used to be seen as the domain of the elderly. This level of commitment very much mirrors Heartland's own vision of supporting and developing communities as well as nurturing and supporting tomorrow's leaders. For Heartland, our relationship with bowls in New Zealand is a partnership in its truest sense. We provide support at a local, regional and national level, and in return clubs and their members support us – and ultimately their local small-to-medium sized businesses, farms and families – because that is who we focus on.

"Heartland's support of bowls in New Zealand is fantastic" says Kerry Clark, CEO of Bowls New Zealand. "They understand the bowling community, and importantly they understand what the bowling community has to offer New Zealand. It's a pleasure to have them on board."

The bowls Nationals started on 28 December and run until 9 January. We'll give you a full run-down of the results in the next edition of *The Heartlander*.

AS ONE YEAR CLOSSES...

Where did 2013 go? I have evidence that time is actually going quicker, and although this isn't overly scientific, having Christmas decorations up in late October definitely creates the feeling that the year is a month shorter than it should be.

2013 in review

As with every year, 2013 had its share of highs and lows. From the undefeated mighty All Blacks to the disappointment of the America's Cup – New Zealand punched above our weight on the sporting field and economically.

New Zealand's economy continued to recover in 2013 and performed strongly relative to our trading partners. Growth is estimated to be at 3% for the year, and in December our 'terms of trade', which measures the buying power New Zealand has abroad for its exports, reached the highest point in 40 years. This is a reflection of high commodity prices (in particular dairy) and the high New Zealand dollar.

The Official Cash Rate (OCR), which is the interest rate set by the Reserve Bank to meet inflation targets, has remained unchanged at 2.50%. The OCR last changed in March 2011 with the Reserve Bank since announcing "no change" an incredible 22 times. Since being introduced in 1999, the OCR had previously never remained unchanged for more than 10 reviews.

2013 also saw the partial sale of state-owned assets. Meridian was actually the biggest listing in Australasia during the year, a position a New Zealand company has not held in a long time. Ignoring the political aspect of the process, the sales have also highlighted that in investment markets there is no such thing as a sure bet.

Despite the performance of Mighty River Power and Meridian not meeting expectations, on the whole NZ equity markets had a strong year.

On the weather front, 2013 started dry. All of the North Island and parts of the South declared a drought zone, which for many farmers was the worst in generations. Fortunately the rain eventually came and conditions appear better this summer, although for some it will take several years to recover.

Our largest trading partner had a change in government, while in the US their government ground to a halt with the 'shut-down'. Whenever you lose faith in our politicians it is often worth looking offshore for a reminder that our lot aren't too bad after all...

For Heartland, 2013 was our first full year as a bank and we continued to achieve milestones. It was great to have our products and our service recognised with awards during the year.

Crystal Ball...

I believe the New Zealand economy is well positioned for strong growth in 2014 – the Reserve Bank is forecasting growth of 3%. This is boosted by the rebuild in Canterbury, which based on my recent visits appears to be gaining momentum.



Economists are predicting interest rate increases in 2014, the question being when and by how much? The market is pricing the first OCR increase late in the first quarter or early in the second quarter of 2014, and then increasing approximately 0.25% a quarter to 4.50% in late 2015 or 2016. The challenge for Reserve Bank Governor Graeme Wheeler is balancing the Reserve Bank's inflation target objectives against the broader economy, particularly the Auckland property market, which is viewed by international experts as overvalued, and the stubbornly high New Zealand dollar. In theory increasing interest rates, when the rest of the OECD is still in an easing or neutral phase, could further increase the dollar, making it tougher on exporters. In some ways this is a good problem to have as it is a sign of the strength of the New Zealand economy.

We will also have a general election in 2014. With a stronger economy and improved Government books, I predict there will be a bit of a lolly scramble, and just hope that our politicians demonstrate a fiscally prudent approach when making promises. As for the result – too close to call.

On the sporting field, I predict a strong showing from New Zealand teams, with the Crusaders to win the Super XV title for the first time since 2008 and the Chiefs and Blues also making at least the semi-finals. I also see (hope) the Warriors making the finals and the Black Caps having a great year!

I'll also be tracking the progress of one of New Zealand's newest sports stars, Lydia Ko, with interest. After a spectacular

amateur career, Lydia is taking the woman's professional golf circuit by storm. I don't think I'm alone in predicting further success for the young Aucklander!

On a personal note, none of the highs experienced in 2013 compare to the excitement of welcoming my son Arlo into the world in August. I am looking forward to catching up on some sleep in 2014!

I wish you all a prosperous, enjoyable and safe 2014.

Andrew Ford
National Retail Manager

Disclaimer: This article is general in nature and is not to be considered financial advice.

NZ FACT

The oldest female racing driver is Jeannie Reiman (b. New Zealand, 19 April 1913) who competed in the Canadian Vintage Modified's 10 lap Powder Puff race at Sunset Speedway in Stroud, Ontario, Canada, on 3 August 2003, aged 90 years 106 days.

Source: Guinnessworldrecords.com

CHELSEA'S PORK, SAGE AND ONION SAUSAGE ROLLS

We all love a sausage roll or two and there's nothing tastier (or healthier) than making your own. The golden rule of this recipe is not to forget to season your mince – you need it for the flavor. So make, bake, and serve with salad or veggies for a delicious meal.

Ingredients (serves five)

- 1 x 400g block puff pastry
- 500g pork mince
- 5 rashers streaky bacon (or 3-4 rashers shoulder bacon), chopped
- 2 medium onions, finely chopped or grated
- 2 cloves garlic, minced
- 2 cups finely chopped spinach
- 2 tsp tomato paste
- 1 egg, lightly beaten
- 15-20 fresh sage leaves, chopped (or 2 tsp dried)
- 2 tsp dried marjoram
- ½ tsp white pepper (or cracked black pepper)
- ½ cup couscous soaked in ½ cup boiled water
- Zest of 1 lemon

Method

Defrost the pastry (either in the fridge or place the whole packet in a bowl of warm water).

Preheat oven to 175°C fan bake, and line a baking tray with baking paper.

Heat a big splash of olive oil in a large pan over a medium-high heat. Add bacon and fry until crispy. Drain on paper towels. Reduce the heat to medium, drain the excess fat from the pan,



add another splash of olive oil, add the onion and garlic and cook for around 5 minutes until the onion is soft. Add the spinach and cook for another few minutes until the spinach is wilted and most of the moisture has evaporated from it.

Place the pork mince in a large bowl with the onion mixture, bacon, tomato paste, egg, couscous, sage, marjoram and lemon zest. Add ½ a tsp salt and 1/2 tsp white pepper (if you have it, or use a good hit of cracked pepper). Mix and scrunch it all with clean hands to combine thoroughly. Set aside.

Roll out the pastry on a clean floured bench-top until it's about 3-4mm thick (you'll need to sprinkle the top with flour too as you're rolling). Cut into two even long rectangles and arrange the mince filling in neat logs down the middle of each rectangle, lengthways.

Fold up both sides of the pastry snugly to meet

on top, brush egg wash on both parts where the pastry joins up and press to seal. Trim excess pastry leaving about 1-2cm overlap. Cut the rolls into thirds or quarters with a sharp knife and place seam-side down on the lined baking tray, a few centimetres apart.

Brush the rolls all over with the egg wash and prick the tops a few times with a fork to let the steam escape during cooking. Sprinkle with sesame seeds, poppy seeds or fennel seeds.

Bake in the lower half of the oven for around 45 minutes until the pastry is golden brown and puffed up. If you want to make smaller sausage rolls, just cook them for 10 minutes less. Serve with a fresh salad or veggies and a dollop of tomato relish or peach chutney. Yum!

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

WIN \$500 FOR A CAUSE CLOSE TO YOUR HEART

Heartland has a long and proud history of supporting community based charities, clubs and groups up and down the country. In the last year we have been involved with over 80 organisations, helping thousands of people to get involved with sports, social or educational activities that help them do more. From music festivals to mountain rescue, scholarships to arts societies, Heartland has given support in terms of financial assistance, voluntary help or funding much needed equipment. We consider it to be a hugely valuable role in the communities we operate in and a role that we envisage will continue to grow.

Most of the nominations for support are received via our retail branch network and the great relationships our staff have in their local communities, but for this edition of *The Heartlander* we thought it would be great if we invited you to nominate a group or club close to your heart to receive a \$500 donation from Heartland.

How to get in the draw

To qualify, the nomination must be for a charity or not-for-profit organisation* and be based here in New Zealand. To give them a chance of winning, all you have to do is tell us in not more than 100 words why your chosen club or

organisation deserves an extra \$500. We're sure competition will be stiff, but two groups are going to be given a great start to the New Year – so get those fingers skipping across the keyboard or put pen to paper and send your entry to invest@heartland.co.nz or by post to Heartland Investments, PO Box 9919, Newmarket, Auckland, 1149. Don't forget to include your name and contact details.

Closing date for entries is Monday 3 March 2014. Entries will be judged by Heartland's Invest Direct Team and winners will be notified before 17 March 2014.

* Terms and conditions are available on request from invest@heartland.co.nz or call 0800 85 20 20.

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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