



Heartland Bank Limited Subordinated Notes Offer

Investor Presentation

11 April 2023

Joint Lead Managers



Important Information and Disclaimer

This presentation has been prepared by Heartland Bank Limited ("**Heartland**") in relation to its offer ("**Offer**") of unsecured subordinated notes ("**Notes**") to New Zealand investors and certain overseas institutional investors.

A limited disclosure document ("LDD") has been prepared in respect of the Offer. The LDD is available on the online Disclose Register maintained by the Companies Office at <https://disclose-register.companiesoffice.govt.nz> (offer number OFR 13495) or can be obtained from the Joint Lead Managers or your usual financial advice provider.

Information

This presentation contains summary information about the Notes and Heartland and its activities that is current as at the date of this presentation. The information in this presentation does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Notes. The information in this presentation has been obtained from sources believed to be reliable and accurate at the date of preparation and has been prepared with due care and attention, but its accuracy, correctness, reasonableness and completeness cannot be guaranteed.

No person is under any obligation to update this presentation at any time after its release or to provide further information about Heartland.

Not financial product advice

The information in this presentation is general in nature and does not take account of your individual objectives, financial situation, needs or other circumstances. It does not constitute financial, investment, legal, tax, accounting or other advice or a recommendation to purchase Notes.

You should carefully read and consider the LDD, consider the suitability of an investment in the Notes having regard to your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues) and consult your financial, legal, tax and other professional advisers before deciding to invest in the Notes.

Investment risk

This investment is riskier than a bank deposit. The Notes are complex financial products that are not suitable for many investors. If you do not fully understand how the Notes work or the risks associated with them, you should not invest in them.

Restrictions on distribution

The LDD only constitutes an Offer to investors in New Zealand and to certain overseas institutional investors in accordance with the selling restrictions set out in the LDD.

Heartland has not taken and will not take any action that would permit a public or regulated offering of the Notes, or possession or distribution of any offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

The Notes may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.

The LDD and any disclosure statement, information memorandum, prospectus, circular, advertisement or other offering material in respect of the Notes may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

Specific selling restrictions will apply to an initial offer of the Notes in Australia, the European Union (excluding Austria), Hong Kong, Japan, Singapore, the United Kingdom and the United States or to US persons.

Disclaimer

To the maximum extent permitted by law, none of Heartland, Westpac Banking Corporation ABN 33 007 457 141 (acting through its New Zealand branch) ("**Westpac**") as Arranger, or Westpac, Bank of New Zealand, Craigs Investment Partners Limited or Forsyth Barr Limited as Joint Lead Managers, or their respective directors, officers, employees, agents or advisers, make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this presentation, or in any further information that may at any time be supplied in connection with the Offer or accept responsibility or liability therefor or for any loss or damage howsoever occurring resulting from the use of or reliance on this presentation by any person.

Important Information and Disclaimer (continued)

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All amounts are in New Zealand dollars unless otherwise indicated. Due to rounding, numbers within this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

This presentation includes certain financial measures that are "non-GAAP (generally accepted accounting practice) financial information" on slide 15. Such financial information and financial measures (including underlying profit or loss, underlying return on equity (ROE) and underlying cost to income ratio (CTI)) do not have standardised meanings prescribed under New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and therefore, may not be comparable to similarly titled measures presented by other entities.

Financial data in this presentation is as at 31 December 2022 unless otherwise indicated. Any other financial information provided as at a date after 31 December 2022 has not been audited or reviewed by any independent registered public accounting firm.

Credit rating

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Disclosure regarding forward-looking statements

This presentation may contain certain forward-looking statements with respect to the financial condition, results of or operations and business of Heartland. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions.

Forward-looking statements in this presentation include statements regarding the timetable and Heartland's strategies and future plans. Any indications of, or guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Heartland, which may cause the actual results or performance of Heartland to be materially different from any future results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements speak only as of the date of this presentation. Except as required by law or regulation, Heartland undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to the date of this presentation or to update or keep current any of the information contained herein.

Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgement of Heartland from the information available as of the date of this presentation. A number of factors could cause actual results or performance to vary materially from the projections, including the risk factors set out in the LDD. Investors should consider the forward-looking statements in this presentation in light of those risks and disclosures.

You are strongly cautioned not to place undue reliance on any forward-looking statements, particularly in light of the current economic climate.

Past performance

Past performance information provided in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) a promise, representation, warranty or guarantee as to the past, present or future performance of Heartland.

Important Information and Disclaimer (continued)

General

For the purposes of this "Important Information and Disclaimer" section, "presentation" means the slides, any oral presentation of the slides by Heartland, any question-and-answer session that follows that oral presentation, hard copies of this presentation and any materials distributed at, or in connection with, that presentation.

The information and opinions contained in this presentation are provided as at the date of this presentation.

Capitalised terms used in this presentation have the same meaning as set out in the LDD, unless the context otherwise requires.

To the maximum extent permitted by law, the information contained in, or otherwise accessible through, the websites mentioned in this presentation do not form part of the presentation unless we specifically state that the information is incorporated by reference thereby forming part of the presentation.



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Offer
highlights



Offer highlights

Issuer	Heartland Bank Limited (" Heartland ").
Description of the Debt Securities	Unsecured subordinated notes (" Notes ").
Offer amount	Up to NZ\$75 million. Heartland reserves the right to accept oversubscriptions of up to an additional NZ\$50 million at its discretion.
Face Value / Issue Price	NZ\$1.00 per Note.
Purpose	The Offer will raise Tier 2 Capital to help Heartland meet its regulatory capital requirements and manage its capital position. The proceeds of the Offer will be used for Heartland's general corporate purposes.
Maturity Date	28 April 2033.
Interest Rate	The interest rate will be a fixed rate for a period of 5 years, after which it will change to a floating rate that resets at quarterly intervals.
Credit Rating	The Notes have a credit rating of BB+ by Fitch Australia Pty Limited.
Quotation	Heartland intends to quote the Notes on the NZX Debt Market. NZX ticker code HBL1T2 has been reserved for the Notes.
No Public Pool	There is no public pool for the Notes. All Notes will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other persons invited to join the Bookbuild.
Selling Restrictions	The offer of Notes will only be made to investors in New Zealand and to certain overseas institutional investors.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (" Westpac ").
Joint Lead Managers	Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited and Westpac.

Heartland overview



Heartland background

- **Heartland Bank Limited (Heartland)** has been a registered bank in New Zealand since December 2012 and has a long history, with roots stretching back to 1875. Heartland focuses on 'best or only' banking products in the household, business and rural sectors, providing customers with savings and deposit products, online home loans, reverse mortgages, business loans, car loans and rural loans through scalable digital platforms. The Notes have a credit rating of BB+ from Fitch Australia Pty Limited (**Fitch**). Heartland has a long-term unsecured credit rating of BBB (stable) from Fitch.
- Heartland is committed to delivering financial solutions through speed and simplicity, particularly via digital platforms which reduce the cost of onboarding and make it easier for customers to open accounts or apply for funds when they need it.
- Heartland's parent company is **Heartland Group Holdings Limited**, which is a financial services group with operations in New Zealand and Australia and is listed on the NZX Main Board and on the ASX under a foreign exempt listing.

Strategic progress

Heartland's strategic vision is to provide **best or only products via scalable digital platforms**, achieved through the below objectives.

Business as usual growth



Total gross receivables of \$4.7bn as at 31 Dec 2022, as reported on in "**Portfolio breakdown**", slide 12.



Heartland experienced the **highest growth rate in retail deposits of all main and domestic banks in NZ**.¹



Heartland awarded **Canstar NZ's Bank of the Year – Savings** for fifth consecutive year.²



Expanded Online Home Loans criteria to permit lending against terraced homes and townhouses.



Introduced a **Guaranteed Future Value product across the Opel vehicle range**.

Frictionless service at the lowest cost



Ongoing development of **new functionality and digital platforms** to enable increased self-service.



Core banking system upgrade almost complete.



Heartland Mobile App users up 46% from July 2022.



Calls per customer to Motor, Deposits and Business teams reduced by 7% from July to December 2022.

Acquisitions



Exploring acquisitions where there is a fit with Heartland's strategic vision and the opportunity to add value, either as a means of adding scale or technology.

¹ Based on balance sheet data from the RBNZ for the first quarter (Q1) of FY2023.

² Awarded July 2022.

Sustainability

Heartland's sustainability framework is built on the following three key pillars:

Environmental conservation



Lending to new generation vehicles comprised 14% of all vehicle lending in 1H2023.



Launched a green vehicle rate in December 2022.



Undertook ANZSIC¹ code analysis to understand Heartland's exposure to customers in high emitting industries, and industries susceptible to governmental regulations in NZ's journey to carbon-zero by 2050.

Social equity



The **Manawa Ako internship programme** welcomed 25 Māori and Pasifika interns in its sixth intake.



Celebrated the diversity of Heartland's people through various events, including Te Wiki o Te Reo Māori (Māori Language Week), Diwali and several Pasifika language weeks.

Economic prosperity



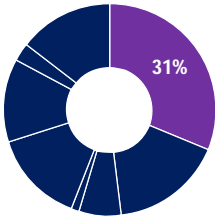
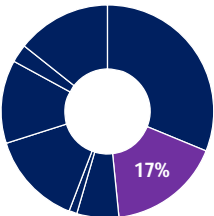

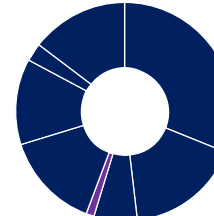
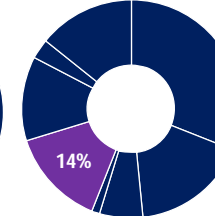
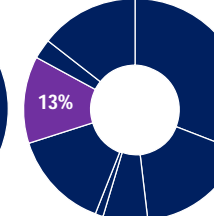
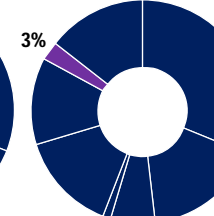
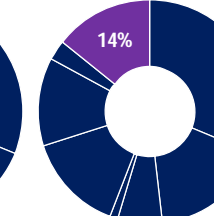
Heartland consistently offered market leading and competitive deposit rates, **enabling New Zealanders to grow their savings in a high cost of living environment.**



Developed a refix comparison calculator for Online Home Loans, allowing potential applicants to see how much could be saved by refinancing with Heartland.

¹ Australian and New Zealand Standard Industrial Classification (**ANZSIC**).

Portfolio breakdown

	Household				Business		Rural	
	Motor Finance	Reverse Mortgages	Online Home Loans	Personal Loans	Asset Finance	Business	Open for Business	Rural
Product description	Loans to assist customers to purchase a motor vehicle or boat, secured over the relevant asset.	Heartland reverse mortgages enable older home owners to release some of the equity in their home to help them live a more comfortable retirement.	Residential mortgages for purchasing residential property or refinancing an existing residential mortgage.	Unsecured loans to individuals.	Business loans available to small to medium businesses for a variety of purposes, including plant/equipment and working capital.	Includes floorplan lending to vehicle retailers and wholesale facilities to other lenders.	Term loans available to customers for multiple purposes.	Rural loans which include financing for 100% of stock purchases, refinancing/purchasing of a sheep or beef farm or dairy farm.
Finance receivables ^{1,2}	\$1.46bn	\$809m	\$302m	\$55m	\$676m	\$596m	\$133m	\$676m
								
Net operating income ^{1,2}	\$32.7m	\$20.5m	\$2.1m	\$2.9m	\$14.9m	\$15.8m	\$6.7m	\$16.9m

¹As at 31 December 2022.

²This is reflective of Heartland Bank receivables only.

Financial information

Financial performance (reported)

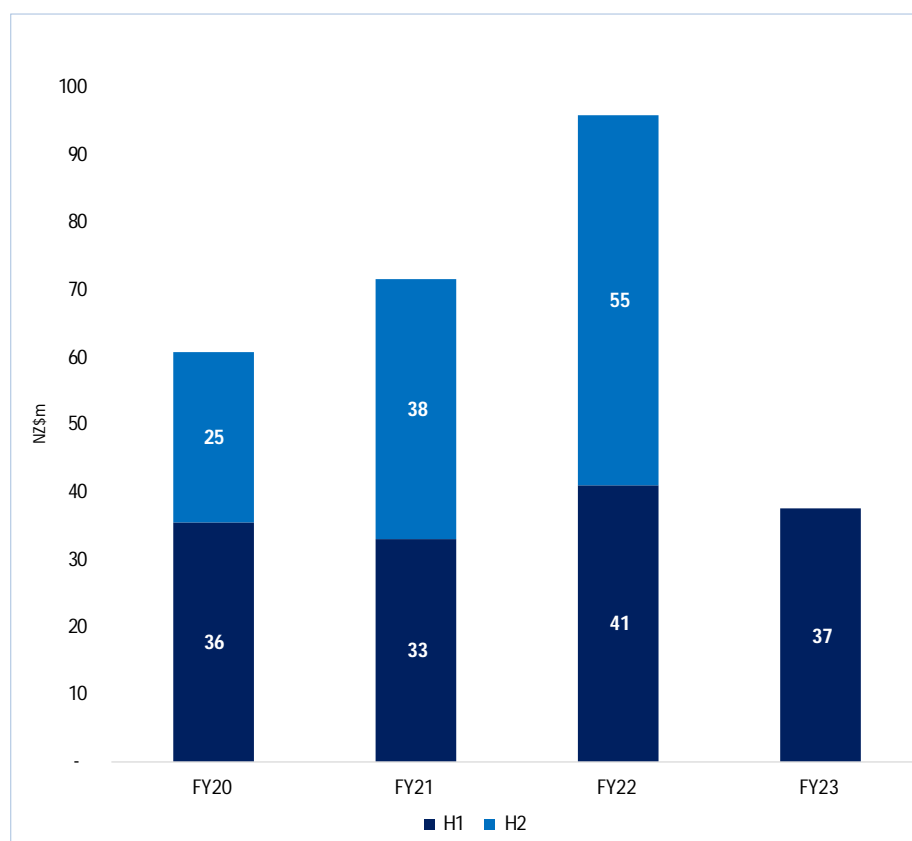
Heartland Income Statement extract

NZ\$m	1H20	1H21	1H22	1H23
Net Operating Income (NOI)	102	104	112	114
Operating Expenses (OPEX)	44	53	48	53
Impairment Expense	9	5	9	9
Net Profit Before Tax (NPBT)	49	46	55	52
Tax Expense	13	13	14	15
Net Profit After Tax (NPAT)	36	33	41	37

Heartland key financial metrics

	1H20	1H21	1H22	1H23
Net interest margin (NIM)	4.52%	4.53%	4.66%	4.15%
Cost to income ratio (CTI)	43.54%	51.33%	42.95%	46.41%
Impairment expense ratio	0.48%	0.24%	0.42%	0.39%
Return on equity (ROE)	12.02%	10.59%	12.26%	10.45%

Heartland reported NPAT



Financial performance (underlying)

The financial information on this slide is non-GAAP financial information. Non-GAAP financial information is provided as a supplementary measure for readers and is used internally by management to assess Heartland's performance alongside NZ GAAP reported measures, where one-offs, both positive and negative, can make it difficult to compare profits between years. However, these do not have standardised meanings and should not be viewed in isolation nor considered a substitute for measures reported in accordance with NZ GAAP, which are set out on slide 14. Non-GAAP financial information has not been subject to review by PricewaterhouseCoopers, Heartland's external auditor.

A reconciliation to GAAP financial information is set out in Appendix 1.

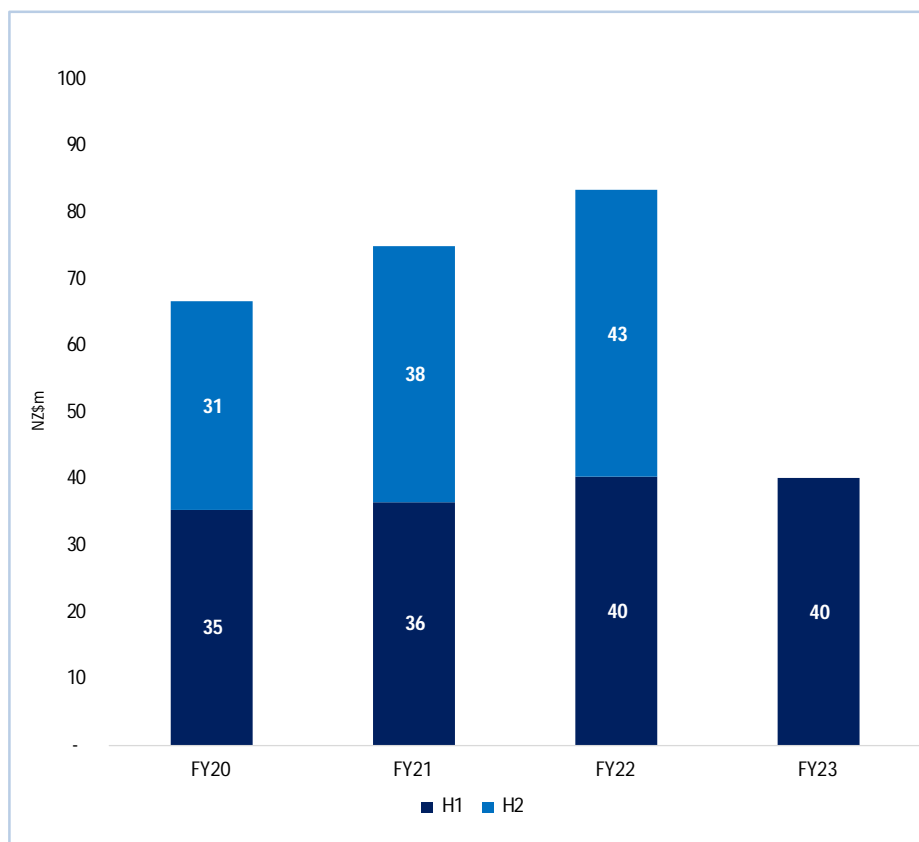
Heartland Income Statement measures

NZ\$m	1H20	1H21	1H22	1H23
Net Operating Income	101	104	112	118
Operating Expenses	43	49	48	53
Impairment Expense	9	5	9	9
Net Profit Before Tax	48	51	56	56
Tax Expense	13	14	16	16
Net Profit After Tax	35	36	40	40

Heartland key financial metrics

	1H20	1H21	1H22	1H23
Net interest margin	4.52%	4.53%	4.66%	4.15%
Cost to income ratio	42.99%	46.79%	42.72%	45.13%
Impairment expense ratio	0.48%	0.24%	0.42%	0.39%
Return on equity	11.93%	11.65%	12.02%	11.14%

Heartland underlying NPAT



Financial position

Heartland Balance Sheet extract

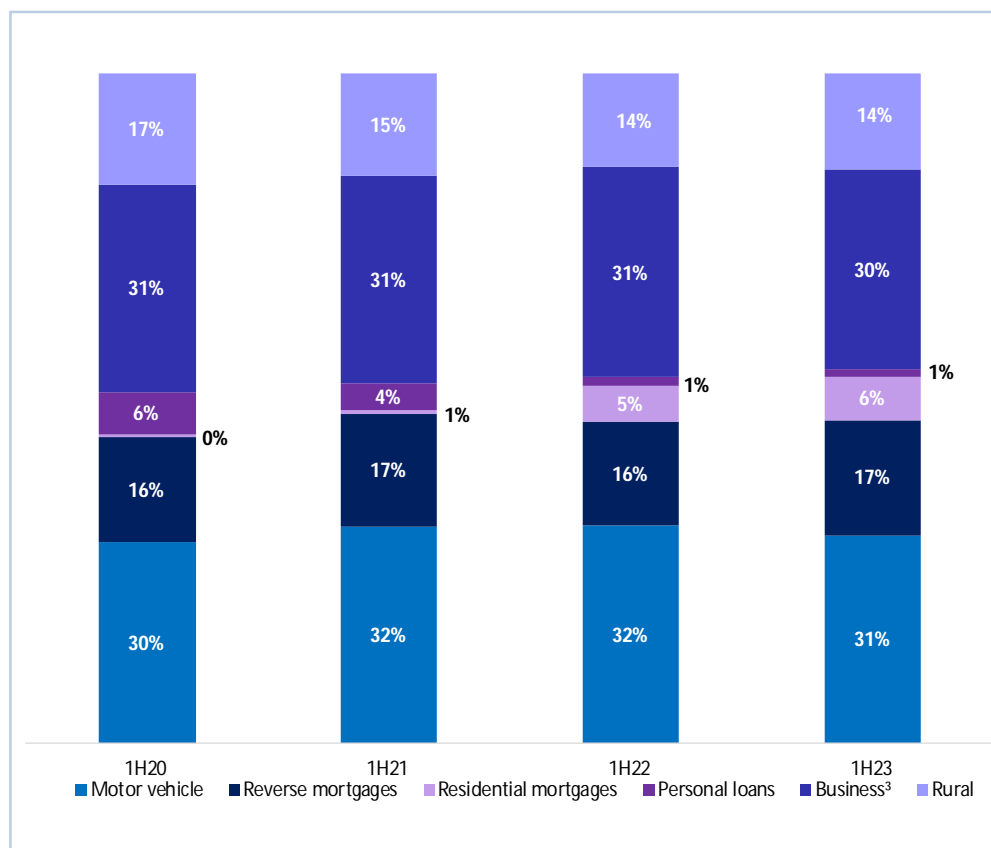
(NZ\$m)	1H20	1H21	1H22	1H23
Liquid Assets	453	582	469	566
Net Finance Receivables	3,687	3,665	4,119	4,661
Other Assets ¹	122	111	115	182
Total Assets	4,262	4,358	4,703	5,409
Retail Deposits	3,244	3,271	3,337	4,078
Other Borrowings	385	390	622	519
Total Funding	3,629	3,661	3,959	4,596
Other Liabilities ²	59	64	61	90
Equity	574	634	683	723
Total Equity & Liabilities	4,262	4,358	4,703	5,409

¹Includes operating lease vehicles, right of use assets, intangible assets, amounts due from related parties, deferred tax asset.

²Includes lease liabilities, tax liabilities, derivative financial instruments, amounts due to related parties, trade and other payables.

³As per 'Business' breakdown on slide 12.

Heartland lending mix



Funding overview

Heartland funding sources as at 31 Dec 2022	Amount (NZ\$)	Maturity
Deposits Comprised of \$825m in a notice saver product, \$807m of callable deposits, \$2,445m of term deposits	\$4,078m	-
Retail Bond	\$120m	12-Apr-24
Heartland Auto Receivables Warehouse Trust 2018-1 Heartland's auto securitisation warehouse with a facility limit of \$400m	\$191m	29-Aug-24
Commercial Paper	\$207m	-

During the six months ended 31 December 2022, Heartland borrowings increased by \$249.7 million (5.7%) to \$4,596.3 million.

- Deposits grew \$480.5 million (13.4%) to \$4,077.7 million, driven by competitive pricing on targeted products, including Heartland's Notice Saver offerings which both received Canstar New Zealand recognition in the six months ended 31 December 2022.¹
- In the three months ended 30 September 2022, Heartland experienced the highest growth rate in retail deposits of all main and domestic banks in NZ.²
- Other borrowings decreased by \$230.8 million (30.8%), largely due to the maturity of \$150 million retail bond, as well as the amount drawn down in Heartland's committed auto warehouse facility decreasing by \$76.6 million.

¹Awarded July 2022.

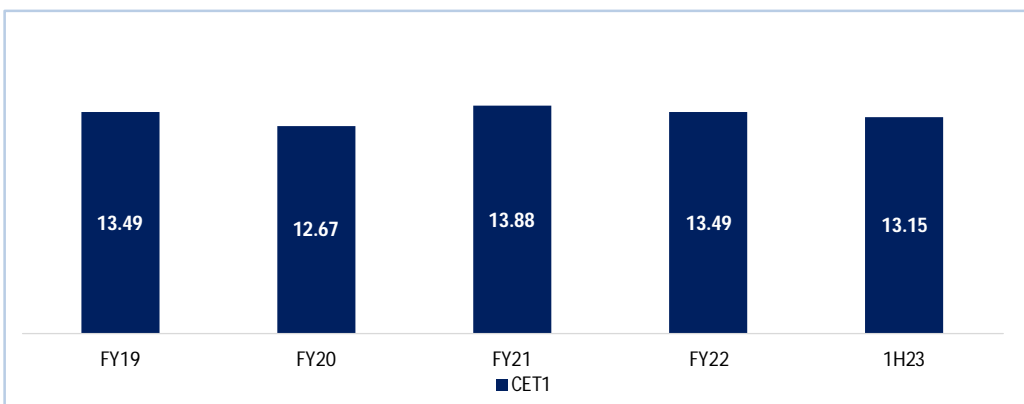
²Based on balance sheet data from the RBNZ.

Capital

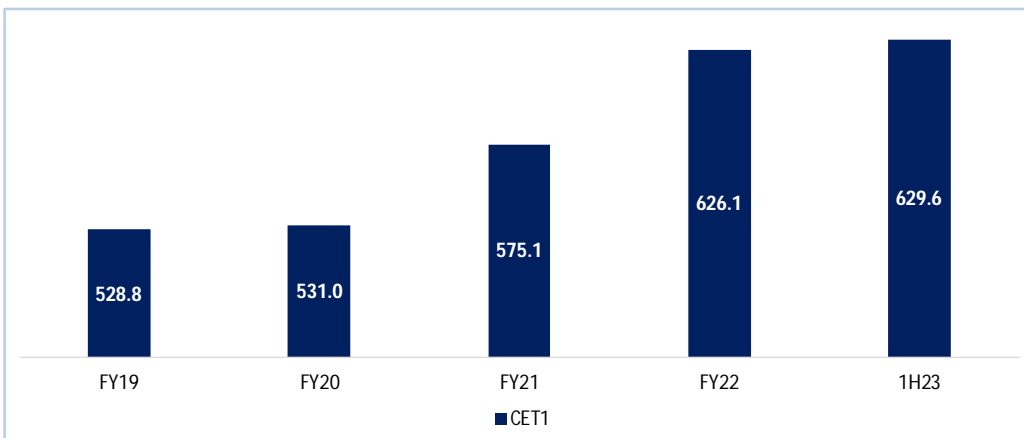


Capital management

Heartland Bank regulatory capital ratios (%)



Heartland Bank regulatory capital (NZ\$m)



Reserve Bank of New Zealand (RBNZ) capital adequacy ratios

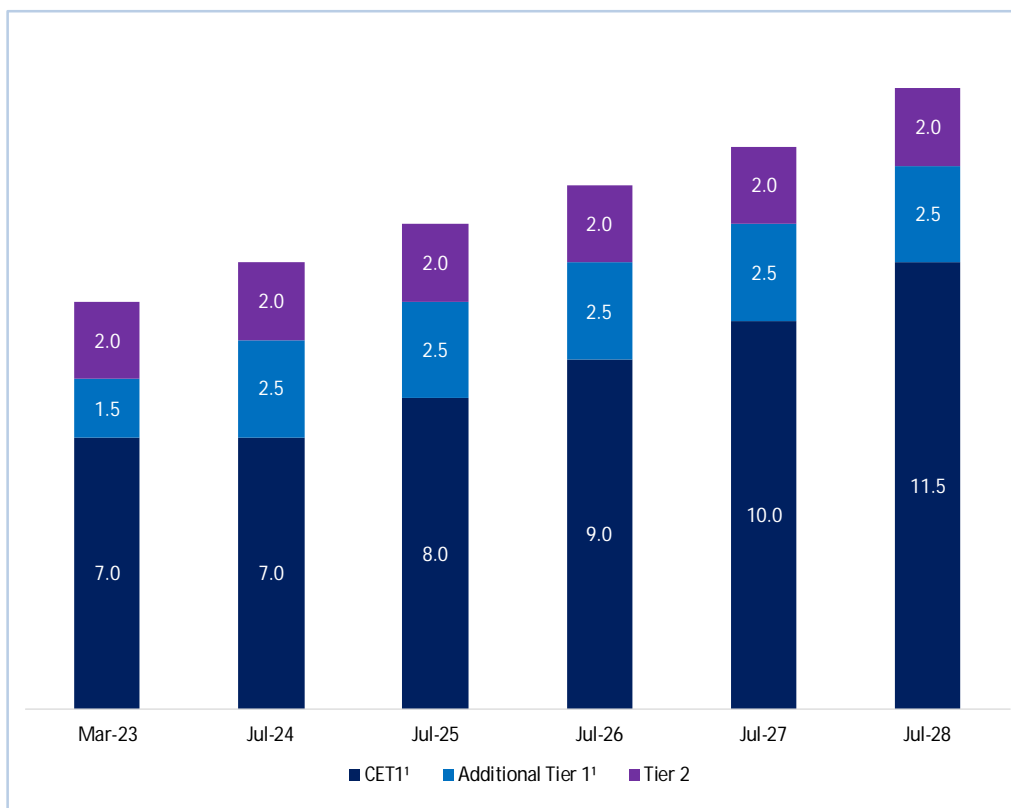
	Regulatory Minimum Dec 22	Prudential capital buffer (PCB)	Regulatory Minimum (inc. PCB) Dec 22	Heartland Bank Dec 22
Common Equity Tier 1 (CET1) capital ratio	4.5%	2.5%	7.0%	13.2%
Tier 1 capital ratio	6.0%	2.5%	8.5%	13.2%
Total capital ratio	8.0%	2.5%	10.5%	13.2%

The information on this slide is based on the information in Heartland's disclosure statement for each period. It is illustrative only and does not guarantee or forecast the future regulatory capital position for Heartland. For example, the information does not take into account the \$30m dividend paid by Heartland to its parent company, Heartland Group Holdings Limited, on 21 March 2023.

- Heartland's regulatory capital ratio remained well in excess of regulatory minimums at 13.15% as at 31 December 2022 (30 June 2022: 13.49%) following the removal of any bank dividend restrictions by the RBNZ on 1 July 2022. Heartland continues to operate significantly in excess of regulatory minimums and is well positioned to meet the RBNZ's future higher capital requirements.
- The RBNZ future capital requirements are for a CET1 capital ratio of 11.50% and a total capital ratio of 16.00% by 1 July 2028.

Future RBNZ capital requirements

Regulatory minimum capital ratios (%)



RBNZ regulatory capital requirements

- In December 2019, RBNZ announced its capital review decisions, which included a requirement for all of New Zealand's banks to increase their capital requirements. For all banks except domestic systemically important banks, this results in an increase in total capital to be held from 10.5% to 16% over the seven years to July 2028.
- These incremental requirements and the associated timeline are shown in the graph to the left.

¹ Tier 1 capital can comprise both CET1 and Additional Tier 1 capital. However, Additional Tier 1 capital can comprise no more than 2.5% of the Tier 1 capital ratio

Summary terms

Summary terms

Description of the Debt Securities	Unsecured subordinated notes.
Ranking in Liquidation	<p>In a liquidation of Heartland, the claims of Holders will rank:</p> <ul style="list-style-type: none"> • behind the claims of all depositors and holders of other senior debt obligations; • equally with the claims of other Holders and any other securities and obligations of Heartland that rank equally with the Notes; and • ahead of the rights of Heartland's shareholders and holders of any other securities and obligations of Heartland that rank behind the Notes.
No Guarantee	The Notes are not guaranteed by any member of the Heartland Banking Group, Heartland Group Holdings Limited (Heartland's parent company) or any other person.
Repayment	<p>The Notes must be repaid by Heartland on the Maturity Date (28 April 2033). Heartland may choose to repay:</p> <ul style="list-style-type: none"> • all or some of the Notes early on the First Optional Redemption Date (being 28 April 2028) or on any Interest Payment Date after that date; or • all (but not some) of the Notes early on any Interest Payment Date if a Tax Event or a Regulatory Event has occurred. <p>Holders have no right to require early redemption, and Holders should not assume that Heartland will elect to repay the Notes before the Maturity Date.</p> <p>Early redemption is subject to certain conditions, including Heartland obtaining the RBNZ's prior written approval (which the RBNZ may not provide) and Heartland satisfying the Solvency Condition.</p>
Interest Payments	Quarterly.
Interest Rate	<p>The interest rate will be a fixed rate for a period of 5 years, after which it will change to a floating rate that resets at quarterly intervals.</p> <ul style="list-style-type: none"> • The interest rate for the first 5 years until the First Optional Redemption Date (28 April 2028) will be a fixed rate equal to the sum of the Swap Rate (a reference rate for a 5 year period) on the Rate Set Date (21 April 2023) plus the Issue Margin, but in any case will be no less than the minimum interest rate announced via NZX on or about the Opening Date. • The interest rate from (and including) the First Optional Redemption Date will be a floating rate which will be reset quarterly to be equal to the sum of the applicable 3 Month Bank Bill Rate (a benchmark interest rate for a 3 month period) plus the Issue Margin.

Summary terms (continued)

Issue Margin	<p>The Issue Margin is the percentage rate per annum determined by Heartland in consultation with the Joint Lead Managers through the Bookbuild. Heartland expects to announce an indicative Issue Margin range (which may be subject to change) via NZX on or about the Opening Date. The actual Issue Margin (which may be above, below or within the announced indicative Issue Margin range) will be announced by Heartland via NZX on or about the Rate Set Date.</p> <p>The Issue Margin will not change.</p>
Minimum subscription amount	<p>NZ\$5,000, and in multiples of NZ\$1,000 thereafter.</p>
Brokerage	<p>0.50% on firm allocations plus 0.50% brokerage, payable by Heartland.</p>

Summary terms (continued)

Interest payments

- The payment of interest on each Interest Payment Date (other than on the Maturity Date (28 April 2033)) is conditional on Heartland satisfying the Solvency Condition.
- The Solvency Condition will be satisfied if Heartland is Solvent¹ at the time the payment is due and Heartland is able to pay the amount and remain Solvent immediately after paying the amount.
- The Solvency Condition does not apply to payments that are required to be made on the Maturity Date or if Heartland is in liquidation.
- If interest is not paid on an Interest Payment Date because the Solvency Condition is not satisfied, the unpaid interest will remain owing, will itself bear interest (at the same rate as the Notes), and will be payable on the earlier of the next Business Day on which the Solvency Condition is satisfied and the Maturity Date.

¹ "Solvent" means satisfying the solvency test contained in section 4 of the Companies Act 1993.

Events of Default

- The Notes have very limited events of default, as described below:
 - Payment default: an event of default will occur if Heartland fails to pay any amount due in respect of the Notes within 15 Business Days of its due date.
 - Commencement of liquidation: an event of default will occur on the commencement of liquidation of Heartland.
- To the extent that a payment on the Notes is not required to be made because the Solvency Condition is not satisfied or (in the case of early repayment only) the Reserve Bank has not given its prior written approval to the repayment, the amount is not due and payable and a payment default cannot occur.
- If a payment default occurs, the Note holder may only bring proceedings:
 - to recover any amount then due and payable but unpaid on the Notes (subject to satisfaction of the Solvency Condition if the payment of the unpaid amount was subject to the Solvency Condition);
 - for specific performance of any other obligation in respect of the Notes; or
 - for the liquidation of Heartland.
- In addition to the rights listed above, in the case of the commencement of liquidation of Heartland, the Face Value of each Note and any accrued but unpaid interest on the Notes will immediately become due and payable, and a Holder may claim in the liquidation for that amount. In this circumstance, a Holder's claim will be subordinated and it is unlikely that a Holder will receive payment of any amount owing on the Notes.

Key dates

Key dates for the Offer	Date
Limited Disclosure Document lodgement	11 April 2023
Opening Date and announcement date of minimum interest rate and indicative Issue Margin range	17 April 2023
Closing Time	11.00am on 21 April 2023
Rate Set Date	21 April 2023
Issue Date / allotment date	28 April 2023
Expected date of initial quotation and trading of the Notes on the NZX Debt Market	1 May 2023

Key dates for the Notes	Date
First Interest Payment Date	28 July 2023
Interest Payment Dates	<ul style="list-style-type: none"> Quarterly in arrear on each 28 January, 28 April, 28 July and 28 October during the term of the Notes, commencing on 28 July 2023; and on the date on which the Notes are repaid
First Optional Redemption Date	28 April 2028
Maturity Date	28 April 2033

Contact details

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Additional information (including a copy of the LDD) can be found at:

<http://www.heartland.co.nz/unsecured-subordinated-notes-offer>





Appendices

Appendix 1: Financial performance - reconciliation

\$m	1H20	1H21	1H22	1H23
Reported NOI	102.2	103.7	112.1	114.5
<i>Less:</i>				
Upfront reverse mortgage fees	1.6	-	-	-
Net fair value gain/loss on investments	-	-	(0.3)	-
Hedge Accounting Impacts	-	-	-	(3.6)
Underlying NOI	100.6	103.7	112.4	118.1
Reported OPEX	44.5	53.3	48.2	53.1
<i>Less:</i>				
Upfront reverse mortgage costs	1.2	-	-	-
Aged items provisions and legacy accruals	-	-	-	(0.2)
Software write offs	-	4.3	-	-
Other non-recurring items	0.1	0.4	0.1	0.0
Underlying OPEX	43.2	48.5	48.0	53.3
Reported impairment expense	9.0	4.5	8.5	9.2
Underlying impairment expense	9.0	4.5	8.5	9.2
Reported NPBT	48.7	46.0	55.4	52.2
<i>Less:</i>				
Total adjustments (as above)	0.4	(4.7)	(0.4)	(3.4)
Underlying NPBT	48.4	50.7	55.9	55.6
Reported NPAT	35.5	33.0	41.0	37.5
<i>Less:</i>				
Post-tax impact of one-offs	0.3	(3.4)	0.8	(2.5)
Underlying NPAT	35.3	36.4	40.2	40.0
Reported NIM	4.5%	4.5%	4.7%	4.2%
Underlying NIM	4.5%	4.5%	4.7%	4.2%
Reported CTI	43.5%	51.3%	42.9%	46.4%
Underlying CTI	43.0%	46.8%	42.7%	45.1%
Reported impairment expense ratio	0.5%	0.2%	0.4%	0.4%
Underlying impairment expense ratio	0.5%	0.2%	0.4%	0.4%
Reported ROE	12.0%	10.6%	12.3%	10.4%
Underlying ROE	11.9%	11.7%	12.0%	11.1%

Thank you

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