

19 November 2020

Heartland Group Holdings Ltd (HGH)

The company will hold its Annual Shareholders Meeting **2.00pm Monday 30 November 2020**.

The location is **Eden Park, Reimers Avenue, Kingsland, Auckland**.

You can also join the meeting at <https://www.virtualmeeting.co.nz/agm/hgh20/register>

The company was listed on the NZX in February 2011. It has a long history going back to 1875 as the Ashburton Permanent Building and Investment Society. Heartland Bank is the result of the merger of Southern Cross, CBS Canterbury and MARAC. It is also listed on the ASX. It employs 475 people in New Zealand and 25 in Australia. It has over 120,000 customers with deposits of \$3.3 billion. Its lending comprises Reverse Mortgages \$1.5 billion, Business Finance \$1.15 billion, Motor Vehicle Finance \$1.12 billion, Rural Finance \$605.7 million, and Personal Lending \$210 million. After a successful trial in March it launched an online residential mortgage platform in October currently at \$13.8 million.

As a bank it was regarded as an essential service so continued operating through Covid-19 lockdowns. It has made provision of \$9.6 million against the possible impact on its lending.

Net Operating Income was up 13% at \$233 million however NPAT was down 2.1% at \$72 million. Net Interest Margin was unchanged at 4.33% with Return on Equity down from 11.1% to 10.5%. Dividend was 7 cents per share. NPAT guidance for FY21 is between \$83 million and \$85 million.

The shares are trading at \$1.38 and have traded through a range of \$0.91/\$1.90 over the past year.

Board Composition

The Board comprises an Independent Chair, two Independent Directors, a Non-Independent Deputy Chair, and the CEO. The Non-Independent Director is associated with Harrogate Trust Ltd the largest shareholder at 10%.

Resolutions

1. To re-elect Greg Tomlinson as a Non-Independent Director.

Greg Tomlinson was appointed to the Board in October 2018 and is the Deputy Chair. He is a director of a number of companies including The Icehouse, Oceania Healthcare, Impact Capital and Argenta.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. That the Board is authorised to fix the auditor’s remuneration for the coming year.

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://vote.linkmarketservices.com/HGH/>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **2.00pm Saturday 28 November 2020.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY

MAKE YOUR VOTE COUNT!

Details on the NZSA website.

<http://www.nzshareholders.co.nz/shareholders-standing-proxies.cfm>

The Team at NZSA