

| Section 1: Issuer information | | | | |
|---|----------------------------------|---|-----------|--|
| Name of issuer | Heartland Group Holdings Limited | | | |
| Financial product name/description | Ordinary shares | | | |
| NZX ticker code | HGH | | | |
| ISIN (If unknown, check on NZX website) | NZHGHE0007S9 | | | |
| Type of distribution (Please mark with an X in the relevant box/es) | Full Year | | Quarterly | |
| | Half Year | X | Special | |
| | DRP applies | X | | |
| Record date | 06/03/2026 | | | |
| Ex-Date (one business day before the Record Date) | 05/03/2026 | | | |
| Payment date (and allotment date for DRP) | 20/03/2026 | | | |
| Total monies associated with the distribution ¹ | \$ 32,989,039.53 | | | |
| Source of distribution (for example, retained earnings) | Retained earnings | | | |
| Currency | NZD | | | |
| Section 2: Distribution amounts per financial product | | | | |
| Gross distribution ² | \$ 0.04861111 | | | |
| Gross taxable amount ³ | \$ 0.04861111 | | | |
| Total cash distribution ⁴ | \$ 0.03500000 | | | |
| Excluded amount (applicable to listed PIEs) | NIL | | | |
| Supplementary distribution amount | \$ 0.00617647 | | | |
| Section 3: Imputation credits and Resident Withholding Tax ⁵ | | | | |
| Is the distribution imputed | Fully imputed – YES | | | |
| | Partial imputation | | | |
| | No imputation | | | |

¹ Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

² "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

³ "Gross taxable amount" is the gross distribution minus any excluded income.

⁴ "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

⁵ The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

| | | |
|---|---|------------|
| If fully or partially imputed, please state imputation rate as % applied ⁶ | 28% | |
| Imputation tax credits per financial product | \$ 0.01361111 | |
| Resident Withholding Tax per financial product | \$ 0.00243056 | |
| Section 4: Distribution re-investment plan (if applicable) | | |
| DRP % discount (if any) | NIL | |
| Start date and end date for determining market price for DRP | 9/03/2026 | 13/03/2026 |
| Date strike price to be announced (if not available at this time) | 16/03/2026 | |
| Specify source of financial products to be issued under DRP programme (new issue or to be bought on market) | New issue | |
| DRP strike price per financial product | \$ | |
| Last date to submit a participation notice for this distribution in accordance with DRP participation terms | 9/03/2026, 5.00pm NZT | |
| Section 5: Authority for this announcement | | |
| Name of person authorised to make this announcement | Andrew Dixson, Chief Executive Officer | |
| Contact person for this announcement | Nicola Foley, Head of Corporate Communications & Investor Relations | |
| Contact phone number | +64 27 345 6809 | |
| Contact email address | nicola.foley@heartland.co.nz | |
| Date of release through MAP | 26/02/2026 | |

⁶ Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

HEARTLAND
— GROUP —

Investor Presentation

1H2026 Interim Results

For the 6 months ended 31 December 2025

Disclaimer and non-GAAP measures

This presentation has been prepared by Heartland Group Holdings Limited (**NZX/ASX: HGH**) (the **Company** or **Heartland**) for the purpose of briefings in relation to its Financial Statements.

Important notice

The presentation and the briefing (together the **Presentation**) contain summary information only, which should not be relied on in isolation from the full detail in the Financial Statements.

The information in this presentation has been prepared with due care and attention, but its accuracy, correctness and completeness cannot be guaranteed. No person (including the Company and its directors, shareholders and employees) will be liable to any other person for any loss arising in connection with this presentation. No person is under any obligation to update this presentation at any time after its release or to provide further information about Heartland.

This Presentation contains forward-looking statements and projections. Such statements involve known and unknown risks and uncertainties that may cause Heartland's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on numerous assumptions regarding Heartland's present and future business strategies and the environment in which Heartland will operate in the future that may not prove to be accurate.

The information in this presentation is general in nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.

Non-GAAP measures

This presentation includes certain non-GAAP financial measures, including underlying profit/loss, underlying ROE, underlying CTI ratios, underlying impairment expense ratios, and underlying EPS.

1H2026 underlying results exclude fair value changes on equity investments held and other non-recurring costs, allowing for easier comparison of financial performance across reported periods. Non-GAAP financial

measures do not have standardised meanings prescribed under NZ GAAP and therefore may not be comparable to similar measures presented by other entities. They should not be viewed in isolation or as a substitute for measures reported in accordance with NZ GAAP. Non-GAAP financial information has not been subject to review by PricewaterhouseCoopers, Heartland's external auditor.

Reported results are prepared in accordance with NZ GAAP. Underlying results are non-GAAP measures that adjust reported results to exclude one-offs. These adjustments affect measures including NOI, OPEX, NPAT, NIM, EPS, ROE, CTI ratio, and impairment expense ratio. A reconciliation of 1H2026 and 1H2025 reported results to underlying results is set out on page 7 of this presentation. Refer to page 6 for a detailed comparison between 1H2026 and 1H2025 reported and underlying financial information.

Non-GAAP financial information presented in this document has not been reviewed by PricewaterhouseCoopers, Heartland's external auditor.

Review status

All amounts are in New Zealand dollars unless otherwise indicated. Unless otherwise stated, financial data is as at 31 December 2025. The 1H2026 financial statements of Heartland have been reviewed, but not audited, by PricewaterhouseCoopers. Any other financial information provided as at a date after 31 December 2025 has not been audited or reviewed by any independent registered public accounting firm.

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01
**Executive
summary &
outlook**

Andrew Dixon Chief Executive Officer, Heartland Group

Executive summary

Heartland delivered a strong turnaround in profitability and steady progress towards its FY2026 guidance, supported by NIM expansion, improved asset quality metrics, strong Reverse Mortgage growth in both countries, cost control and accelerated NSA realisation.

Overview

- **Underlying ROE up** 540 bps to 7.3% (up 142 bps from 2H2025).
- **Average NIM expanded**, up 51 bps to 3.92%.
- **Underlying OPEX remained steady**, up \$3.6m (4.0%) primarily due to costs associated with Australian Reverse Mortgage growth and the technology programme.
- **Underlying CTI ratio was down** 304 bps to 54.6%.
- **Heartland Bank** delivered significant asset quality improvements and cost stabilisation, alongside growth in Reverse Mortgages and strong core lending pipelines for 2H2026.
- **Heartland Bank Australia** achieved strong growth in Reverse Mortgages and Livestock Finance.
- **Technology programmes are underway** within each bank to deliver greater capability and efficiency, positioning both banks to meet customer demand at scale.
- **NSA realisation continued to progress ahead of expectations** (with a recovery rate > 90%) and is tracking to be largely complete by 30 June 2026.
- Through NSA realisation and recent RBNZ capital decisions, **Heartland is well positioned for growth, holding excess capital across the group.**
- **Interim dividend** of 3.5 cps.

Group financial results

| | | Reported | | | | | Underlying | | | | | Reported v Underlying | |
|-----------------------|---------------------------------------|-----------------|-----------------|----------|----------------|----------------|-----------------|-----------------|----------|----------------|---------------|-----------------------|-----------------|
| | | 1H26 | 1H25 | | Movement | | 1H26 | 1H25 | | Movement | | 1H26 | 1H25 |
| Financial performance | NII | \$165.9m | \$149.1m | ↑ | \$16.8m | 11.3% | \$165.9m | \$149.1m | ↑ | \$16.8m | 11.3% | - | - |
| | OOI ¹ | \$9.4m | \$6.0m | ↑ | \$3.4m | 57.0% | \$6.4m | \$7.7m | ↓ | (\$1.4m) | (17.8%) | \$3.1m | (\$1.7m) |
| | NOI | \$175.3m | \$155.1m | ↑ | \$20.2m | 13.0% | \$172.3m | \$156.9m | ↑ | \$15.4m | 9.8% | \$3.1m | (\$1.7m) |
| | OPEX | \$94.4m | \$98.1m | ↓ | (\$3.7m) | (3.7%) | \$94.0m | \$90.4m | ↑ | \$3.6m | 4.0% | \$0.4m | \$7.7m |
| | Impairment expense | \$12.8m | \$50.5m | ↓ | (\$37.7m) | (74.7%) | \$12.8m | \$50.5m | ↓ | (\$37.7m) | (74.7%) | - | - |
| | GFV provision | - | \$1.2m | ↓ | (\$1.2m) | (100.0%) | - | \$1.2m | ↓ | (\$1.2m) | (100.0%) | - | - |
| | Tax expense | \$19.3m | \$1.7m | ↑ | \$17.5m | 1014.4% | \$19.4m | \$4.1m | ↑ | \$15.2m | 367.7% | (\$0.1m) | (2.4m) |
| | NPAT² | \$48.8m | \$3.6m | ↑ | \$45.2m | 1251.9% | \$46.1m | \$10.7m | ↑ | \$35.4m | 332.7% | \$2.7m | (\$7.0m) |
| | NIM | 3.92% | 3.41% | ↑ | 51 bps | | 3.92% | 3.41% | ↑ | 51 bps | | - | - |
| | CTI ratio | 53.9% | 63.2% | ↓ | (937 bps) | | 54.6% | 57.6% | ↓ | (304 bps) | | (70 bps) | 560 bps |
| | Impairment expense ratio ³ | 0.35% | 1.40% | ↓ | (105 bps) | | 0.35% | 1.40% | ↓ | (105 bps) | | - | - |
| | ROE | 7.7% | 0.6% | ↑ | 714 bps | | 7.3% | 1.9% | ↑ | 540 bps | | 43 bps | (130 bps) |
| EPS | 5.2 cps | 0.4 cps | ↑ | 4.8 cps | | 4.9 cps | 1.1 cps | ↑ | 3.8 cps | | 0.3 cps | (0.7cps) | |

| | | Dec 25 | Jun 25 | Movement | |
|--------------------|--------------------------|----------|----------|----------|---------------------------------------|
| | | | | | |
| Financial position | Liquid assets | \$1,169m | \$1,135m | ↑ | \$33m 2.9% |
| | Receivables ⁴ | \$7,312m | \$7,156m | ↑ | \$157m ⁵ 4.3% ⁶ |
| | Borrowings | \$7,450m | \$7,355m | ↑ | \$94m 1.3% |
| | Equity | \$1,289m | \$1,219m | ↑ | \$70m 5.7% |
| | Equity/total assets | 14.6% | 14.1% | ↑ | 53 bps |

Note: See page 2 for a definition of underlying financial measures. Refer to page 7 for details about 1H2026 and 1H2025 one-offs.

¹ Reported OOI includes fair value gains/losses on investments.

² Refer to page 7 for a reconciliation of underlying NPAT to reported NPAT for 1H2026.

³ Impairment expense as a percentage of average Receivables.

⁴ Receivables also includes Reverse Mortgages.

⁵ Including the impact of changes in FX rates.

⁶ Annualised growth for 1H2026 including the impact of changes in FX rates.

Reported vs. underlying results

The difference between reported and underlying results in 1H2026 was \$2.7m.

| | 1H2026 | 1H2025 |
|---|-----------------|-----------------|
| Reported NPAT | \$48.8m | \$3.6m |
| - De-designation of derivatives | - | \$1.1m |
| - Fair value changes on equity investments held | (\$3.1m) | \$0.2m |
| - Other non-recurring income | - | \$0.4m |
| Other operating income (OOI) | (\$3.1m) | \$1.7m |
| - Other non-recurring costs | \$0.4m | \$1.2m |
| - One-off staff exit costs | - | \$6.5m |
| Operating expenses (OPEX) | \$0.4m | \$7.7m |
| Tax impact | (\$0.1m) | (\$2.4m) |
| Underlying NPAT¹ | \$46.1m | \$10.7m |

- 1H2026 one-offs were limited to fair value changes on equity investments held and other non-recurring costs.
- Heartland expects the difference between reported and underlying NPAT in 2H2026 and beyond to be limited only to any fair value changes on equity investments held and other one-off non-recurring expenses.
- 1H2025 non-recurring costs related to costs arising in relation to the acquisition of (now) Heartland Bank Australia.

¹ See page 2 for definition of underlying financial measures. Refer to page 6 for a detailed comparison between reported and underlying financial information.

Technology investment

Heartland is investing in multi-year technology programmes to support scalable growth for its core product sets in New Zealand and Australia.

These investments will modernise and simplify technology for both banks by implementing AI-enabled, cloud-based platforms.

- Heartland Bank's technology programme will leverage and fully integrate with its upgraded core banking system to unify its origination and servicing activities, enabling greater automation.
- Heartland Bank Australia's technology programme will consolidate its three origination and servicing platforms into a single banking solution.

The anticipated implementation costs for these technology programmes are **estimated to be ≤\$17m over a three-year period.**

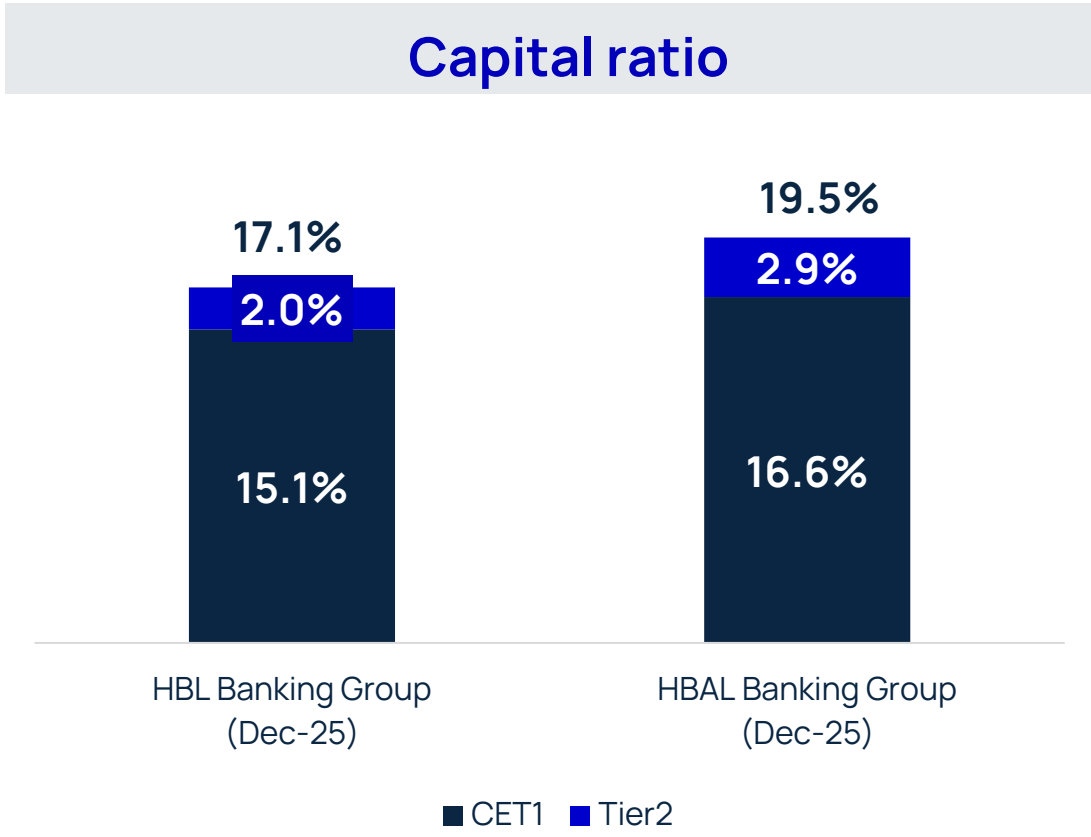
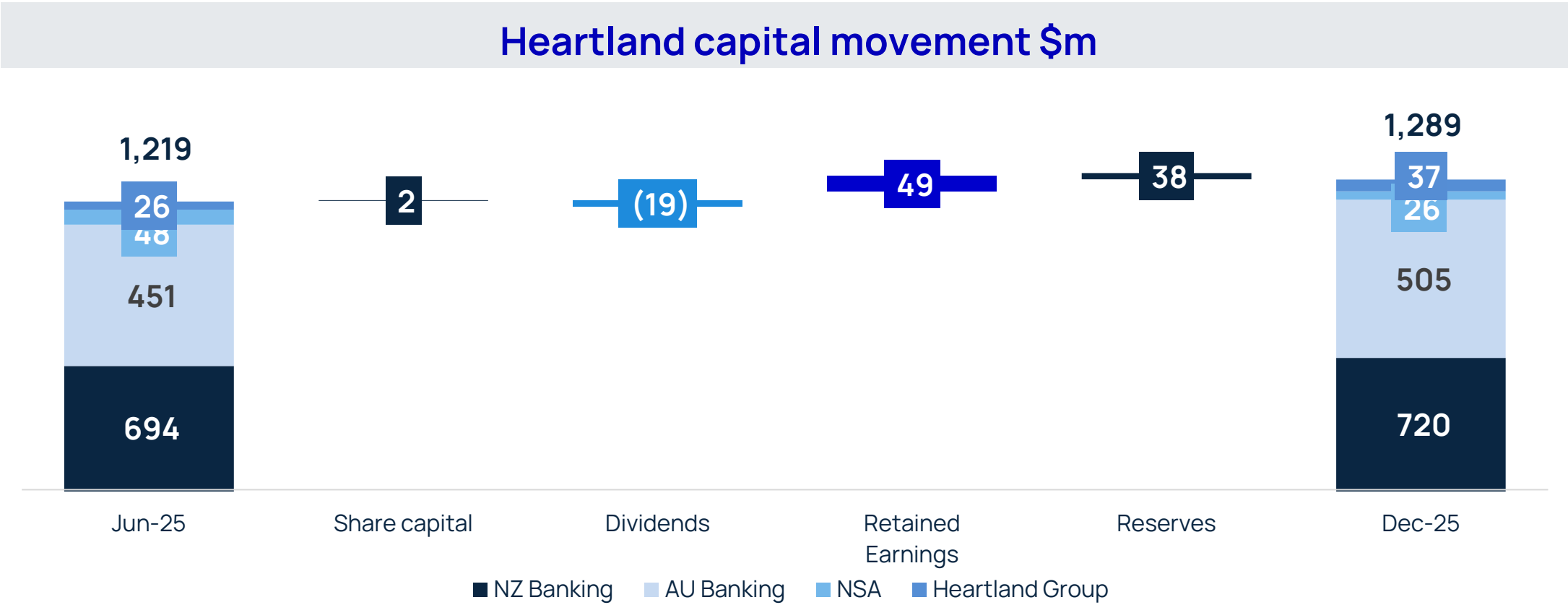
These platforms will deliver new capabilities within each bank, resulting in greater operational efficiency, an enhanced customer, intermediary and employee experience, and positioning both banks to meet customer demand at scale.



Capital

Heartland remains well placed to cater for organic growth with excess capital held across the group, enhanced through NSA realisation and recent RBNZ decisions on capital settings.

- On 17 December 2025, the RBNZ announced final decisions on key capital settings for deposit takers. Benefits to Heartland Bank include the reduction of Tier 1 and total capital ratio requirements, the removal of Additional Tier 1 capital instruments, and more granular and reduced risk weights.
- Effective 1 March 2026, the RBNZ has reduced Heartland Bank’s transitional capital overlay by 1.5%, from 2.0% to 0.5%. The remaining capital overlay is expected to remain in place until the RBNZ implements a formal Group Supervision Policy for deposit takers under the Deposit Takers Act 2023 (which is expected to come into force on 1 December 2028).
- As at 31 December 2025, Heartland Bank holds approximately \$125m of regulatory capital in excess of expected regulatory requirements. Applying Heartland Bank’s expected risk weight changes to the 31 December 2025 balance sheet, the excess is approximately \$190m.¹



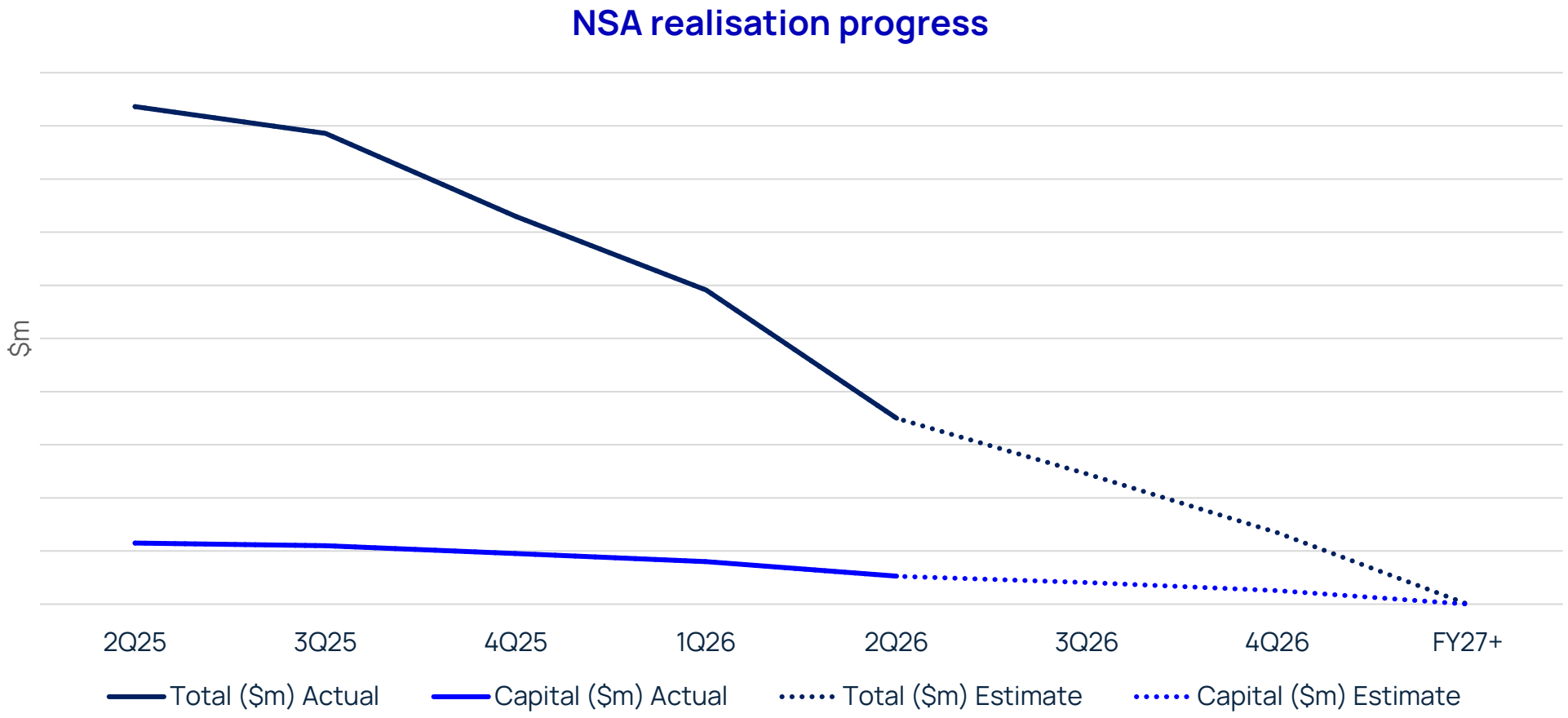
Note: Retained earnings include current reported NPAT.
¹Including ordinary internal buffers.

NSA realisation progress

NSA realisation continues to progress ahead of expectations and is tracking to be largely concluded by 30 June 2026.

- In 1H2026, the total value of NSAs reduced by \$189.8m, creating \$21.2m of available capital. In the period, Heartland:
 - accelerated exits from Rural borrowers, realising \$45.6m, \$24.4m ahead of target
 - completed the sale of one of the two dairy farms from the Properties NSA
 - sold one of the apartments which make up the Investment Properties NSA
 - exited Heartland Bank’s Harmony Corp Limited shareholding and Heartland Bank Australia’s Alex Bank shareholding in full.

| Asset | NZ(\$m) | Outstanding balance | |
|-------------------------|----------------------|---------------------|--------------|
| | | 30 June 2025 | 31 Dec 2025 |
| Rural Relationship | Total (\$m) | 112.0 | 66.4 |
| | Capital (\$m) | 17.1 | 10.5 |
| Business Relationship | Total (\$m) | 47.8 | 21.6 |
| | Capital (\$m) | 6.9 | 5.1 |
| Home Loans ¹ | Total (\$m) | 171.7 | 70.5 |
| | Capital (\$m) | 10.2 | 4.0 |
| Properties | Total (\$m) | 16.2 | 7.6 |
| | Capital (\$m) | 2.6 | 1.3 |
| Investment Properties | Total (\$m) | 4.4 | 3.9 |
| | Capital (\$m) | 0.6 | 0.5 |
| Equity Investments (NZ) | Total (\$m) | 7.0 | 0.1 |
| | Capital (\$m) | 4.5 | 0.1 |
| Equity Investments (AU) | Total (\$m) | 5.7 | 4.8 |
| | Capital (\$m) | 5.7 | 4.8 |
| Total NSAs | Total (\$m) | 364.8 | 175.0 |
| | Capital (\$m) | 47.6 | 26.4 |



Note: NSAs are primarily NZ assets that are outside of Heartland’s core lending strategy, or do not deliver threshold ROE.
¹ Includes Online Home Loans and old residential mortgages.

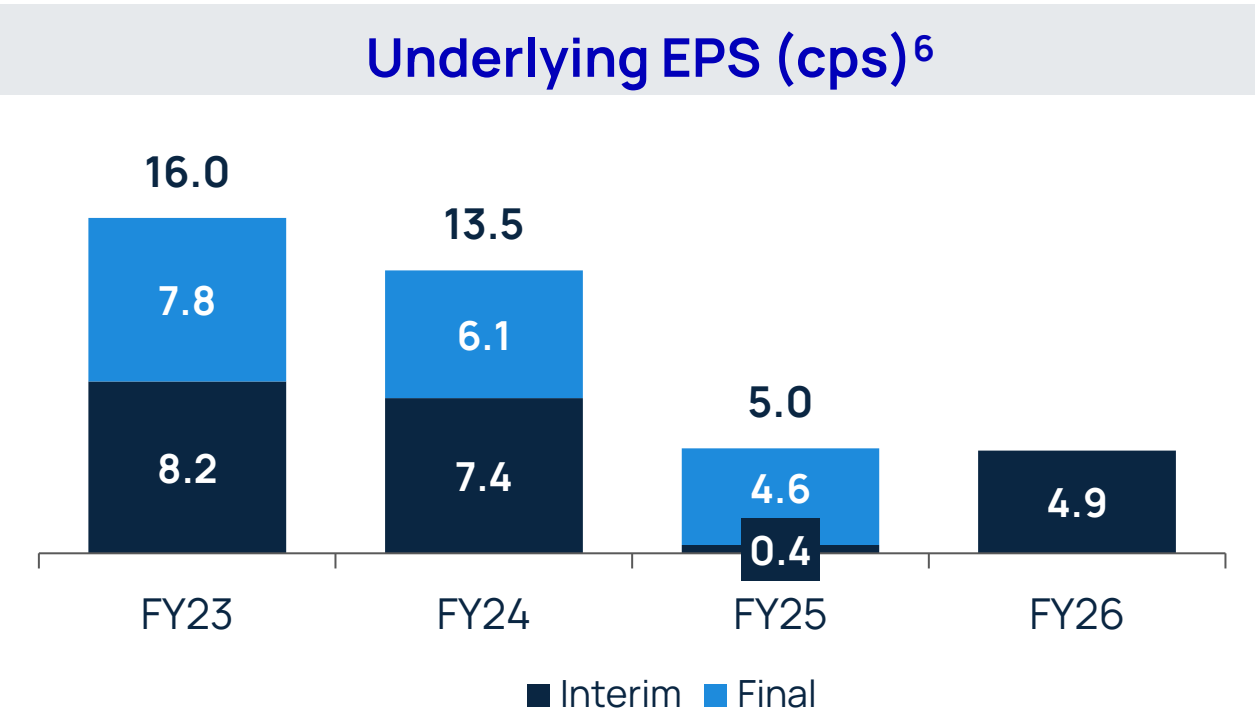
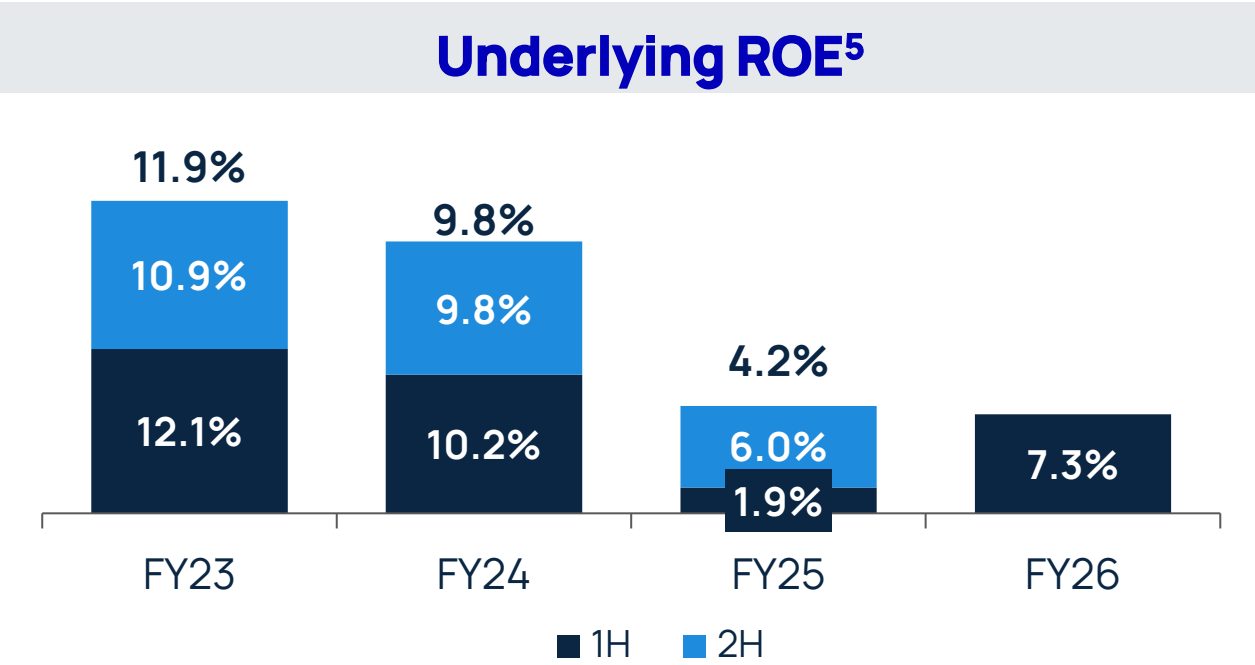
Shareholder return

7.3% Underlying ROE
1H2026 7.3% vs 2H2025 6.0%

3.5 cps Interim dividend
up 1.5 cps vs 1H2025

6.1%¹ Dividend yield
(1H2025: 7.9%²)

- Heartland has declared a 1H2026 interim dividend of 3.5 cps, up 1.5 cps on 1H2025.
- Heartland’s interim dividend yield of 6.1%¹ compares with 7.9%² in 1H2025.
- The dividend payout ratio of 72% for 1H2026 exceeds Heartland’s target of at least 50% of underlying NPAT, reflecting Heartland’s strong turnaround performance and excess capital position.³
- Heartland’s DRP will apply to the final dividend with no discount.⁴



¹ Total fully imputed dividends divided by the closing share price as at 24 February 2026 of \$1.25.

² Total fully imputed dividends divided by the closing share price as at 25 February 2025 of \$0.88.

³ Heartland’s Dividend Policy is available on Heartland’s website at heartlandgroup.info/investor-information/dividends.

⁴ That is, the strike price under the DRP will be 100% of the volume weighted average sale price of Heartland shares over the five trading days following the Record Date. For the full details of the DRP and the Strike Price calculation, refer to the Heartland DRP offer

document dated 20 August 2025.

⁵ Underlying ROE refers to ROE calculated using underlying results. When calculated using reported results, Heartland’s ROE was 7.7%, up 714 bps compared with 1H2025. For more information, see page 2.

⁶ Underlying EPS refers to EPS calculated using underlying results. When calculated using reported results, Heartland’s EPS was 5.2 cps, up 4.8 cps compared with 1H2025. For more information, see page 2.

Looking forward

Heartland affirms its FY2026 guidance to deliver an underlying ROE of at least 7% and underlying NPAT of at least \$85 million.

| Underlying financial metrics | FY2026 guidance | | |
|------------------------------|-------------------|--------------------|---------------------|
| | Heartland | NZ Banking | AU Banking |
| NPAT | ≥ \$85m | > \$45m | > AU\$37m (NZ\$40m) |
| ROE | ≥ 7% | > 6% | > 8% |
| Average NIM | > 3.90% (n.c.) | > 4.10% (-10 bps) | > 3.70% (+30 bps) |
| Exit NIM | > 3.95% (n.c.) | > 4.20 (-5 bps) | > 3.75% (+10 bps) |
| OPEX | < \$195m | < \$127m (-\$2.1m) | < A\$58m (+A\$3.4m) |
| CTI ratio | < 56% (+250 bps) | < 56% (+250 bps) | < 50% (+450 bps) |
| Impairment expense ratio | < 0.45% (-10 bps) | < 0.70% (-15 bps) | < 0.10% (n.c.) |

Heartland will hold an investor day on Friday 5 June 2026 where it will present its longer-term strategy, financial ambitions, and provide detail on the technology and product strategies within each bank. Further details will be published in due course.

02

New Zealand banking

Leanne Lazarus Chief Executive Officer, Heartland Bank

Kerry Conway Chief Financial Officer, Heartland Bank

NZ banking: 1H2026 summary

Heartland Bank's vision is to be New Zealand's leading specialist bank. Positive momentum is building following a strategy reset in FY2025.

1H2026 summary

Growth

- Consistent Reverse Mortgage growth and momentum building in Rural through direct channels and intermediary partnerships.
- Strong pipelines developed in Motor Finance and Business Finance leading into 2H2026.

Quality

- Strategic reset in FY2025 contributed to significant asset quality metric improvements in 1H2026, with the core portfolio NPL ratio reducing from 2.40% to 2.07%.
- Receivables contraction driven by deliberate NSA exits, strategic Motor Finance repositioning, and a disciplined approach to Business Finance pricing and risk.

Efficiency

- Process refinements and digital self-service improvements drove operational efficiency and enhanced customer experience.
- Disciplined cost management reduced the OPEX outlook and partially mitigated the impact of the Receivables contraction on the CTI ratio.

2H2026 focus

- **Conversion of strong pipelines** developed in 1H2026 in core portfolio sets to deliver increased growth in 2H2026.
- **Execution of a new marketing campaign** (now live) to increase awareness and education of reverse mortgages in the New Zealand market to drive growth into FY2027.
- **Leverage new intermediary partnerships and targeted regional expansion** to drive sustainable growth in the Rural portfolio.
- **Progress implementation of phase one of the technology programme** (Reverse Mortgages), setting the foundation for subsequent phases.
- **NSA exits** expected to be largely complete by 30 June 2026.
- **NSA realisation and recent RBNZ capital decisions** position Heartland Bank well for future growth.

Financial results

| | | Reported | | | | | Underlying | | | | |
|-----------------------|---------------------------------------|--------------------|-----------------|----------|----------------|----------------|--------------------|-----------------|----------|-----------------|---------------|
| | | 1H26 | 1H25 | Movement | | 1H26 | 1H25 | Movement | | | |
| Financial performance | NII | \$105.4m | \$105.6m | ↓ | (\$0.2m) | (0.2%) | \$105.4m | \$105.6m | ↓ | (\$0.2m) | (0.2%) |
| | OOI ¹ | \$11.6m | \$9.4m | ↑ | \$2.3m | 24.3% | \$8.6m | \$11.1m | ↓ | (\$2.5m) | (22.7%) |
| | NOI | \$117.0m | \$115.0m | ↑ | \$2.1m | 1.8% | \$114.0m | \$116.7m | ↓ | (\$2.7m) | (2.3%) |
| | OPEX | \$63.0m | \$63.1m | ↓ | (\$0.1m) | (0.1%) | \$62.6m | \$62.1m | ↑ | \$0.5m | 0.8% |
| | Impairment expense | \$11.5m | \$49.6m | ↓ | (\$38.1m) | (76.9%) | \$11.5m | \$49.6m | ↓ | (\$38.1m) | (76.9%) |
| | GFV provision | - | \$1.2m | ↓ | (\$1.2m) | (100.0%) | - | \$1.2m | ↓ | (\$1.2m) | (100.0%) |
| | Tax expense | \$11.5m | \$0.2m | ↑ | \$11.4m | 7346.4% | \$11.6m | \$0.7m | ↑ | \$11.0m | 1656.9% |
| | NPAT² | \$31.0m | \$0.9m | ↑ | \$30.1m | 3195.2% | \$28.3m | \$3.1m | ↑ | \$25.1m | 797.4% |
| | NIM | 4.05% | 3.78% | ↑ | 28 bps | | 4.05% | 3.78% | ↑ | 28 bps | |
| | CTI ratio | 53.3% ³ | 54.9% | ↓ | (156 bps) | | 53.8% ³ | 53.2% | ↑ | 57 bps | |
| | Impairment expense ratio ⁴ | 0.50% | 1.99% | ↓ | (149 bps) | | 0.50% | 1.99% | ↓ | (149 bps) | |
| | ROE ⁷ | 8.3% | 0.2% | ↑ | 816 bps | | 7.6% | 0.5% | ↑ | 706 bps | |

| | | Dec 25 | Jun 25 | Movement | |
|--------------------|--------------------------|----------|----------|----------|-------------------------------|
| Financial position | Liquid assets | \$576m | \$570m | ↑ | \$6.0m 1.0% |
| | Receivables ⁵ | \$4,456m | \$4,710m | ↓ | (\$254m) (10.7%) ⁶ |
| | Borrowings | \$4,356m | \$4,660m | ↓ | (\$304m) (6.5%) |
| | Equity ⁷ | \$742m | \$737m | ↑ | \$5.4m 0.7% |
| | Equity/total assets | 21.1% | 20.0% | ↑ | 115 bps |

Note: See page 2 for definition of underlying financial measures. Refer to page 7 for details about 1H2026 and 1H2025 one-offs.

¹ Reported OOI includes fair value gains/losses on investments.

² Refer to page 7 for a reconciliation of underlying NPAT to reported NPAT for 1H2026.

³ Excluding intercompany group charges.

⁴ Impairment expense as a percentage of average Receivables.

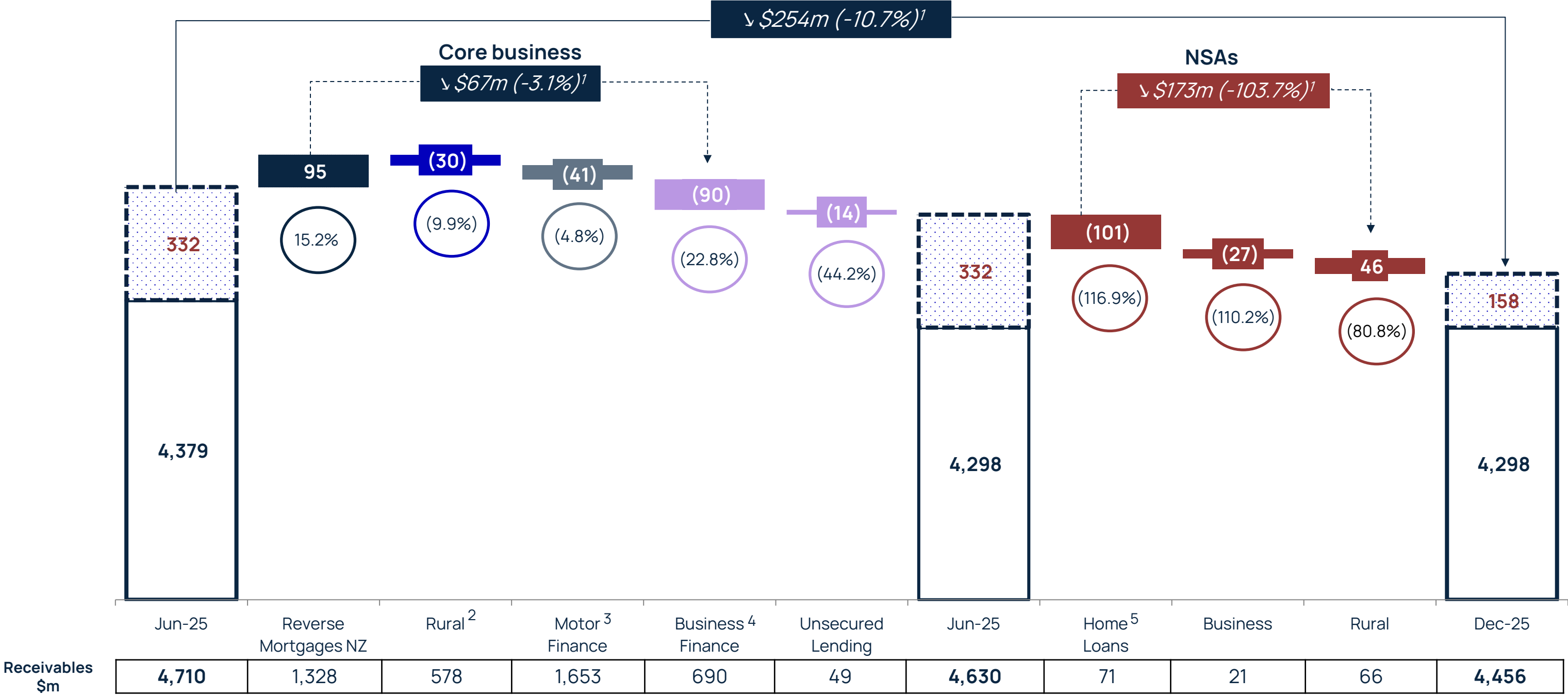
⁵ Receivables also includes Reverse Mortgages.

⁶ Annualised growth for 1H2026.

⁷ Equity excluding investment in subsidiaries. ROE is calculated as NPAT/average equity (excl. investment in subsidiaries).

Receivables

Reverse Mortgages continued to grow, with strong Rural pipelines through direct channels and intermediary partnerships, while Motor Finance and Business Finance contracted due to strategic portfolio repositioning and market conditions.



Note: 1H2026 growth in Receivables by portfolio excludes the impact of changes in FX rates and intercompany balances.

All figures in NZ\$m. NSAs include loans in Business, Rural and Home Loans.

¹ Annualised 1H2026 growth.

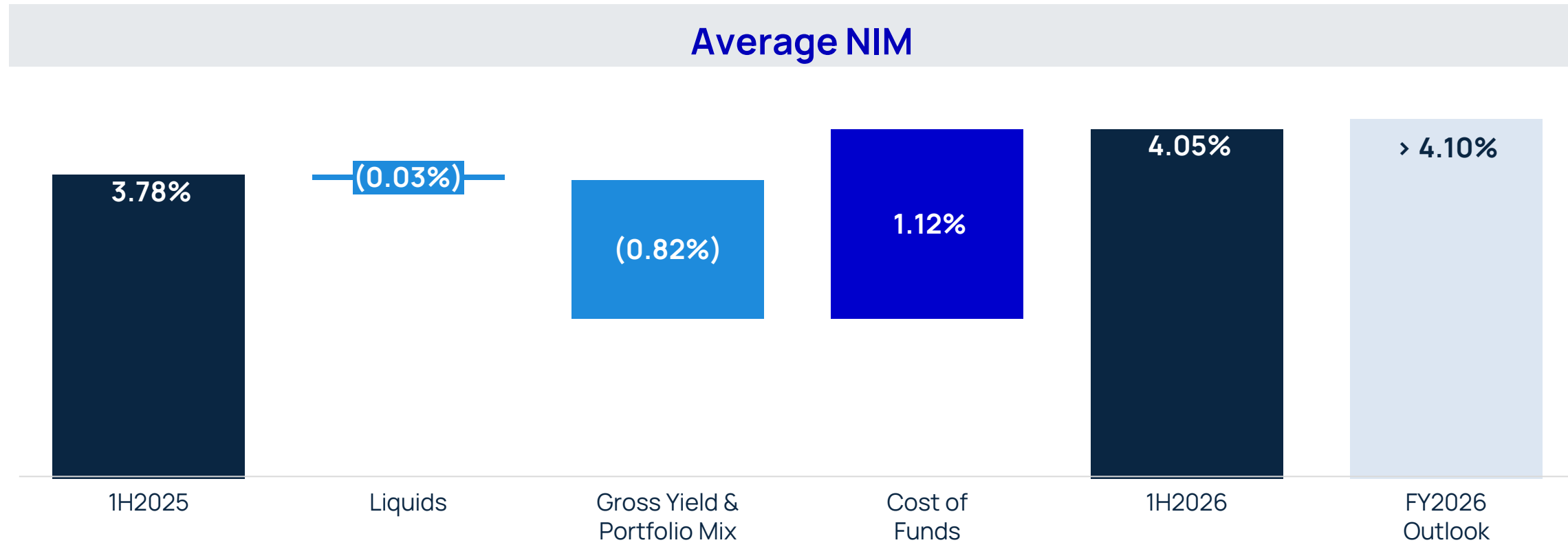
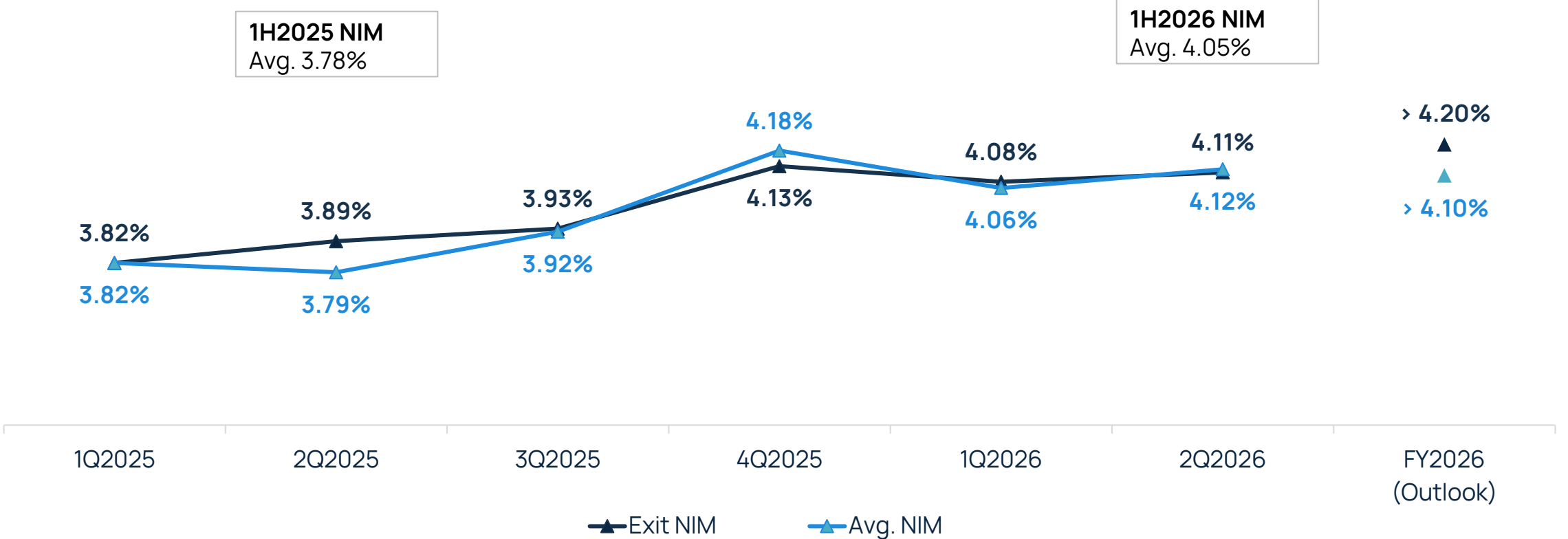
² Rural includes Rural Relationship, Rural Direct and Livestock Finance loans.

³ Motor Finance includes Wholesale Lending.

⁴ Business Finance includes Asset Finance and Business Relationship.

⁵ Home Loans includes Online Home Loans and Heartland Bank's old residential mortgages portfolio that is in run down.

Underlying NIM



1H2026 summary

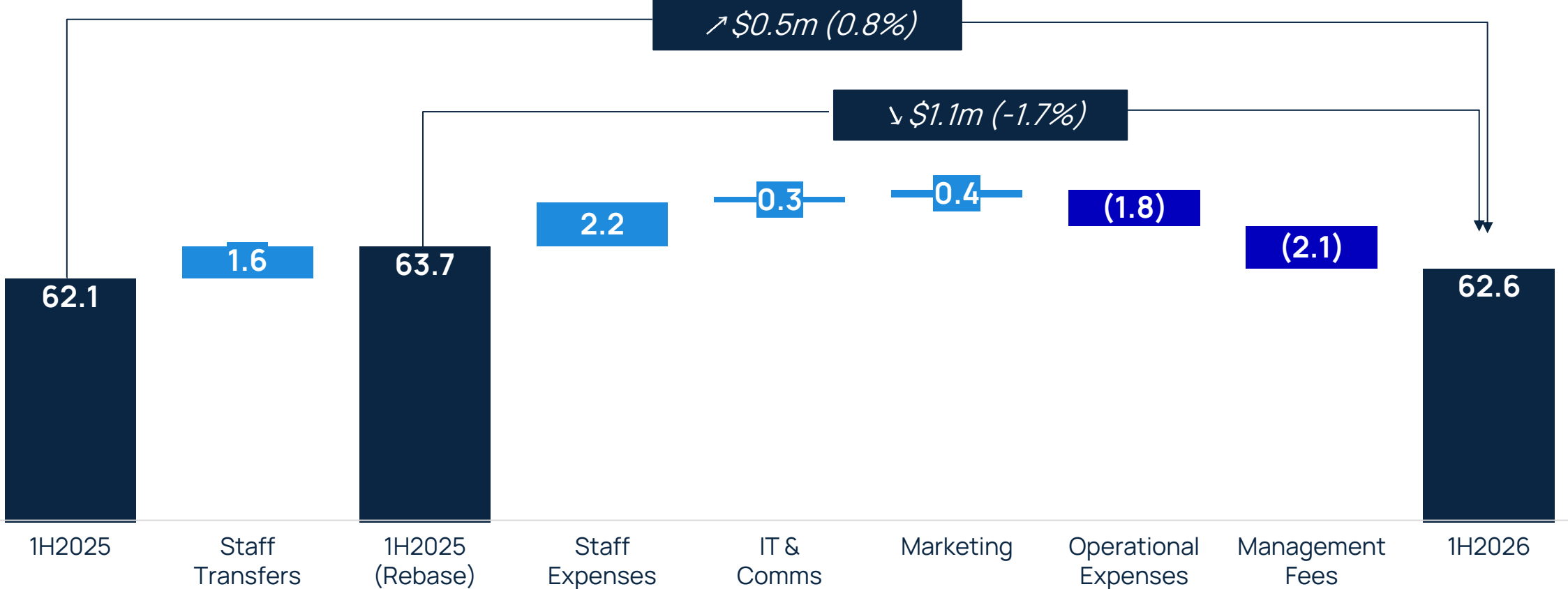
- NIM remains strong, with steady expansion (up 28 bps from 1H2025).
- This was supported by a low cost of funds, despite lower gross yields from competitive pricing in core product sets and portfolio mix changes driven by continued NSA realisation.

2H2026 outlook

- Although OCR is expected to stabilise, pricing competition is expected to continue as credit demand remains subdued.
- Heartland now expects FY2026 average NIM to be >4.10%, a reduction of 10 bps from the prior outlook due to Reverse Mortgage repricing and the impact of NSA realisation.

Note: NIM is calculated as NII/average gross interest earning assets. See page 2 for a definition of underlying financial measures.

Underlying OPEX



1H2026 summary

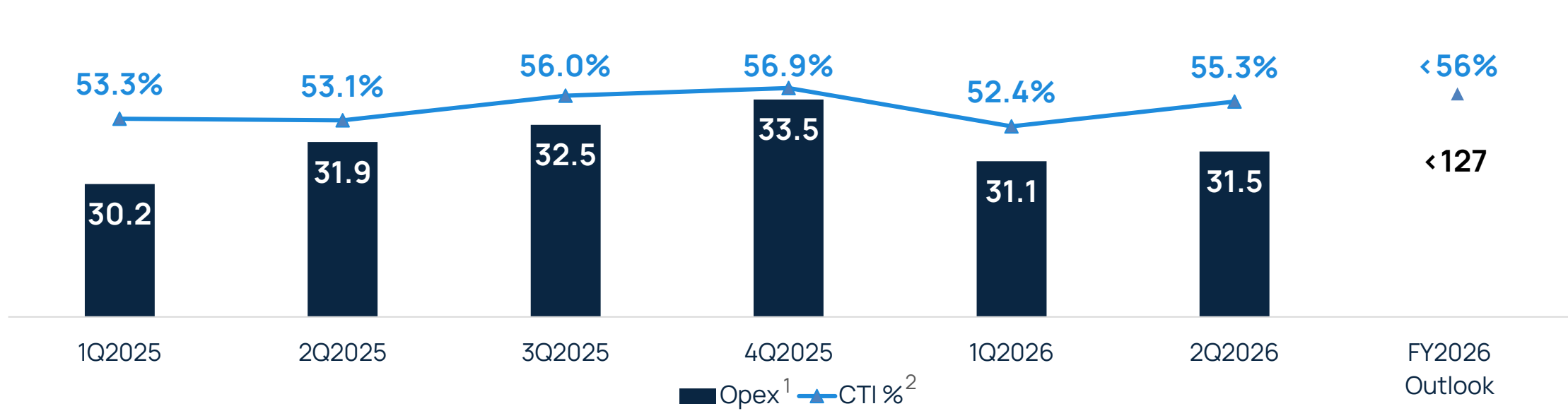
Total underlying OPEX of \$62.6m.

- Elevated staff expenses are primarily due to restructuring costs (\$1.5m) as well as the re-introduction of a LTI scheme (\$0.6m).
- The underlying CTI ratio increased as a result of the transfer of staff from Heartland Group to Heartland Bank, and the above restructuring costs. This increase was further compounded by subdued growth in certain portfolios and successful NSA realisation.

2H2026 outlook

- Underlying OPEX is expected to be lower than the previous FY2026 outlook, at **<\$127m**, despite operational costs increasing in 2H2026 from investment in technology and marketing.
- Despite cost control, the shortfall in revenue from subdued growth and successful NSA realisation has resulted in an increased outlook to **<56%**.

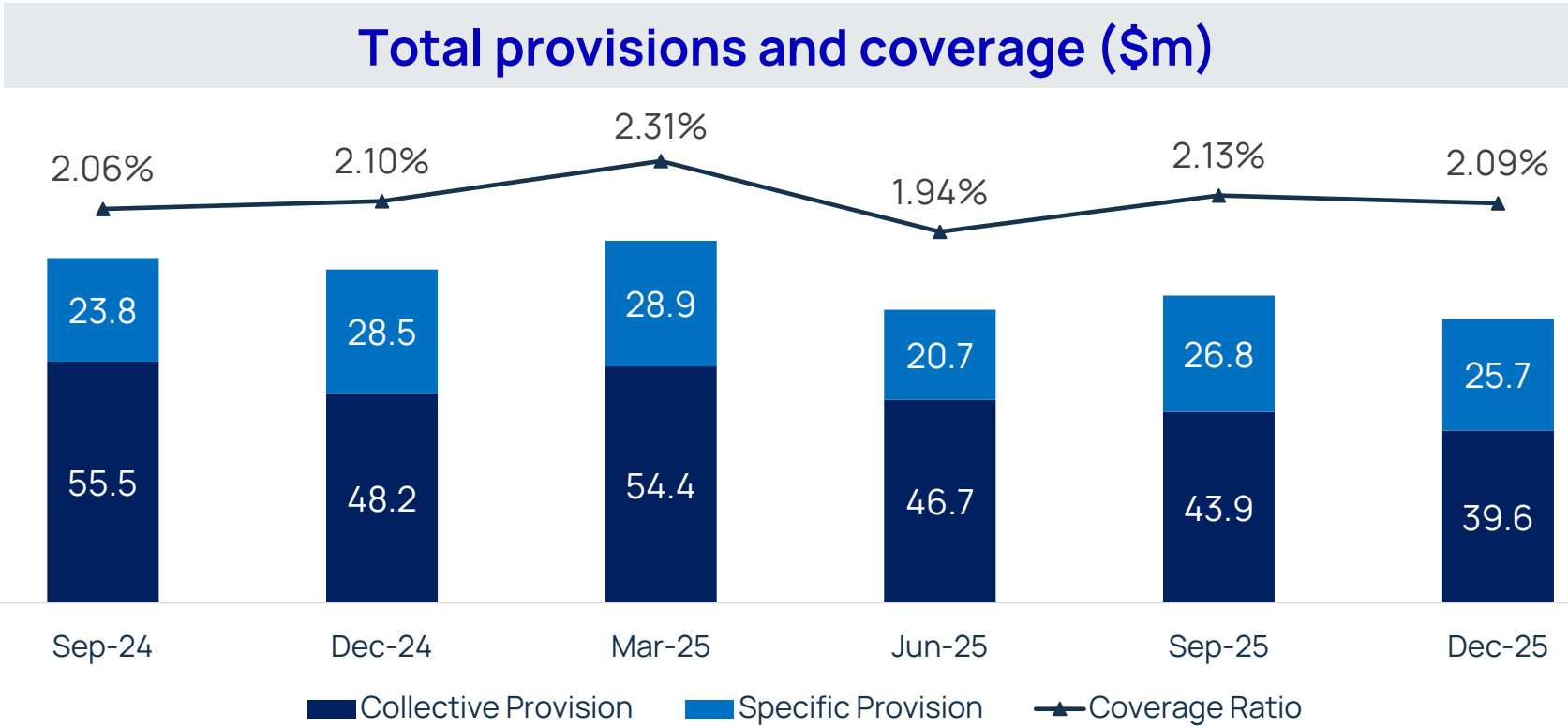
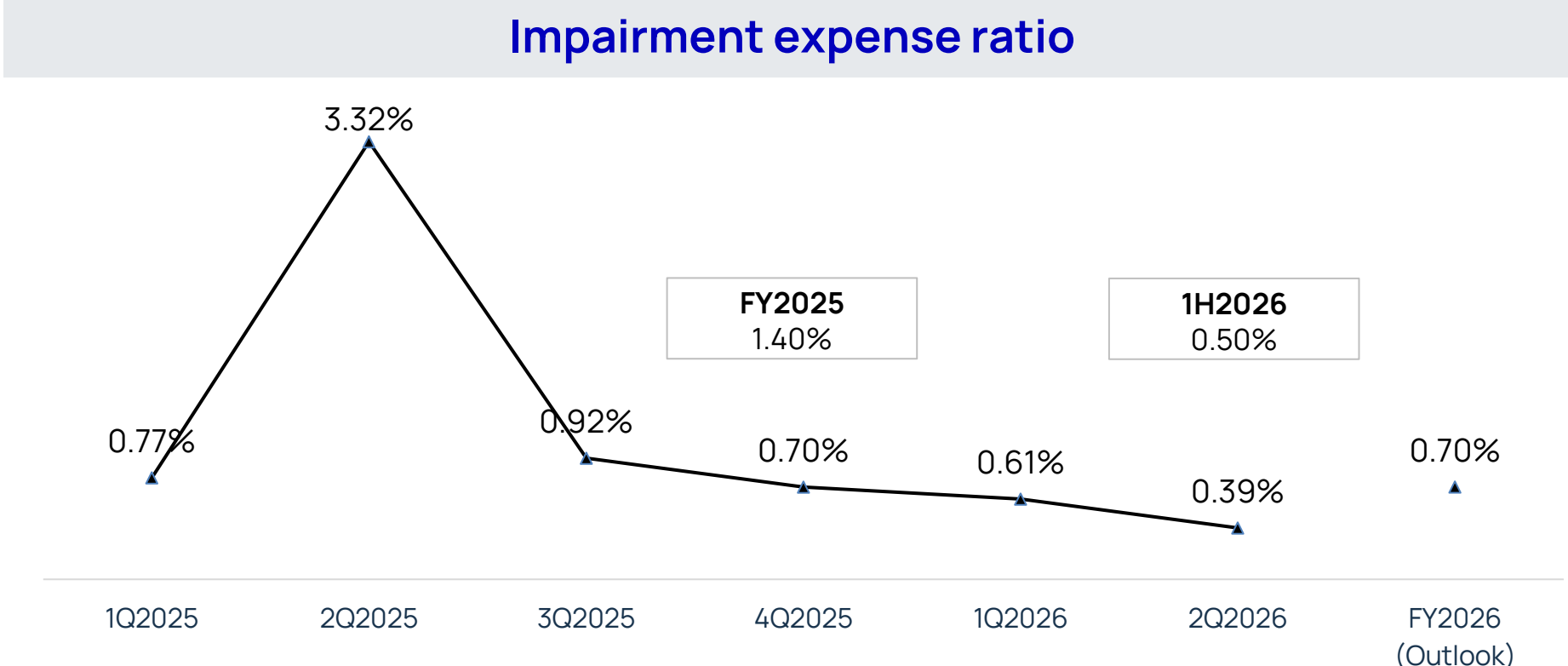
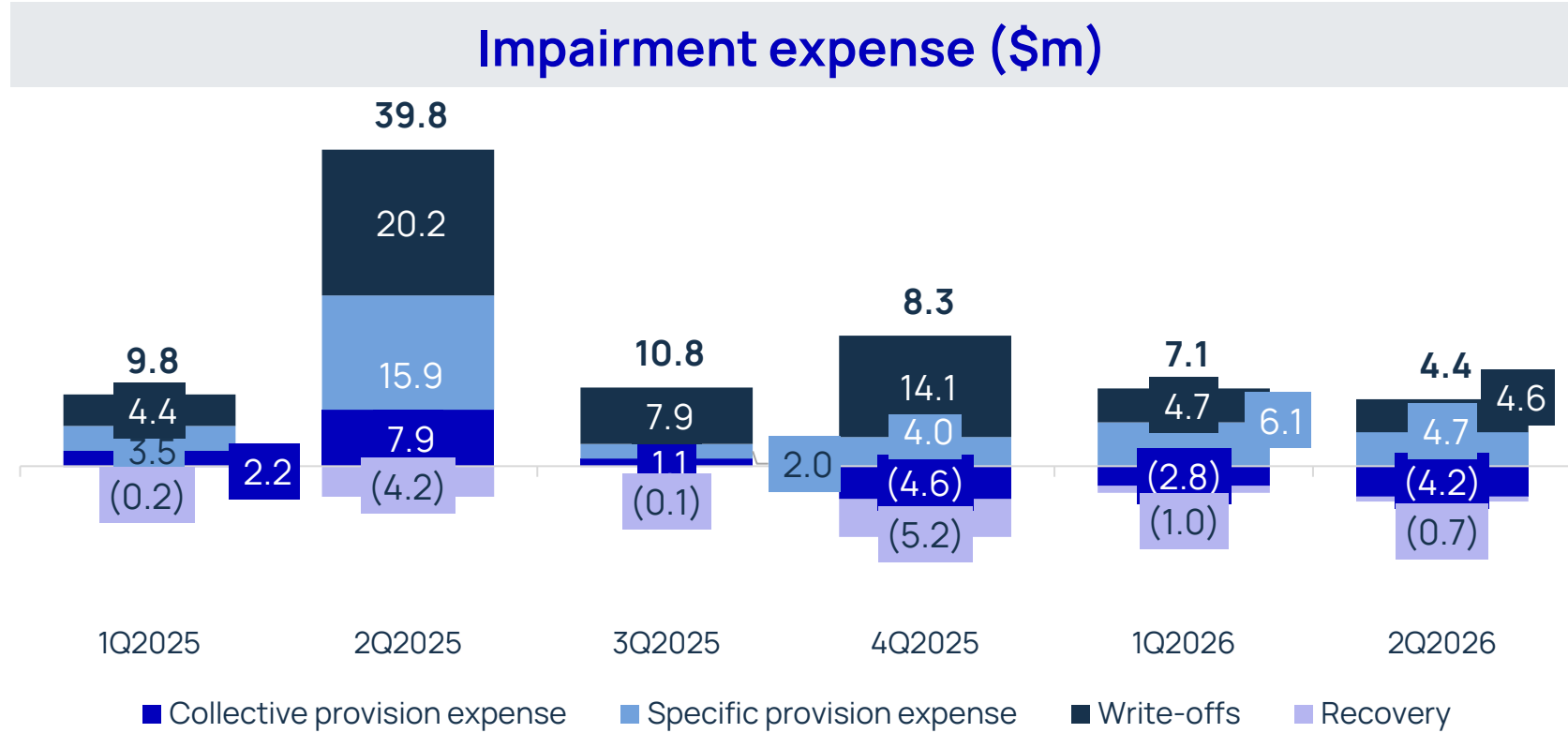
Underlying OPEX & CTI ratio (\$m)



Note: CTI ratio is calculated as OPEX/NOI. Underlying CTI ratio excludes one-off impacts. See page 2 for definition of underlying financial measures. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.

¹ Including intercompany group charges.
² Excluding intercompany group charges.

Impairment and provisioning

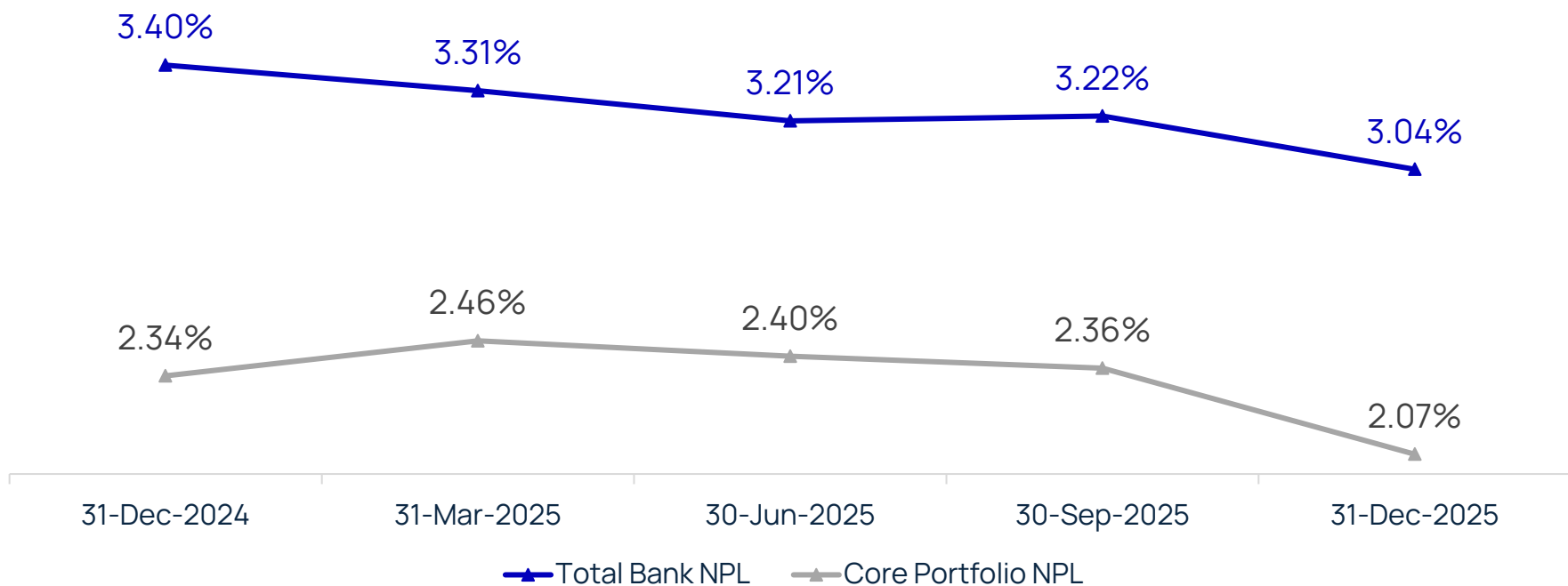


Overall asset quality continued to improve in 1H2026, reflecting the benefits of maintaining a refined strategic focus on core product sets, early intervention and disciplined portfolio management.

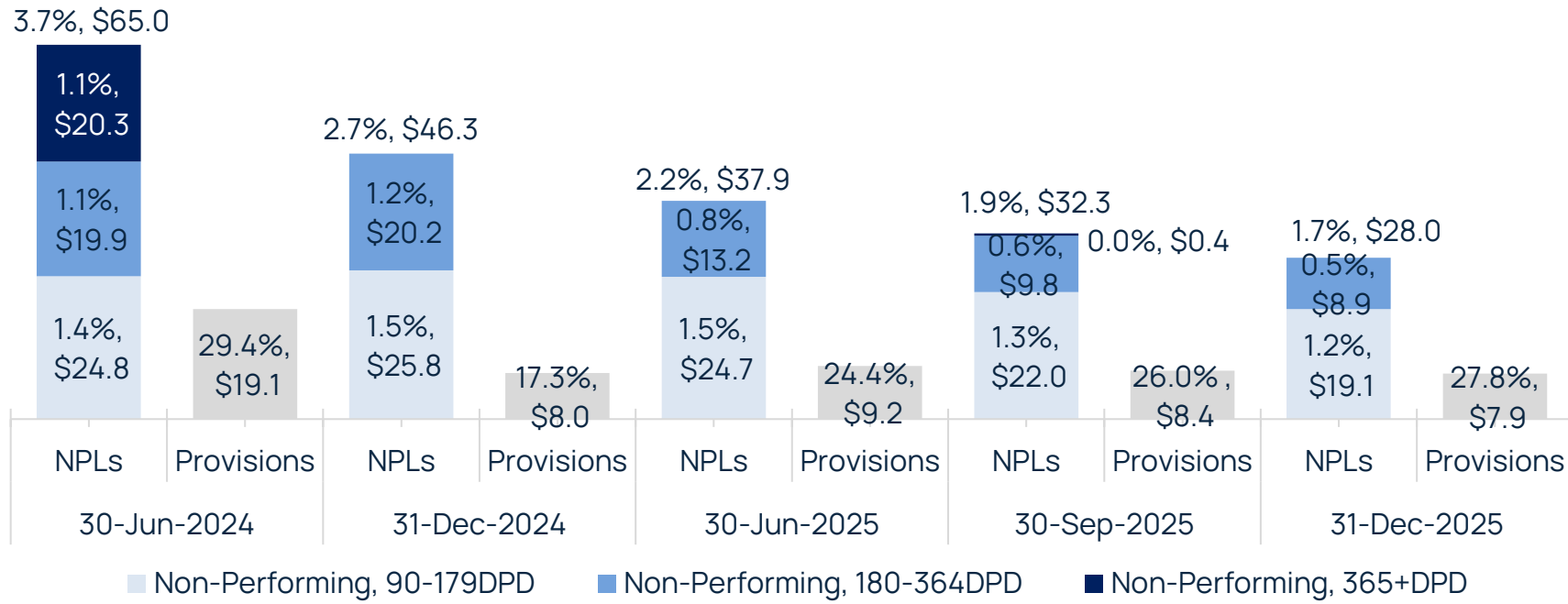
- The 1H2026 impairment expense ratio benefitted from the release of collective provisions in Motor Finance and NSAs.
- The FY2026 impairment expense ratio outlook is now expected to be < 0.70% (down 15 bps on the previous guidance). This reflects an expected stabilisation in impairment expense in 2H2026.

Asset quality

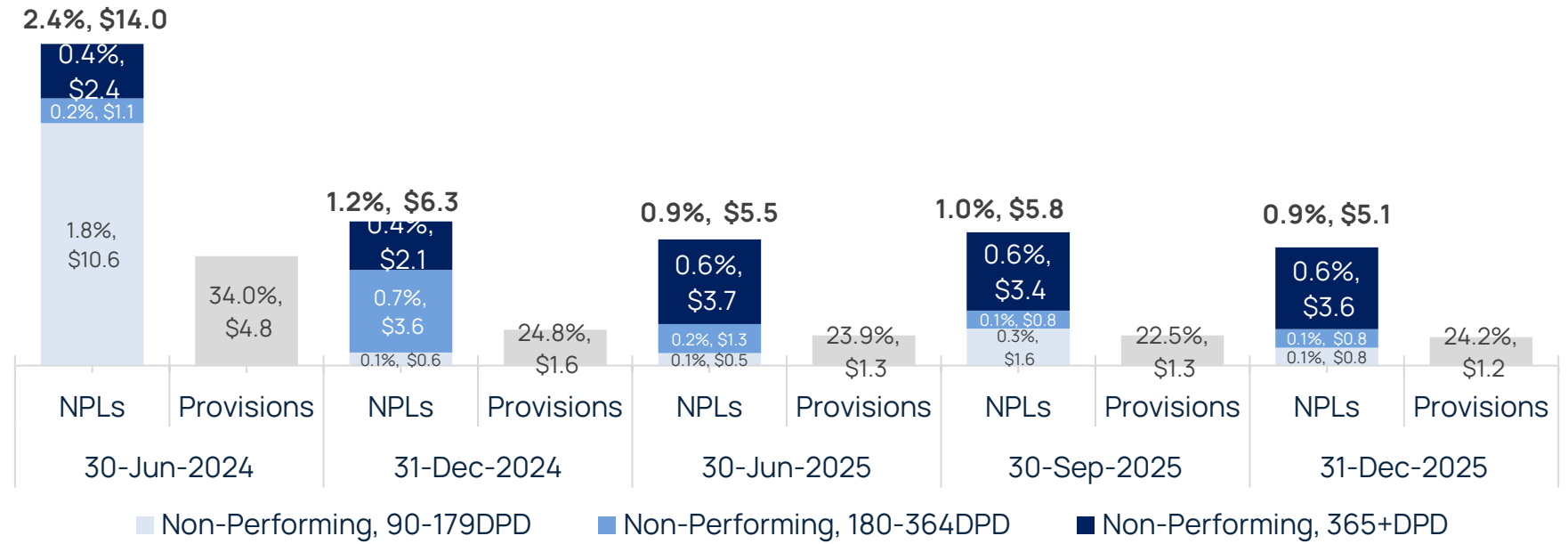
NPL ratios¹



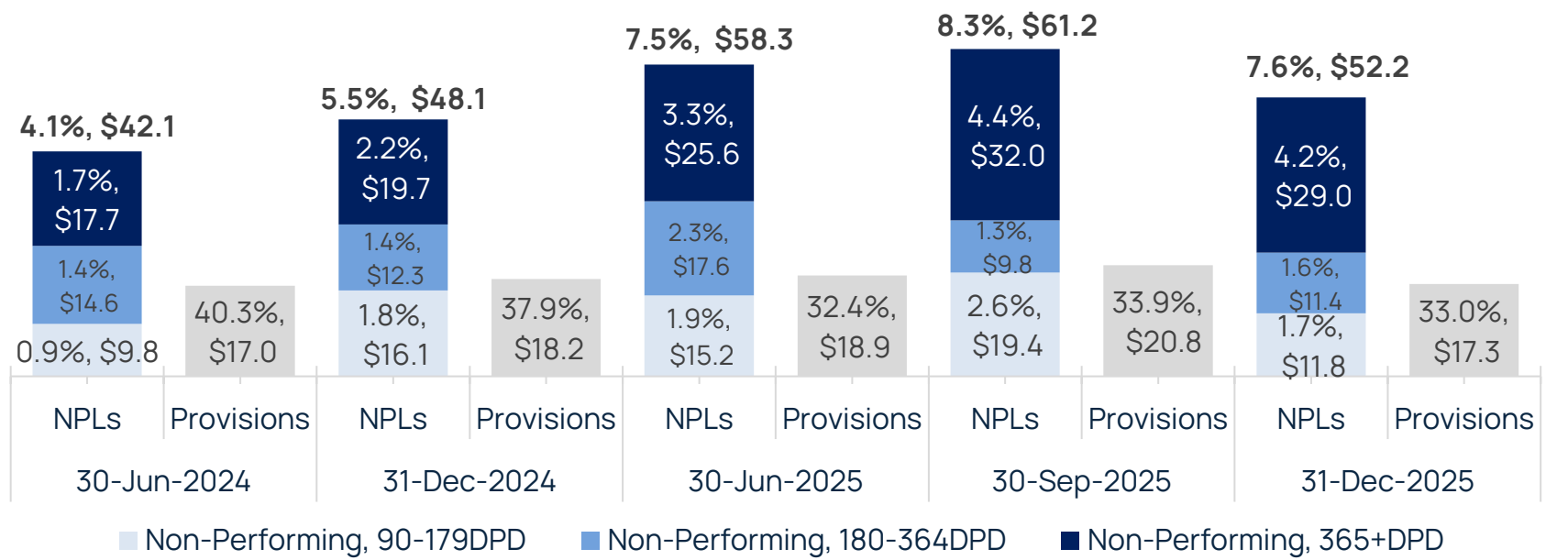
Asset quality – Motor Finance³



Asset quality – Rural²



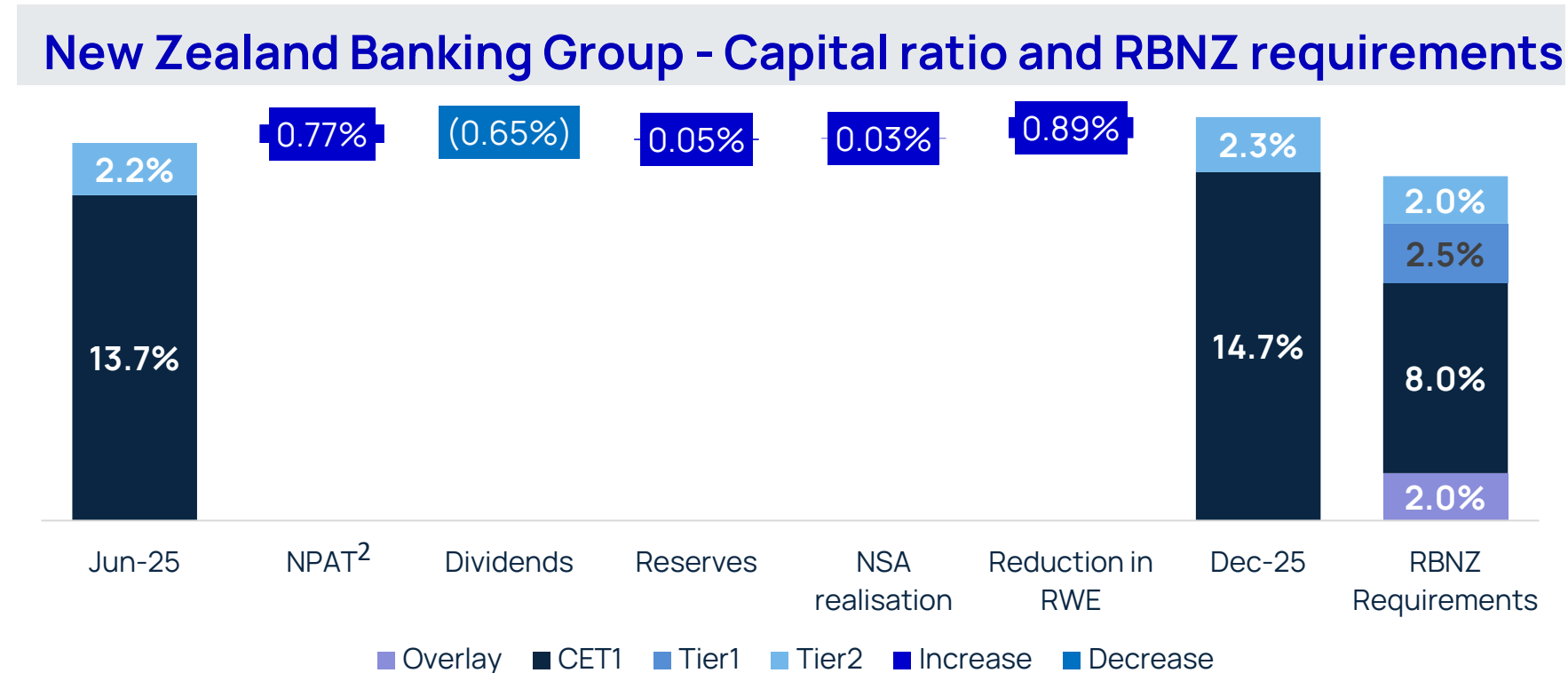
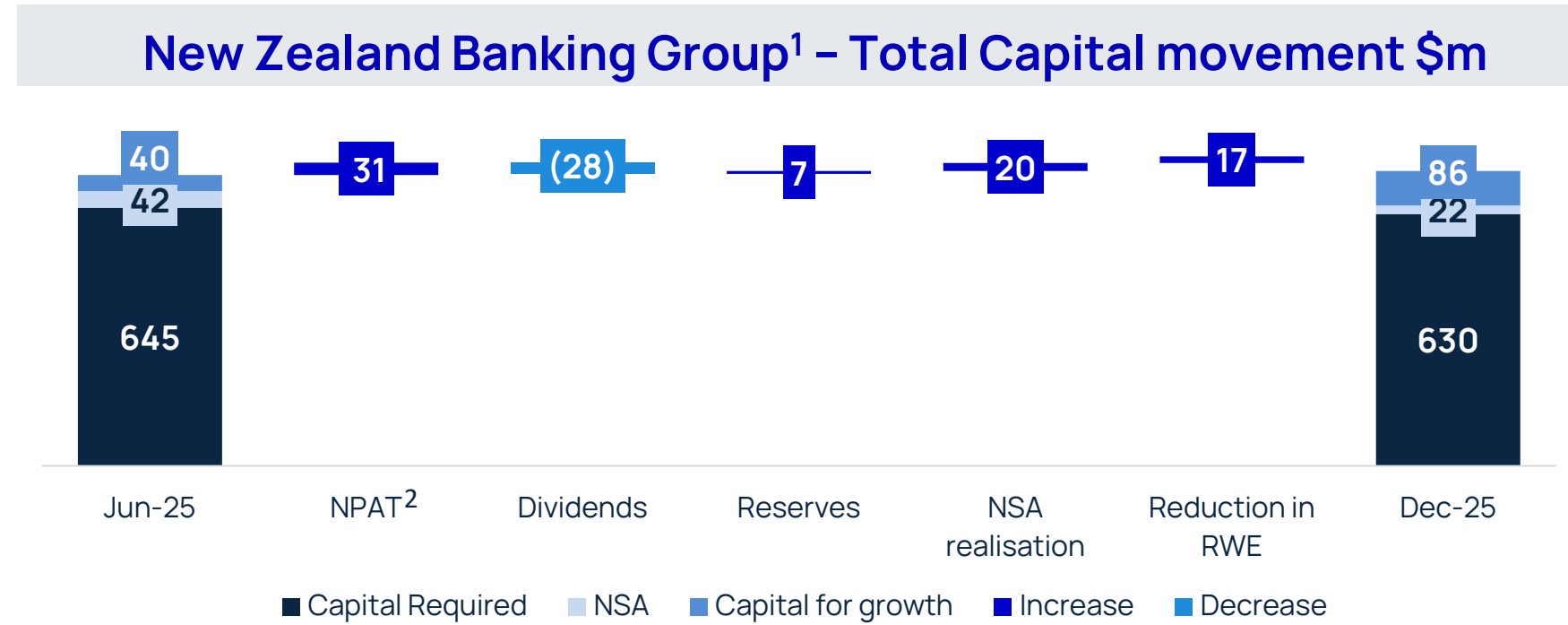
Asset quality – Business Finance⁴



¹Total Bank NPL includes NSAs and Unsecured Lending (which includes Personal Lending and Open for Business which are winding down). Core Portfolio NPL includes Motor Finance, Rural, and Business Finance.
²Rural includes Rural Relationship, Rural Direct, and Livestock Finance. Excludes NSAs.

³Motor Finance includes Wholesale Lending.
⁴Business Finance includes Asset Finance and Business Relationship. Excludes NSAs.

Capital



Heartland Bank is well positioned for future growth, with capital well above regulatory minimums.

- The RBNZ's final decisions on key capital settings for deposit takers include the following key features set to benefit Heartland Bank:
 - a reduction in both Tier 1 (to 11% from 14%) and total capital (to 14% from 16%) ratio requirements
 - removal of Additional Tier 1 capital instruments, while allowing a higher mix of Tier 2 capital (to 3% from 2%)
 - more granular and reduced risk weights, particularly in productive sectors of the economy Heartland Bank focuses on.
- In addition:**
 - effective 1 March 2026, the RBNZ has reduced Heartland Bank's transitional capital overlay by 1.5%, from 2.0% to 0.5%
 - the remaining capital overlay is expected to remain in place until the RBNZ implements a formal Group Supervision Policy for deposit takers under the Deposit Takers Act 2023 (expected to come into force on 1 December 2028)
 - the RBNZ has indicated it will review reverse mortgage risk weights in 2026 (following their adjustment after a review conducted in 2023).
- As at 31 December 2025, Heartland Bank holds approximately \$125m of regulatory capital in excess of expected regulatory requirements. Applying Heartland Bank's expected risk weight changes to the 31 December 2025 balance sheet, the excess is approximately \$190m.³

Note:

- RBNZ imposed a transitional capital overlay on Heartland Bank after the acquisition of (now) Heartland Bank Australia.
- Heartland Bank's regulatory capital ratio increased to 17.11% as of 31 December 2025 (30 June 2024: 16.46%), due to capital released from NSAs. The total capital ratio for the NZBG increased to 16.97% from 15.88% during the same period.
- On 1 July 2025, the Tier 1 capital requirements increased from 11.5% to 12.5% due to the RBNZ's 2019 Capital Review for non D-SIB banks. On 17 December 2025, the RBNZ released its decision on the new capital settings with a more detailed implementation

plan expected to release on 27 February 2026.

¹ The New Zealand Banking Group (NZBG) consists of the NZ bank and its NZ subsidiaries, excluding Marac Insurance Limited. The Banking Group includes all of the NZ bank's subsidiaries, including the AU bank and Marac Insurance Limited.

² Current reported NPAT for the NZ Banking.

³ Including ordinary internal buffers.

NZ lending performance: Reverse Mortgages

\$1,328m Receivables as at 31 Dec 2025
 +\$95m, 15.2%¹ since 30 Jun 2025

\$32.0m NOI as at 31 Dec 2025
 +9.9% vs 1H2025

- New business volumes increased by more than 23% compared with 1H2025, with an increasing proportion of customers drawing additional funds through cash reserve facilities.
- Strong pipeline development in 1H2026 and a new marketing campaign, now live, are expected to generate further growth in 2H2026 and boost momentum into FY2027.
- Village Access Loans continues to gain traction.
- Asset quality within Reverse Mortgages remains strong with an NPL ratio of 0.15%², average current loan size of \$159k and weighted average current LVR of 27.1%.

Outlook

- FY2026 growth: >18% (n.c.)

New marketing campaign



TV commercial



Heartland Bank is proud to introduce Judy Bailey as its Reverse Mortgage brand ambassador



Customer story video interviews with Judy Bailey

¹ Annualised growth rate for 1H2026.

² Reverse Mortgages are measured at fair value. NPLs arise due to late settlement (90 days after the 12-month repayment period) after the departure of the borrower from the property. As at 31 December 2025, this included 10 loans with a total value of \$2.0m and a weighted average LVR (using indexed valuation) of 32.2%.

NZ lending performance: Rural¹

\$578m Receivables as at 31 Dec 2025
 -\$30m, -9.9%² since 30 Jun 2025

Includes \$390m Rural Lending³ and \$189m Livestock Finance

\$14.7m NOI as at 31 Dec 2025
 +11.3% vs 1H2025

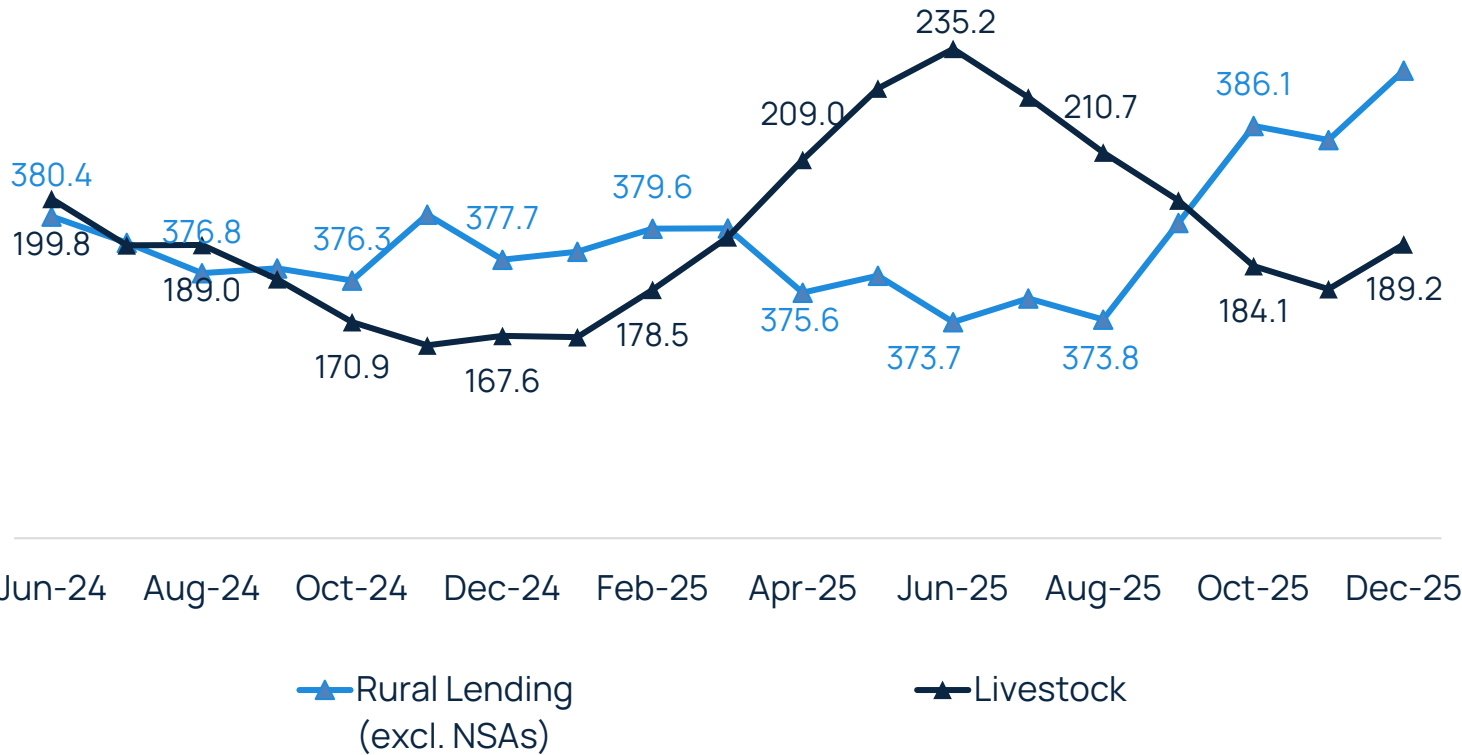
Includes \$9.7m Rural Lending³ and \$5.0m Livestock Finance

- With strong momentum early into the third quarter, the portfolio is on track to deliver more than 9% growth in FY2026.
- New partnerships and intermediary channels continue to create growth opportunities, while market conditions remain favourable, underpinned by strong pasture growth and global protein demand.
- To address demand and strengthen Heartland Bank’s commitment to specialist rural lending, the bank has recently expanded its regional presence across New Zealand.

Outlook

- FY2026 growth: >9% (+3%)

Rural Receivables (\$m)



1H2026 performance reflects seasonal Livestock Finance contraction. Excluding Livestock Finance, the Rural portfolio grew by \$15.0m, representing 8.0% annualised growth.

¹ Rural includes Rural Relationship, Rural Direct and Livestock Finance. Excludes NSAs.
² Annualised growth rate for 1H2026.
³ Rural Lending includes Rural Relationship and Rural Direct excluding NSAs.

NZ lending performance: Motor Finance¹

\$1,653m Receivables as at 31 Dec 2025
 -\$41m, -4.8%² since 30 Jun 2025

Includes \$1,524m Motor Lending³ and \$130m Wholesale Lending

\$37.9m NOI as at 31 Dec 2025
 +2.5% vs 1H2025

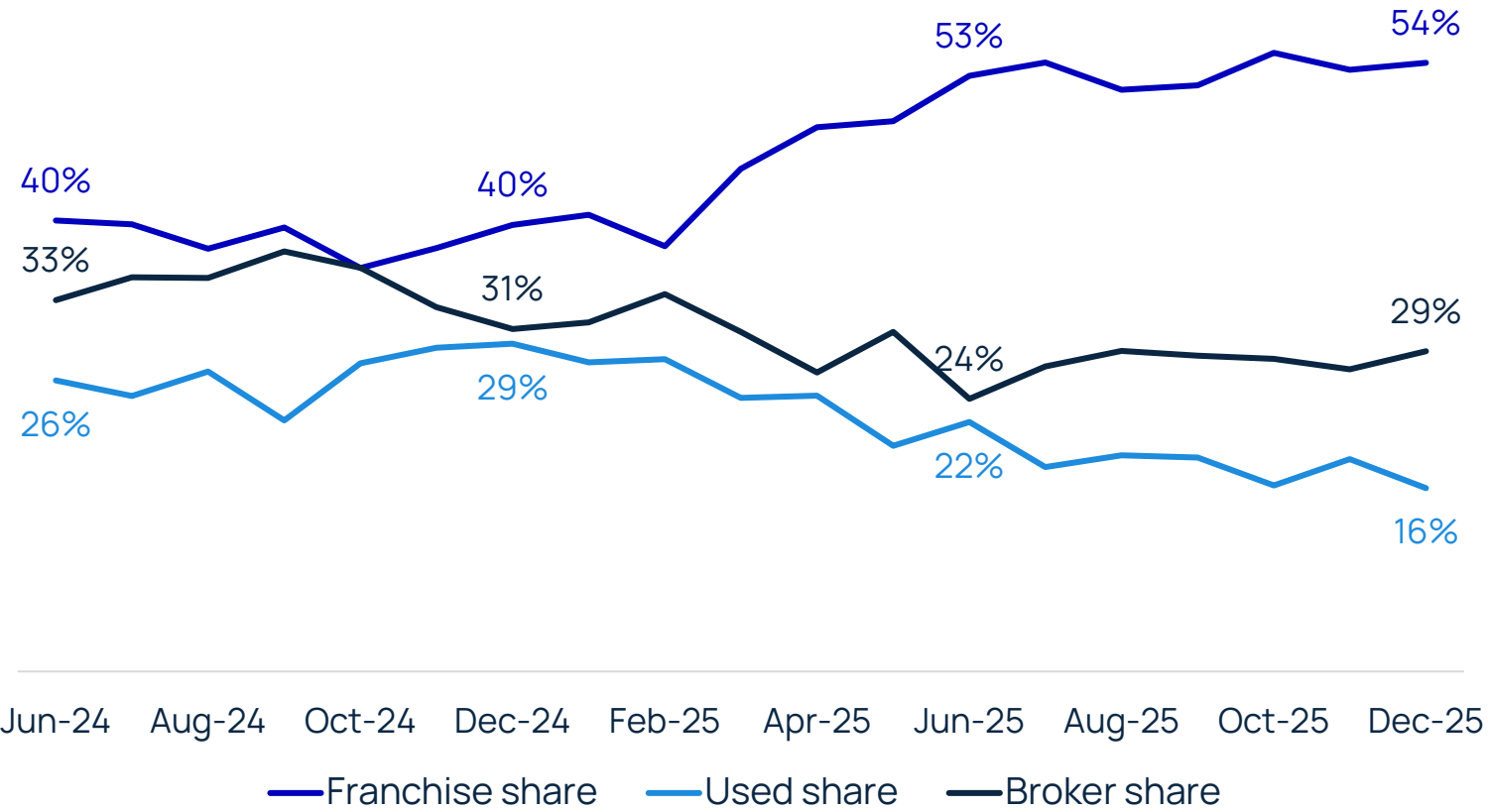
Includes \$36.2m Motor Lending³ and \$1.7m Wholesale Lending

- Receivables were down as a result of the bank’s strategic shift towards higher quality intermediary partners, with a focus on quality used and franchise vehicles.
- Direct-to-consumer lending increased by 27.8%² in 1H2026, while dealer volumes decreased by 7.3%².
- As at 31 December 2025, new business through franchise dealerships accounted for approximately 50% of dealer origination, up from 40%.
- Due to Receivables contraction in 1H2026, Heartland Bank now expects FY2026 Motor Finance Receivables to be flat on FY2025.

Outlook

- FY2026 growth: Flat (-3%)

Dealer channel mix over time



¹ Motor Finance includes Motor Wholesale lending.

² Annualised growth rate for 1H2026.

³ Motor Lending includes Intermediary and Direct distribution channels.

NZ lending performance: Business Finance¹

\$690m **Receivables** as at 31 Dec 2025
 -\$90m, -22.8%² since 30 Jun 2025

Includes \$139m Business Lending and \$551m Asset Finance

\$19.0m **NOI** as at 31 Dec 2025
 -17.4% vs 1H2025

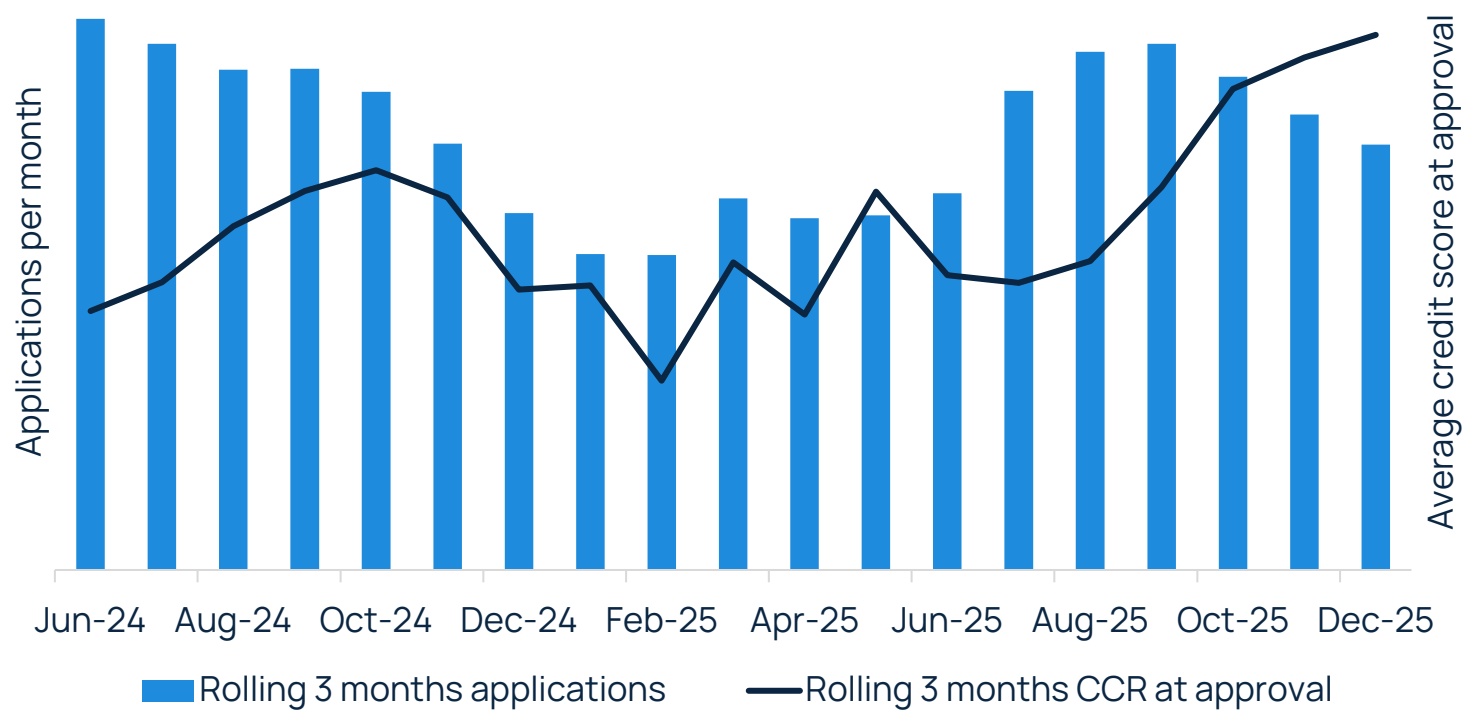
Includes \$4.9m Business Lending and \$14.1m Asset Finance

- The Business Finance contraction reflects Heartland Bank’s disciplined approach to pricing and risk in response to subdued demand and ongoing economic challenges across several industry sectors (specifically transport and construction).
- While the Asset Finance pipeline strengthened in 1H2026, with improvement anticipated in 2H2026, Heartland Bank now expects FY2026 Business Finance Receivables retraction of up to 19%.

Outlook

- FY2026 growth: <-19% (-10%)

Asset Finance application volumes and average CCR at approval



¹ Business Finance includes Asset Finance and Business Relationship. Excludes NSAs.
² Annualised growth rate for 1H2026.

NZ technology programme

Heartland Bank has partnered with Pega to deliver a technology platform which will leverage and fully integrate with its modern core banking system.

- The new platform will replace existing legacy systems and manual processes with a single, integrated solution, modernising the bank’s technology foundations to strengthen control, resilience and competitiveness. It will enable increased automation and AI-driven capabilities to improve operational efficiency and enhance customer experience.
- The cost to implement the platform is estimated to be ≤\$11m over a three-year period.

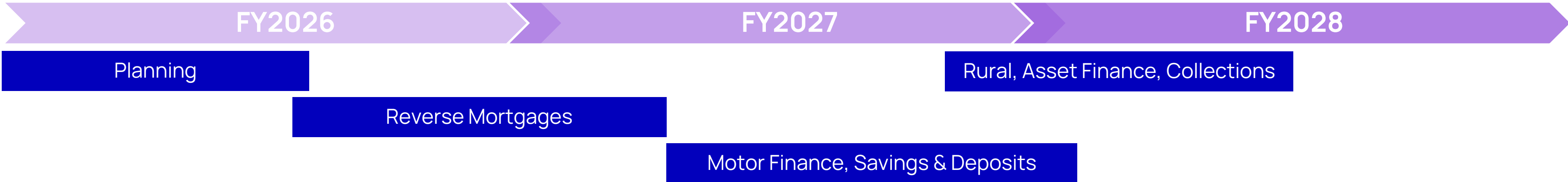


Pega is a leading global enterprise software provider with a proven track record in delivering intelligent, AI-enabled platforms for financial services organisations in the Asia Pacific region and globally.

Benefits

- Fully digital, end-to-end customer journeys with seamless and improved experience for customers, intermediaries and employees.
- Increased agility, enabling faster approvals, product changes, and easier customer servicing.
- Simplified technology and platform landscape, reducing complexity and risk.
- Reduced long-term cost through a flexible, cloud-based platform.

Indicative implementation timeline



Note: The timeline and sequencing of implementation is indicative only and subject to change.

03

Australian banking

Michelle Winzer Chief Executive Officer, Heartland Bank Australia

Kerry Conway Chief Financial Officer, Heartland Bank

AU banking: 1H2026 summary

Heartland Bank Australia's vision is to be Australia's leading specialist bank, enriching customers' lives through financial freedom.

1H2026 summary

Business growth:

- Receivables growth: Continued strength in Reverse Mortgage new lending, delivering record monthly origination. Livestock finance saw the highest gross cattle and sheep purchased on a rolling 12-month basis in 2Q26.
- NIM expansion: Transition of wholesale to deposit-led funding initiatives contributed to a strong exit NIM of 3.96%, resulting in increased NIM outlooks.

Service excellence:

- Speed to value: Maintained "8 days to Yes" service standard for Reverse Mortgages.
- Customer sentiment: Commenced NPS and CSAT reporting across all products, providing valuable insights on key areas of focus.

Diversify distribution:

- Partner optimisation: Continued to review and strengthen existing partnerships and distributor arrangements, with a focus on disciplined management to ensure scalable growth.

2H2026 focus

• Technology programme:

Multi-year transition to a unified, cloud-based platform to enhance digital capability and operational efficiency, with full migration targeted for FY2028 and progress tracking in line with plan.

• Distribution growth:

Continued focus across direct, digital and third-party distribution channels to strengthen Heartland Bank Australia's presence, supporting sustainable growth and improved customer access.

• Resilience:

Continued proactive weather-event response and portfolio management to support asset performance and customer outcomes, complemented by disciplined Livestock Finance management to protect credit quality and balance sheet resilience.

Financial results

| | | Reported | | | | | Underlying | | | | |
|-----------------------|---------------------------------------|--------------------|----------------|----------|----------------|--------------|--------------------|----------------|----------|----------------|--------------|
| | | 1H26 | 1H25 | Movement | | 1H26 | 1H25 | Movement | | | |
| Financial performance | NII | \$53.7m | \$39.4m | ↑ | \$14.3m | 36.2% | \$53.7m | \$39.4m | ↑ | \$14.3m | 36.2% |
| | OOI ¹ | (\$0.8m) | \$1.6m | ↓ | (\$2.4m) | (146.6%) | (\$0.8m) | \$1.6m | ↓ | (\$2.4m) | (146.6%) |
| | NOI | \$53.0m | \$41.1m | ↑ | \$11.9m | 28.9% | \$53.0m | \$41.1m | ↑ | \$11.9m | 28.9% |
| | OPEX | \$28.0m | \$24.2m | ↑ | \$3.8m | 15.7% | \$28.0m | \$23.2m | ↑ | \$4.8m | 20.8% |
| | Impairment expense | \$1.1m | \$0.9m | ↑ | \$0.3m | 34.9% | \$1.1m | \$0.9m | ↑ | \$0.3m | 34.9% |
| | Tax expense | \$7.2m | \$4.8m | ↑ | \$2.4m | 49.3% | \$7.2m | \$5.1m | ↑ | \$2.1m | 40.7% |
| | NPAT² | \$16.7m | \$11.3m | ↑ | \$5.4m | 48.0% | \$16.7m | \$12.0m | ↑ | \$4.7m | 39.1% |
| | NIM | 3.68% | 2.75% | ↑ | 93 bps | | 3.68% | 2.75% | ↑ | 93 bps | |
| | CTI ratio | 51.5% ³ | 58.8% | ↓ | (736 bps) | | 51.5% ³ | 56.4% | ↓ | (490 bps) | |
| | Impairment expense ratio ⁴ | 0.10% | 0.08% | ↑ | 1 bps | | 0.10% | 0.08% | ↑ | 1 bps | |
| ROE | 7.7% | 5.5% | ↑ | 212 bps | | 7.7% | 5.9% | ↑ | 177 bps | | |

| | | Dec 25 | Jun 25 | Movement | |
|--------------------|--------------------------|----------|----------|----------|---------------------------|
| Financial position | Liquid assets | \$510m | \$517m | ↓ | (\$8m) (1.5%) |
| | Receivables ⁵ | \$2,464m | \$2,265m | ↑ | \$198m 17.4% ⁶ |
| | Borrowings | \$2,696m | \$2,499m | ↑ | 197m 7.9% |
| | Equity | \$440m | \$424m | ↑ | \$16m 3.8% |
| | Equity/total assets | 14.0% | 14.4% | ↓ | (40 bps) |

Note: All figures are in AUD\$m. See page 2 for definition of underlying financial measures. Refer to page 7 for details about 1H2026 and 1H2025 one-offs.

¹ Reported OOI includes fair value gains/losses on investments.

² Refer to page 7 for a reconciliation of underlying NPAT to reported NPAT for 1H2026.

³ Excluding intercompany group charges.

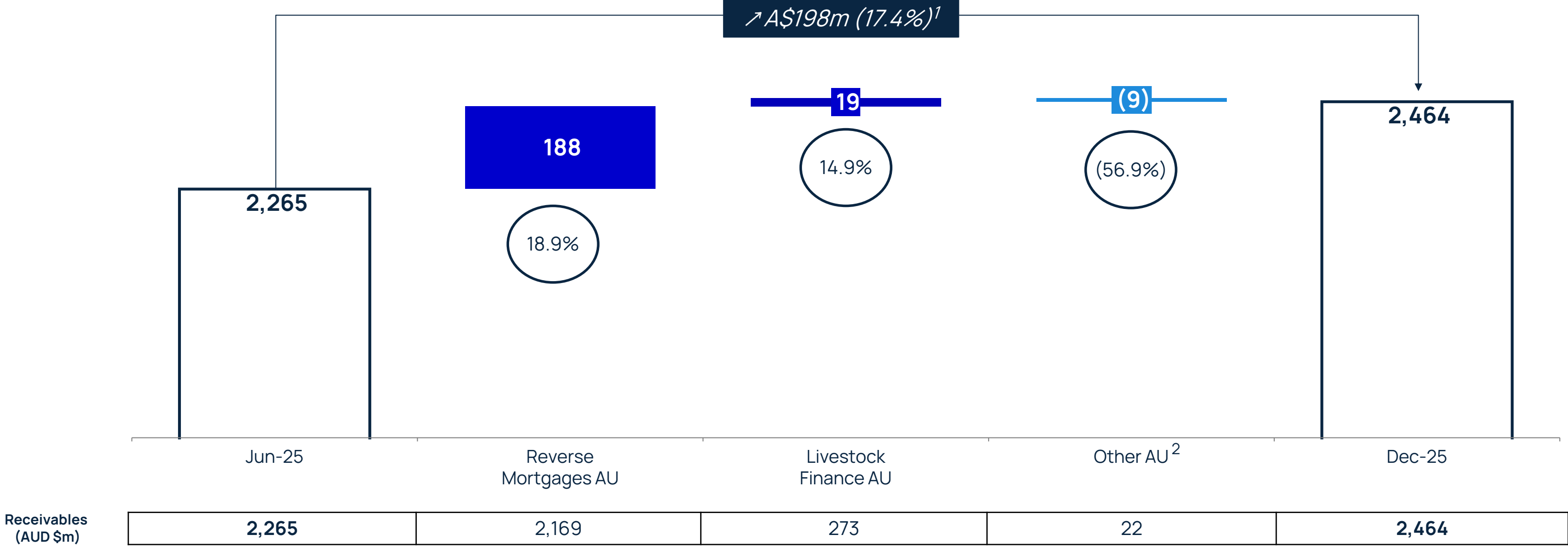
⁴ Impairment expense as a percentage of average Receivables.

⁵ Receivables also includes Reverse Mortgages.

⁶ Annualised growth for 1H2026.

Receivables

Reverse Mortgage and Livestock Finance growth underpinned by broader broker distribution and improving customer metrics.

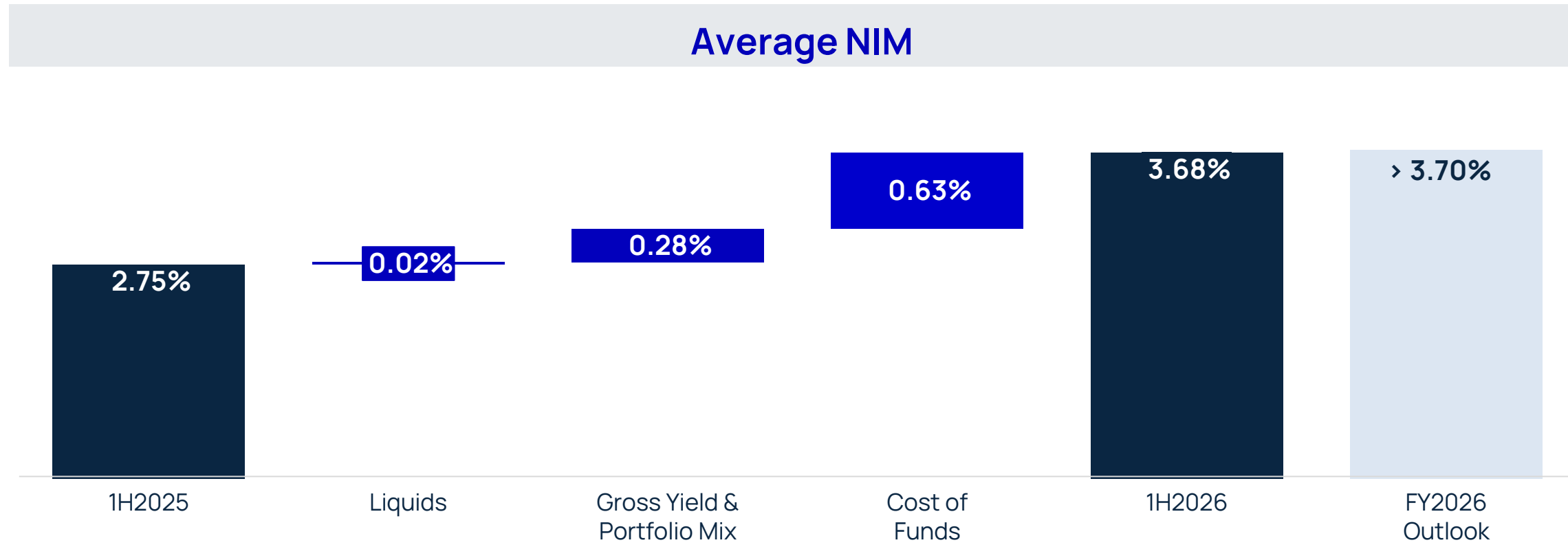
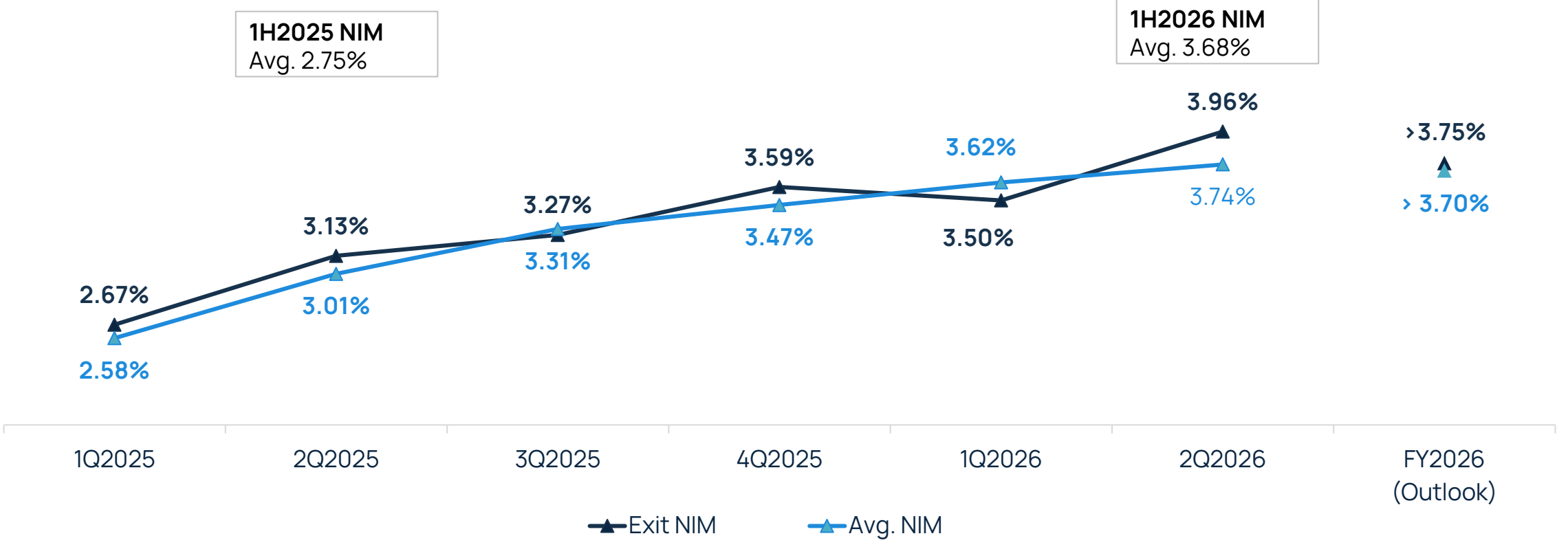


Note: All figures in AUD\$m.

¹Annualised 1H2026 growth.

²Other AU includes Home Loans and Consumer & Other loan portfolios acquired through the ADI which are in run down.

Underlying NIM



1H2026 summary

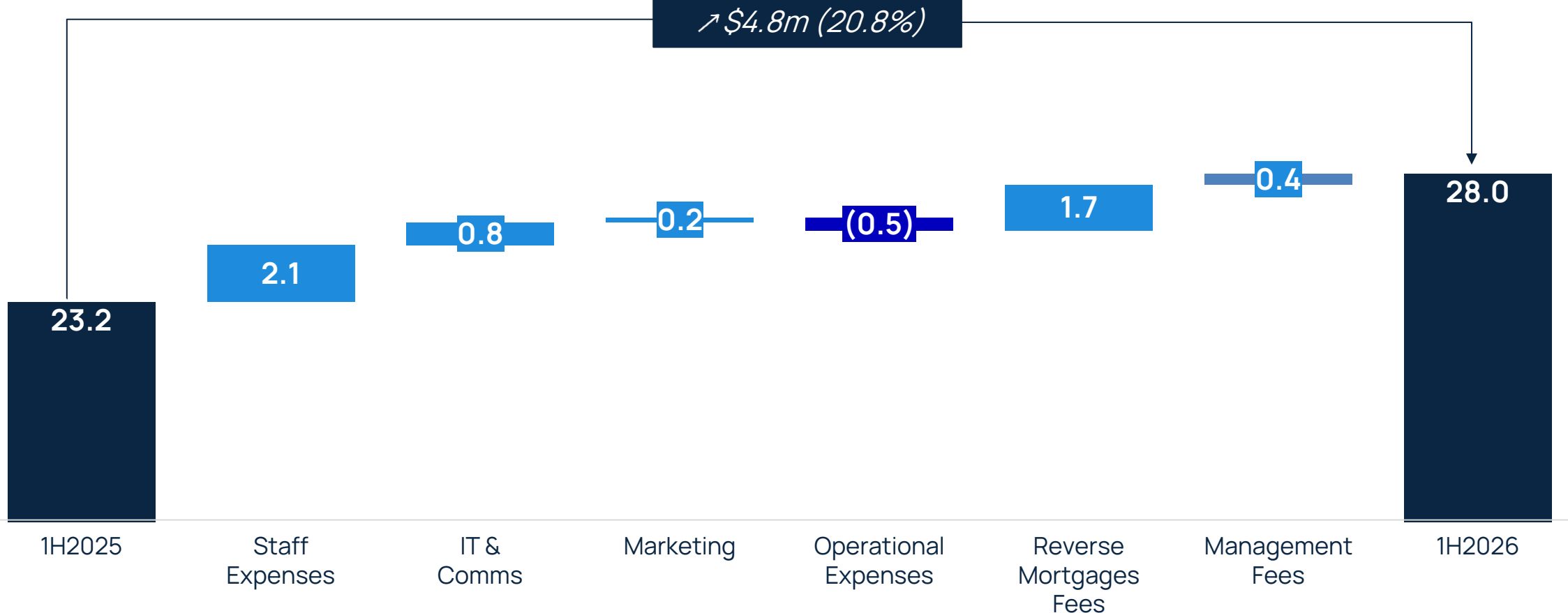
- NIM expansion was primarily driven by a lower proportion of average wholesale funding in 1H2026, reducing from 52% in 1H2025 to 15% in 1H2026. This enabled a normalisation of liquid asset holdings by removing the need to pre-fund large securitisation date-based calls or MTN maturities.
- The exit NIM of 3.96% was aided by favourable deposit spreads and growth in Livestock Finance.

2H2026 outlook

- Margins are expected to stabilise in 2H2026 as the interest rate outlook in Australia shifts towards higher deposit costs.
- Heartland Bank Australia now expects the FY2026 average NIM to be >3.70%, and the exit NIM to be >3.75%.

Note: NIM is calculated as NII/average gross interest earning assets in \$AUD. See page 2 for a definition of underlying financial measures.

Underlying OPEX

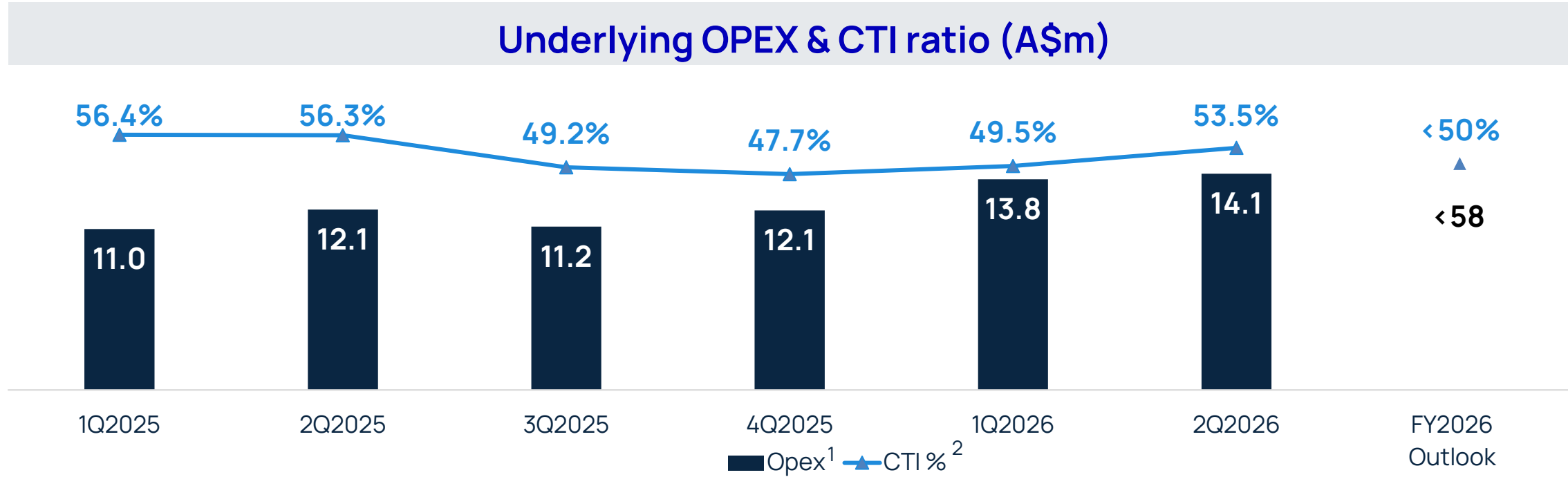


1H2026 summary

- Costs increased in 1H2026 due to volume related expenses and the commencement of the technology programme, as indicated in recent announcements.
- The 2Q2026 underlying CTI ratio of 52.2% includes the impact of the early repayment of Heartland Bank Australia’s final MTN, which was replaced by cheaper deposit funding. Excluding this non-recurring expense, the 1H2026 underlying CTI ratio was 47.8%.

2H2026 outlook

- Reverse Mortgage volume related expenses and technology programme costs will continue in 2H2026. As a result, Heartland Bank Australia now expects the FY2026 underlying OPEX to be <A\$58m.
- The FY2026 underlying CTI ratio is now expected to be <50%.



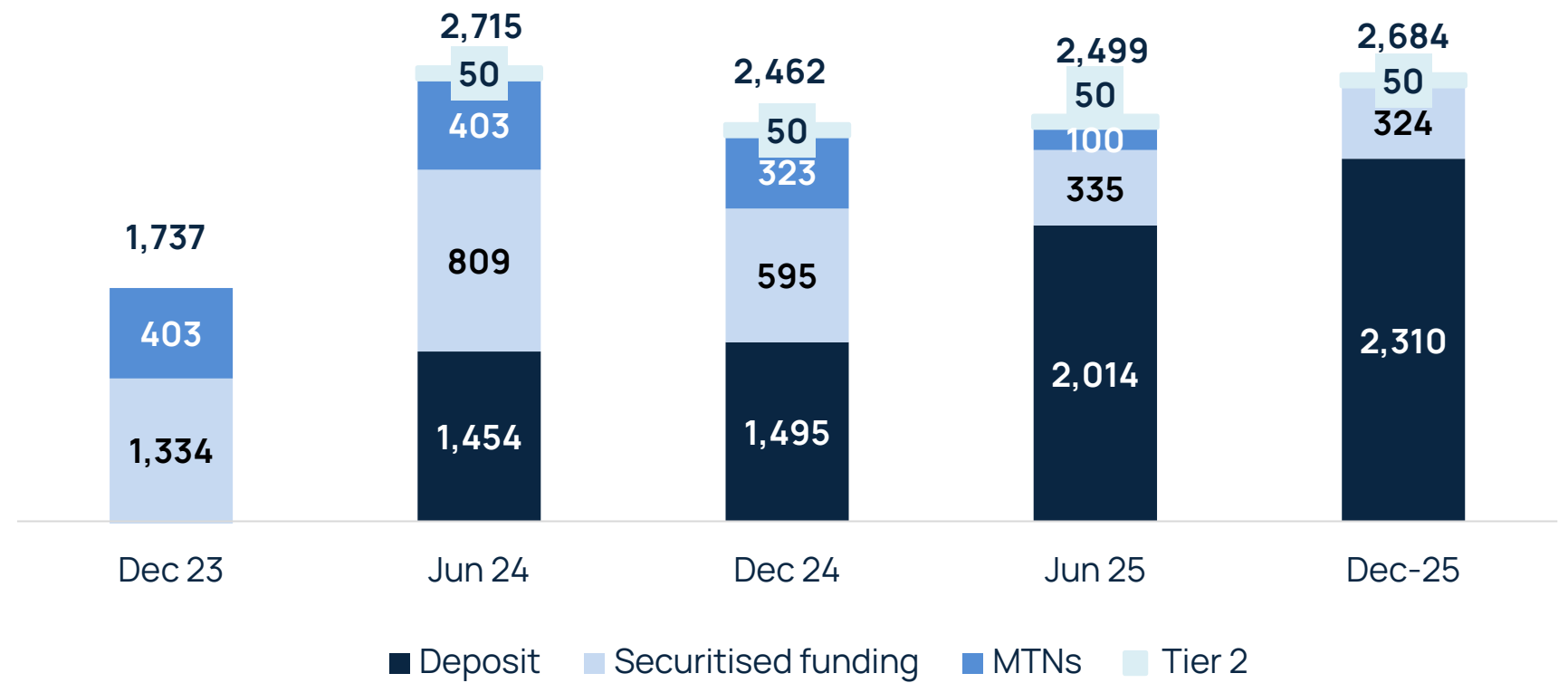
Note: All figures in AUD\$m. CTI ratio is calculated as OPEX/NOI. Underlying CTI ratio excludes one-off impacts. See page 2 for definition of underlying financial measures. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.
¹ Including intercompany group charges.
² Excluding intercompany group charges.

Funding & liquidity

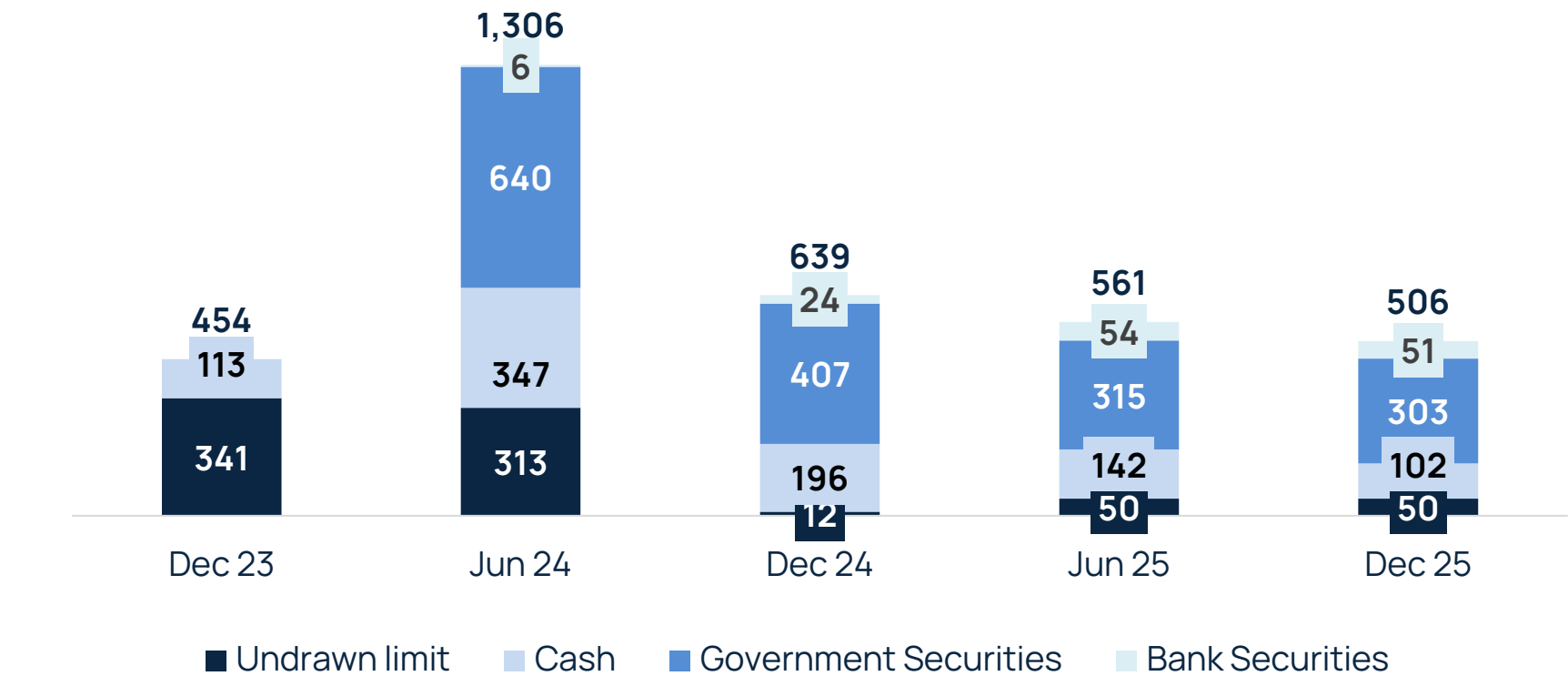
- Heartland Bank Australia used deposit funding to complete the early repayment of its final A\$100m MTN.
- The deposits funding mix strengthened to 86% as at 31 December 2025, up from 81% as at 30 June 2025 and 54% as at 30 June 2024.

| | 30-Jun-25 MLH ¹ | 31-Dec-25 MLH ¹ |
|--------------------------|-------------------------------|-------------------------------|
| Heartland Bank Australia | 19.4% | 17.5% |

Funding composition A\$m

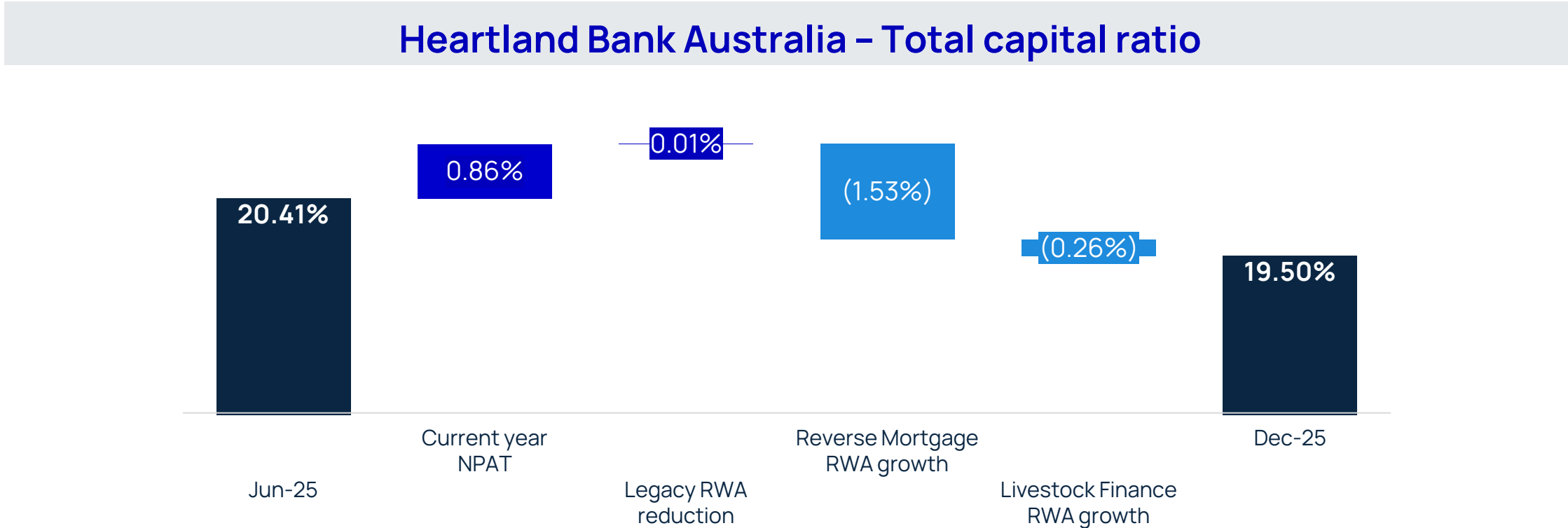
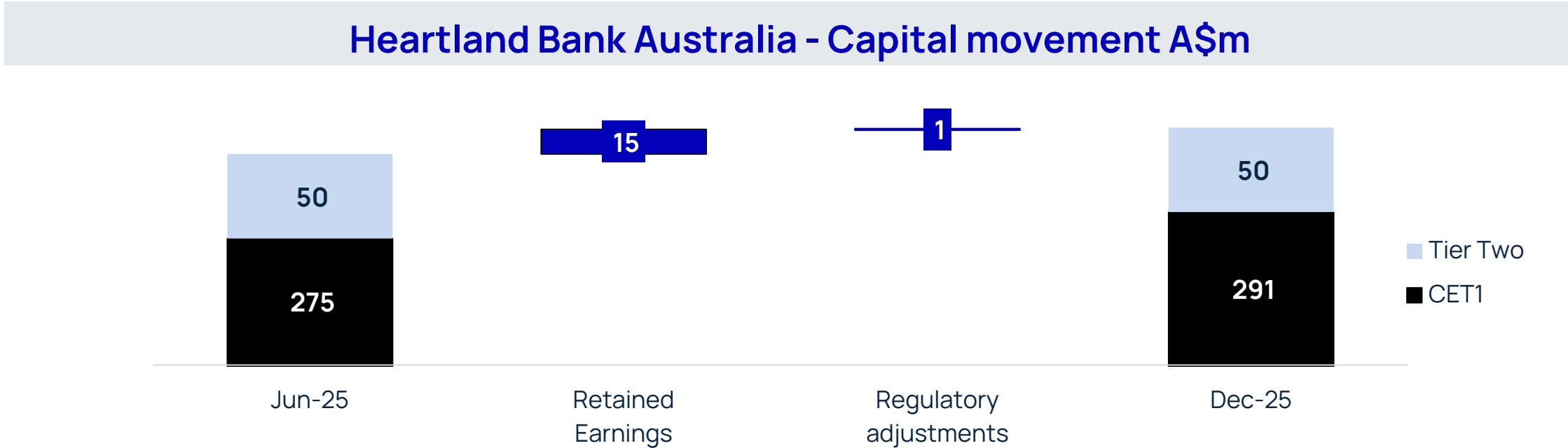


Liquidity composition A\$m



Note: All figures in AUD\$m. Heartland Bank acquired (now) Heartland Bank Australia on 30 April 2024. Prior to that, Heartland's Australian businesses operated as Heartland Australia Group, which did not have an ADI licence or access to deposit funding in Australia. Liquid assets (securities) are HQLA APRA eligible securities.
¹ Minimum Liquidity Holdings (MLH) for Heartland Bank Australia has been measured on an APRA level 2 consolidated basis, ie including Heartland Australia Bank and its' subsidiaries.

Capital



Heartland Bank Australia continues to operate above regulatory capital minimums, with growth supported by organic capital generation.

- Total capital ratio remained robust at 19.5%, reflecting disciplined capital management, earnings and prudent risk-weighted asset growth, coupled with NPL management.
- This positions the bank well to support customers and drive long-term financial stability.

Note: All figures in AUD\$m.

AU lending performance: Reverse Mortgages

A\$2,169m

Receivables as at 31 Dec 2025
+A\$188m, **18.9%**¹ since 30 Jun 2025

A\$44.7m

NOI as at 31 Dec 2025
A\$30.8m 1H2025

- To further market reach and broaden its broker network, Heartland Bank Australia has established new intermediary partnerships with two leading aggregators.
- In 1H2026, Heartland Bank Australia commenced NPS and CSAT reporting. Customer survey results show Reverse Mortgage materially outperforming financial services industry benchmarks.²
- Asset quality remains strong with an NPL ratio of 0.70%³, average current loan size of A\$215k and weighted average current LVR of 25.0%.

Outlook

- FY2026 growth: >19.0% (n.c.)

Marketing activity is supporting growth



Heartland Bank Australia CEO Michelle Winzer interviewed by The Today Show

Note: All figures in AUD\$m.

¹ Annualised growth.

² Based on NPS and CSAT benchmarking data provided by Fullview.

³ Reverse Mortgages are measured at fair value. NPLs arise due to late settlement (90 days after the 12-month repayment period)

after the departure of the borrower from the property. As at 31 December 2025, this included 54 loans with a total NPL value of A\$17.2m and a weighted average LVR (using indexed valuation) of 29.5%.

AU lending performance: Livestock Finance

A\$273m

Receivables as at 31 Dec 2025
 +A\$19.1m, **14.9%**¹ since 30 Jun 2025

A\$8.2m

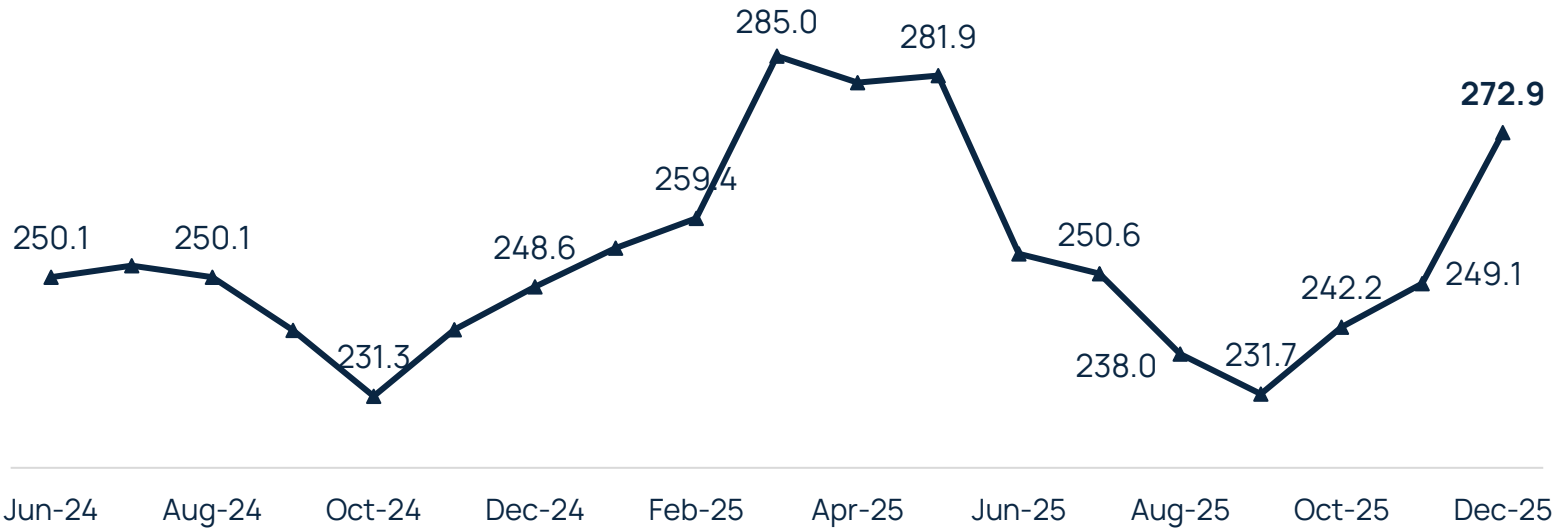
NOI as at 31 Dec 2025
 A\$5.2m 1H2025

- The inaugural StockCo by Heartland Bank Australia customer survey yielded strong NPS and CSAT results.²
- Solid growth achieved as momentum continues to build. However, recent extreme weather events have impacted growth volumes early into 2H2026. Heartland Bank Australia is working closely with impacted customers and agents.
- NPLs remained stable (A\$37.9m as at 31 December 2025 vs A\$36.4m as at 30 June 2025), representing stronger asset quality and improved Livestock Finance loan performance.

Outlook

- FY2026 growth: >20.0% (n.c.)

Receivables (A\$m)



Note: All figures in AUD\$m.
¹ Annualised growth.
² Based on NPS and CSAT benchmarking data provided by Fullview.

AU technology programme

Heartland Bank Australia has partnered with Constantinople to consolidate three product origination and servicing platforms into a single, cohesive solution.

- The programme will introduce a new modern core banking platform to support all products, simplifying the bank’s technology infrastructure and enabling increased automation and AI capability.
- Constantinople’s subscription model is cost efficient and activity based.
- The cost to implement the platform is estimated to be ≤A\$5m over a three-year period.

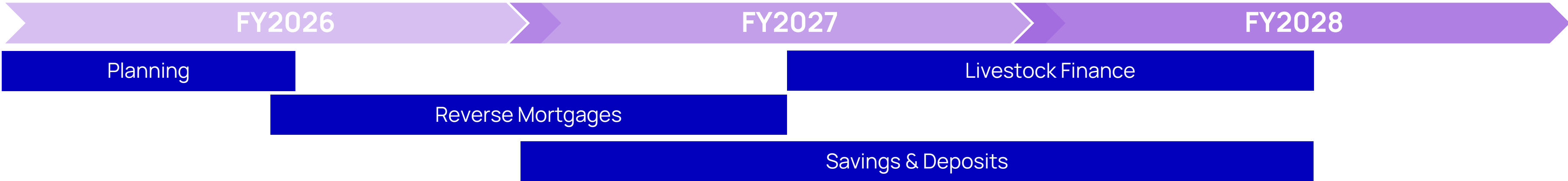


Constantinople’s cloud-based, AI-powered banking platform is used by banks and finance companies to bring technology and operations services into a single platform.

Benefits

- **Improved customer and employee experience**, including faster decisioning, streamlined processes and greater automation.
- **Reduced operational risk** through the retirement of manual processes, stronger embedded controls, and improved compliance capability.
- **Efficiency benefits over time**, driven by a simplified technology stack, reduced vendor complexity, and lower cost to serve.

Indicative implementation timeline



Note: The timeline and sequencing of implementation is indicative only and subject to change.

HEARTLAND
GROUP

04
Q&A

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**Appendices &
glossary**

Motor Finance arrears vs. auto industry average



Note:

- For the purpose of this comparison, Heartland Bank's total Motor Finance arrears are calculated using the calculation method used by Centrix (arrears greater than or equal to 14 DPD).
- Auto industry arrears are sourced from the Centrix Credit Indicator Report, where 31/12/2024, 31/03/2025, 30/06/2025, 30/09/2025, and 31/12/2025 uses the January, April, July, October 2025, and January 2026 Insights Report, respectively.
- Consumer Motor are Motor Finance loans to individuals rather than businesses.

NZ Reverse Mortgage portfolio analytics

| | | | | |
|---|---|--|---|--|
| <p>\$1.33b</p> <p>NZ Reverse Mortgages +\$95m (15.2%)¹ vs June 2025</p> | <p>\$131m</p> <p>(+\$25.1m vs 1H2025) 1H2026 origination²</p> | <p>73</p> <p>Average age of youngest borrower (new customers)³</p> | <p>17.0%</p> <p>Compound annual growth rate⁴</p> | |
| <p>\$159,168</p> <p>Average current loan size²</p> | <p>\$82,000</p> <p>Average initial loan amount³</p> | <p>8.5%</p> <p>Weighted average initial LVR³</p> | <p>27.1%</p> <p>Weighted average current LVR (indexed valuation)^{5,6}</p> | |
| <p>\$88m</p> <p>(+\$8.0m vs 1H2025) Total repayments in 1H2026²</p> | <p>14.2%</p> <p>(vs 14.9% in 1H2025) 1H2026 repayment rate²</p> | <p>6.1 years</p> <p>Average term at repayment</p> | <p>80%</p> <p>Voluntary repayment</p> | <p>20%</p> <p>Involuntary repayment</p> |

Note: All figures are in \$NZD unless otherwise stated.

¹ Annualised growth.

² As at 31 December 2025.

³ Rolling 12 months as at 31 December 2025.

⁴ Compound annual growth rate for the period 1 July 2020 – 31 December 2025.

⁵ Indexed valuation.

⁶ Across all time on whole book.

AU Reverse Mortgage portfolio analytics

| | | | | |
|--|--|---|--|---|
| <p>A\$2.17b AU Reverse Mortgages +A\$188m (+18.9%)¹ vs June 2025</p> | <p>A\$260m (+A\$178m vs 1H2025) 1H2026 origination²</p> | <p>72 Average age of youngest borrower (new customers)³</p> | <p>18.4% Compound annual growth rate⁴</p> | |
| <p>A\$214,710 Average current loan size²</p> | <p>A\$159,367 Average initial loan amount³</p> | <p>14.0% Weighted average initial LVR³</p> | <p>25.0% Weighted average current LVR (indexed valuation)^{5,6}</p> | |
| <p>A\$166m (+A\$136m vs 1H2025) Total repayments in 1H2026²</p> | <p>16.6% (vs 16.1% in 1H2025) 1H2026 repayment rate²</p> | <p>5.4 years Average term at repayment</p> | <p>88% Voluntary repayment</p> | <p>12% Involuntary repayment</p> |

Note: All figures are in \$AUD unless otherwise stated.

¹ Annualised growth.

² As at 31 December 2025.

³ Rolling 12 months as at 31 December 2025.

⁴ Compound annual growth rate for the period 1 July 2020 – 31 December 2025.

⁵ Indexed valuation.

⁶ Across all time on whole book.

Glossary

| | | | |
|---|--|------------------------|---|
| ADI | Authorised deposit-taking institution | NSA | Non-strategic assets |
| APRA | Australian Prudential Regulation Authority | NZ Banking Group, NZBG | The New Zealand Banking Group consists of the NZ Bank and its NZ subsidiaries, excluding Marac Insurance Limited. |
| Banking Group | The Banking Group includes all of the NZ bank's subsidiaries, including the AU bank and Marac Insurance Limited. | OCR | Official Cash Rate |
| bps | Basis points | OOI | Other Operating Income |
| CCR | Comprehensive credit reporting | OPEX | Operating expenses |
| CET1 | Common Equity Tier 1 | RBNZ | Reserve Bank of New Zealand |
| cps | Cents per share | Receivables | Gross Finance Receivables (includes Reverse Mortgages) |
| CSAT | Customer satisfaction score | ROE | Return on Equity |
| CTI ratio | Cost-to-income ratio | FY2028 | Financial year ending 30 June 2028 (1 July 2027 to 30 June 2028) |
| DPD | Days past due | FY2027, FY27 | Financial year ending 30 June 2027 (1 July 2026 to 30 June 2027) |
| DRP | Dividend Reinvestment Plan | 4Q26 | Fourth quarter of FY2026 (1 April to 30 June 2026) |
| EPS | Earnings per share | 3Q26 | Third quarter of FY2026 (1 January to 31 March 2026) |
| Exit NIM | NIM on the last day of the reported period. | 2H2026 | Second half of FY2026 (1 January to 30 June 2026) |
| FX | Foreign currency exchange | 2Q2026, 2Q26 | Second quarter of FY2026 (1 October to 31 December 2025) |
| Heartland, Heartland Group | Heartland Group Holdings Limited or the Company | 1Q2026, 1Q26 | First quarter of FY2026 (1 July to 30 September 2025) |
| Heartland Bank, HBL, NZ Bank, NZ Banking | Heartland Bank Limited | FY2026, FY26 | Financial year ending 30 June 2026 (1 July 2025 to 30 June 2026) |
| Heartland Bank Australia, AU Bank, AU banking | Heartland Bank Australia Limited | 4Q2025, 4Q25 | Fourth quarter of FY2025 (1 April to 30 June 2025) |
| LTI scheme | Long-term incentive scheme | 3Q2025, 3Q25 | Third quarter of FY2025 (1 January to 31 March 2025) |
| LVR | Loan-to-value ratio | 2H2025 | Second half of FY2025 (1 January to 30 June 2025) |
| MTN | Medium-term note | 2Q2025, 2Q25 | Second quarter of FY2025 (1 October to 31 December 2024) |
| n.c. | No change | 1Q2025, 1Q25 | First quarter of FY2025 (1 July to 30 September 2024) |
| NII | Net interest income | 1H2025, 1H25 | First half of FY2025 (1 July to 31 December 2024) |
| NIM | Net interest margin | 1H2026, 1H26 | First half of FY2026 (1 July to 31 December 2025) |
| NOI | Net operating income | FY2025, FY25 | Financial year ended 30 June 2025 (1 July 2024 to 30 June 2025) |
| NPAT | Net profit after tax | FY24 | Financial year ended 30 June 2024 (1 July 2023 to 30 June 2024) |
| NPL | Non-performing loan | FY23 | Financial year ended 30 June 2023 (1 July 2022 to 30 June 2023) |
| NPS | Net promoter score | | |

Thank you

Investor & media relations

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Investor information

For more information
heartlandgroup.info/investor-information

HEARTLAND
GROUP

Interim Financial Statements

For the six months ended 31 December 2025



HEARTLAND
— GROUP —

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General Information

These interim financial statements are issued by Heartland Group Holdings Limited (**HGH**) and its subsidiaries (the **Group**) for the six months ended 31 December 2025.

Name and address for service

HGH's address for service is Level 3, 35 Teed Street, Newmarket, Auckland 1023.

Details of incorporation

HGH is a company incorporated in New Zealand under the Companies Act 1993 on 19 July 2018. The shares in HGH are listed on the New Zealand Exchange (**NZX**) main board and the Australian Securities Exchange (**ASX**) under a foreign exempt listing.

Directors

All Directors of HGH reside in New Zealand with the exception of Robert Bell and Simon Beckett who reside in Australia. Communications to the Directors can be sent to Heartland Group Holdings Limited, Level 3, 35 Teed Street, Newmarket, Auckland 1023.

There have been no changes to the composition of the Board of Directors of the Group since 30 June 2025 to the six months ended 31 December 2025.

Auditor

PricewaterhouseCoopers

PwC Tower, Level 27
15 Customs Street West
Auckland 1010

Directors' Statements

The interim financial statements for the six months ended 31 December 2025 for HGH and its subsidiaries (together the Group) are dated 25 February 2026 and have been signed by all Directors.



G. R. Tomlinson (Chair)



E. J. Harvey



K. Mitchell



S. Beckett



R. Bell

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2025

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|---|------|--|--|
| Interest income: | | | |
| Effective interest method | 3 | 173,032 | 213,661 |
| Fair value through profit or loss | 3 | 158,059 | 149,072 |
| Total interest income | | 331,091 | 362,733 |
| Interest expense | 3 | 165,170 | 213,599 |
| Net interest income | | 165,921 | 149,134 |
| Operating lease income | | 2,410 | 3,131 |
| Operating lease expense | | 1,660 | 2,239 |
| Net operating lease income | | 750 | 892 |
| Lending and credit fee income | | 6,620 | 6,746 |
| Other (expense) | 4 | (1,016) | (1,473) |
| Net operating income | | 172,275 | 155,299 |
| Operating expenses | 5 | 94,425 | 98,081 |
| Profit before net fair value gain/(loss) on equity investments, investment property, losses on guaranteed future value products, impaired asset expense and income tax | | 77,850 | 57,218 |
| Net fair value gain/(loss) on equity investments and investment property | | 3,055 | (172) |
| Losses on guaranteed future value products | | — | 1,174 |
| Impaired asset expense | 6 | 12,785 | 50,530 |
| Profit before income tax | | 68,120 | 5,342 |
| Income tax expense | | 19,276 | 1,730 |
| Profit for the period | | 48,844 | 3,612 |
| Other comprehensive income/(loss) | | | |
| Items that are or may be reclassified subsequently to profit or loss, net of income tax: | | | |
| Effective portion of change in fair value of derivative financial instruments in a cash flow hedge relationship | 11 | 1,027 | (13,160) |
| Movement in fair value of debt investments at fair value through other comprehensive income (FVOCI) | 11 | (613) | 246 |
| Movement in foreign currency translation reserve | 11 | 36,245 | 4,824 |
| Items that will not be reclassified to profit or loss, net of income tax: | | | |
| Movement in fair value of equity investments at FVOCI | 11 | (1) | — |
| Other comprehensive income/(loss) for the period, net of income tax | | 36,658 | (8,090) |
| Total comprehensive income/(loss) for the period | | 85,502 | (4,478) |
| Earnings per share | | | |
| Basic earnings per share | 7 | 5.20 | 0.40 |
| Diluted earnings per share | 7 | 5.20 | 0.40 |

Total comprehensive income for the period is attributable to the owners of the Group.

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2025

| \$000's | Note | Unaudited - December 2025 | | | | Unaudited - December 2024 | | | |
|--|------|---------------------------|---------------|-------------------|------------------|---------------------------|-----------------|-------------------|------------------|
| | | Share Capital | Reserves | Retained Earnings | Total Equity | Share Capital | Reserves | Retained Earnings | Total Equity |
| Balance at beginning of period | | 1,028,275 | (28,782) | 219,559 | 1,219,052 | 1,018,954 | (8,496) | 227,411 | 1,237,869 |
| Comprehensive income/ (loss) for the period | | | | | | | | | |
| Profit for the period | | — | — | 48,844 | 48,844 | — | — | 3,612 | 3,612 |
| Other comprehensive income/ (loss), net of income tax | 11 | — | 36,658 | — | 36,658 | — | (8,090) | — | (8,090) |
| Total comprehensive income/ (loss) for the period | | — | 36,658 | 48,844 | 85,502 | — | (8,090) | 3,612 | (4,478) |
| Transactions with owners | | | | | | | | | |
| Dividends paid | 10 | — | — | (18,802) | (18,802) | — | — | (27,918) | (27,918) |
| Dividends reinvestment plan | 10 | 2,269 | — | — | 2,269 | — | — | — | — |
| Share based payments | 11 | — | 539 | — | 539 | — | — | — | — |
| Share issuance | 10 | — | — | — | — | 7,142 | — | — | 7,142 |
| Total transactions with owners | | 2,269 | 539 | (18,802) | (15,994) | 7,142 | — | (27,918) | (20,776) |
| Transfer on disposal of equity investments at FVOCI | 11 | — | 6,051 | (6,051) | — | — | — | — | — |
| Balance at end of the period | | 1,030,544 | 14,466 | 243,550 | 1,288,560 | 1,026,096 | (16,586) | 203,105 | 1,212,615 |

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| \$000's | Note | Unaudited December 2025 | Audited June 2025 |
|--|------|-------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | | 395,372 | 356,229 |
| Collateral paid | | 12,867 | 14,239 |
| Investments | 14 | 778,187 | 790,044 |
| Derivative financial instruments | | 5,532 | 4,792 |
| Finance receivables measured at amortised cost | 8 | 3,398,527 | 3,711,450 |
| Finance receivables - reverse mortgages | 14 | 3,841,667 | 3,370,949 |
| Investment properties | | 3,890 | 4,390 |
| Operating lease vehicles | | 16,014 | 15,561 |
| Right of use assets | | 13,583 | 12,223 |
| Other assets | | 36,476 | 44,949 |
| Current tax asset | | 13,510 | 35,449 |
| Intangible assets | 12 | 273,087 | 265,222 |
| Deferred tax asset | | 19,923 | 21,953 |
| Total assets | | 8,808,635 | 8,647,450 |
| Liabilities | | | |
| Deposits | 9 | 6,895,161 | 6,529,953 |
| Other borrowings | 9 | 554,649 | 825,454 |
| Derivative financial instruments | | 19,870 | 20,660 |
| Lease liabilities | | 15,655 | 14,390 |
| Trade and other payables | | 33,244 | 36,620 |
| Deferred tax liability | | 1,496 | 1,321 |
| Total liabilities | | 7,520,075 | 7,428,398 |
| Net assets | | 1,288,560 | 1,219,052 |
| Equity | | | |
| Share capital | 10 | 1,030,544 | 1,028,275 |
| Retained earnings and other reserves | 11 | 258,016 | 190,777 |
| Total equity | | 1,288,560 | 1,219,052 |

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF CASH FLOWS

For the six months ended 31 December 2025

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|------|--|--|
| Cash flows from operating activities | | | |
| Interest received | | 182,441 | 210,403 |
| Operating lease income received | | 2,108 | 2,828 |
| Lending, credit fees and other income received | | 3,578 | 5,021 |
| Operating inflows | | 188,127 | 218,252 |
| Interest paid | | (160,251) | (206,007) |
| Loss on early extinguishment of borrowings | | (2,271) | – |
| Payments to suppliers and employees | | (89,485) | (99,415) |
| Taxation received/(paid) | | 6,283 | (19,386) |
| Operating outflows | | (245,724) | (324,808) |
| Net cash flows applied to operating activities before changes in operating assets and liabilities | | (57,597) | (106,556) |
| Collateral paid | | (13,558) | (27,610) |
| Collateral received | | 14,930 | 11,820 |
| Proceeds from sale of operating lease vehicles | | 2,922 | 1,265 |
| Purchase of operating lease vehicles | | (4,575) | (1,604) |
| Net decrease in finance receivables measured at amortised cost | | 313,162 | 318,899 |
| Net (increase) in finance receivables - reverse mortgages | | (143,978) | (69,731) |
| Net movement in deposits | | 188,155 | 110,096 |
| Net cash flows from operating activities | | 299,461 | 236,579 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment and intangible assets | | (2,230) | (1,818) |
| Proceeds from investment securities | | 460,770 | 698,815 |
| Purchase of investment securities | | (424,026) | (493,077) |
| Proceeds from sale of rural property assets | | 9,598 | – |
| Proceeds from sale of investment property | | 475 | – |
| Proceeds from sale of equity investments | | 10,189 | – |
| Purchase of equity investment | | – | (246) |
| Consideration adjustment related to acquisition of subsidiary | | – | 1,404 |
| Net cash flows from investing activities | | 54,776 | 205,078 |
| Cash flows from financing activities | | | |
| Proceeds from wholesale borrowings | | – | 146,960 |
| Repayment of wholesale borrowings | | (192,719) | (738,919) |
| Repayment of unsubordinated notes | | (113,558) | (82,813) |
| Dividends paid | 10 | (15,842) | (20,776) |
| Payment of lease liabilities | | (1,944) | (1,759) |
| Net cash flows applied to financing activities | | (324,063) | (697,307) |
| Net increase/(decrease) in cash and cash equivalents | | 30,174 | (255,650) |
| Effect of exchange rates on cash and cash equivalents | | 8,969 | 3,101 |
| Opening cash and cash equivalents | | 356,229 | 629,619 |
| Closing cash and cash equivalents¹ | | 395,372 | 377,070 |

¹At 31 December 2025, the Group has \$70.9 million (December 2024: \$95.4 million) of cash held by structured asset holding entities (**Trusts**) which may only be used for the purposes defined in the underlying Trust documents.

The accompanying notes form an integral part of the interim financial statements.

Statement of Cash Flows (continued)

For the six months ended 31 December 2025

Reconciliation of profit after tax to net cash flows from operating activities

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|------|--|--|
| Profit for the period | | 48,844 | 3,612 |
| Add/(less) non-cash items: | | | |
| Depreciation and amortisation expense | 5 | 8,226 | 8,457 |
| Depreciation on lease vehicles | | 1,531 | 2,014 |
| Capitalised net interest income and fee income | | (148,493) | (150,371) |
| Impaired asset expense | 6 | 14,482 | 51,038 |
| Losses on guaranteed future value products | | – | 1,174 |
| Fair value movements | | (3,055) | (9,257) |
| Deferred tax | | 2,205 | 3,316 |
| Other non-cash items | | 469 | 195 |
| Total non-cash items | | (124,635) | (93,434) |
| Add/(less) movements in operating assets and liabilities: | | | |
| Finance receivables measured at amortised cost | | 313,162 | 318,899 |
| Finance receivables - reverse mortgages | | (143,978) | (69,731) |
| Operating lease vehicles | | (1,984) | (667) |
| Other assets | | 3,555 | (20,721) |
| Current tax | | 21,939 | (24,904) |
| Derivative financial instruments | | (1,530) | 19,857 |
| Deposits | | 188,155 | 110,096 |
| Other liabilities | | (4,067) | (6,428) |
| Total movements in operating assets and liabilities | | 375,252 | 326,401 |
| Net cash flows from operating activities | | 299,461 | 236,579 |

The accompanying notes form an integral part of the interim financial statements.

Notes to the Interim Financial Statements

For the six months ended 31 December 2025

1 Interim financial statements preparation

Basis of preparation

The interim financial statements presented are the interim financial statements comprising Heartland Group Holdings Limited (**HGH**) and its controlled entities (the **Group**). They have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (**NZ GAAP**) as defined in the Financial Reporting Act 2013. These interim financial statements comply with NZ IAS 34 Interim Financial Reporting as appropriate for publicly accountable for-profit entities and IAS 34 Interim Financial Reporting.

These interim financial statements do not include all notes of the type normally included in the annual financial report. Accordingly these interim financial statements should be read in conjunction with the financial statements for the year ended 30 June 2025.

The interim financial statements presented here are for the six month period ended 31 December 2025.

The interim financial statements have been prepared on the basis of historical cost, except for certain financial instruments and investment properties, which are measured at their fair values.

The interim financial statements have been prepared on a going concern basis.

The interim financial statements are presented in New Zealand dollars which is the functional and presentation currency of HGH. Unless otherwise indicated, amounts are rounded to the nearest thousand dollars.

Certain comparative balances have been reclassified in the interim financial statements to align with the presentation used in the current period.

The Group revised the presentation of individual line items when preparing the financial statements for the year ended 30 June 2025 and applied this revised presentation to these interim financial statements.

- Total interest income of \$362.7 million is disaggregated into two categories as interest calculated using the effective interest method of \$213.6 million and interest derived from financial assets measured at fair value through profit or loss of \$149.1 million in the statement of comprehensive income and Note 3 - Net interest income; and
- Net increase in finance receivables - reverse mortgages of \$69.7 million is presented separately from Net decrease in finance receivables measured at amortised cost of \$318.9 million in the statement of cash flows.
- Certain line items within the notes to the interim financial statements have been revised to ensure consistency with the current period presentation. Refer to the relevant notes for further details.

These representations have no impact on the overall financial performance, financial position or cash flows for the comparative period.

Changes in accounting policy

There have been no changes to accounting policies or new or amended standards that are issued and newly effective that are expected to have a material impact on the Group.

Critical accounting estimates and judgements

There have been no material changes to the use of estimates and judgements for the preparation of the interim financial statements since the reporting date of the previous financial statements. The Group's Financial Statements for the year ended 30 June 2025 contains detail on other estimates and judgements used.

1 Interim financial statements preparation (continued)

Significant events and transactions

Establishment of Depositor Compensation Scheme (DCS)

The DCS, established under the Deposit Takers Act 2023, came into effect on 1 July 2025. The DCS provides protection for eligible New Zealand depositors in the event that a licensed deposit taker (including Heartland Bank Limited (**HBL** or the **Bank**) fails. Under the scheme, eligible New Zealand deposits held in DCS-protected accounts are covered up to \$100,000 per depositor, per licensed deposit taker.

Realisation of Non-Strategic Assets (NSAs)

NSAs represent assets accumulated over time that are no longer aligned with the Group's current strategic focus or threshold return on equity objectives and do not contribute positively to performance. These assets are subject to active realisation strategies, with proceeds intended to be redeployed into higher-return core lending portfolios to optimise capital efficiency.

During the six months ended 31 December 2025, the Group made significant progress in reducing its exposure to NSAs. Key transactions completed in the period include:

- Accelerated exits from Rural and Business Relationship borrowers through sale of security and refinancing classified within finance receivables at amortised cost in the statement of financial position;
- Sale of one of two dairy farms classified as Properties NSAs classified within other assets in the statement of financial position;
- Full divestment of the Group's shareholding in Harmony Corp Limited; and Alex Corporation Limited classified within investments in the statement of financial position.

These realisations align with the Group's strategy to simplify its portfolio and focus on core operations. The financial impacts of these transactions, including any gains or losses on disposal, are reflected in the consolidated statement of comprehensive income for the period.

All other significant events and transactions are disclosed in the notes to the interim financial statements.

PERFORMANCE

2 Segmental analysis

Segment information is presented in respect of the Group's operating segments, consistent with those used for the Group's management and internal reporting.

An operating segment is a component of an entity engaging in business activities whose results are regularly reviewed by the Group's chief operating decision maker (**CODM**). The CODM, who is responsible for allocating resources and assessing business performance of the Group, has been identified as the Group's Chief Executive Officer (**CEO**).

Operating segments

The Group operates within New Zealand and Australia and comprises the following main operating segments:

Operating segments – New Zealand

| | |
|--------------------------|--|
| Motor | Motor vehicle finance. |
| Reverse mortgages | Reverse mortgage lending. |
| Personal lending | Transactional, home loans and personal loans to individuals. |
| Business | Term debt, plant and equipment finance, commercial mortgage lending and working capital solutions for small-to-medium sized businesses. |
| Rural | Specialist financial services to the farming sector primarily offering livestock finance, rural mortgage lending, seasonal and working capital financing, as well as leasing solutions to farmers. |

Operating segment – Australia

| | |
|---------------------------------|--|
| Australian Banking Group | Australian Banking Group provides banking and financial services in Australia which consist of reverse mortgage lending, livestock finance and other financial services. |
|---------------------------------|--|

All other segments

| | |
|--------------|---|
| Other | Operating expenses, such as premises, IT and support centre costs in New Zealand are not allocated to the New Zealand operating segments and are included in Other. Income tax for New Zealand is also included in Other. |
|--------------|---|

Finance receivables are allocated across the operating segments as assets. Liabilities are managed centrally and therefore are not allocated across the operating segments, except for the geographical allocation between Australia and New Zealand. The Group does not rely on any single major customer for its revenue base.

When preparing the financial statements for the year ended 30 June 2025, the Group revised the disclosure of specific income and expenses included in the operating segment profit and concluded that personnel expenses are material for the CODM's assessment of operating segment performance and therefore, appropriate for disclosure as a separate line item. This revised presentation has been applied to these interim financial statements. Comparative information within this note has been adjusted to align to the current period's basis for segmental analysis disclosure.

2 Segmental analysis (continued)

| \$000's | Motor | Reverse Mortgages | Personal lending | Business | Rural | Australian Banking Group | Other | Total |
|--|---------------|----------------------|---------------------|---------------|---------------|--------------------------------|-----------------|----------------|
| Unaudited December 2025 | | | | | | | | |
| Net interest income | 35,692 | 30,668 | 1,505 | 20,775 | 16,747 | 60,421 | 113 | 165,921 |
| Lending and credit fee income | 1,690 | 1,369 | 176 | 1,612 | 417 | 1,356 | — | 6,620 |
| Net other income/(expense) | 473 | — | 4 | 390 | (161) | (2,242) | 1,270 | (266) |
| Net operating income | 37,855 | 32,037 | 1,685 | 22,777 | 17,003 | 59,535 | 1,383 | 172,275 |
| Personnel expenses | 3,468 | 1,011 | 1,620 | 2,322 | 1,157 | 13,124 | 26,133 | 48,835 |
| Other expenses | 929 | 2,182 | 545 | 202 | 595 | 18,320 | 22,817 | 45,590 |
| Operating expenses | 4,397 | 3,193 | 2,165 | 2,524 | 1,752 | 31,444 | 48,950 | 94,425 |
| Profit/(loss) before net fair value gain on equity investments and investment property, losses on guaranteed future value products, impaired asset expense and income tax | 33,458 | 28,844 | (480) | 20,253 | 15,251 | 28,091 | (47,567) | 77,850 |
| Net fair value gain on equity investments and investment property | — | — | — | — | — | — | 3,055 | 3,055 |
| Losses on guaranteed future value products | — | — | — | — | — | — | — | — |
| Impaired asset expense | 3,121 | — | (122) | 4,387 | 4,093 | 1,306 | — | 12,785 |
| Profit/(loss) before income tax | 30,337 | 28,844 | (358) | 15,866 | 11,158 | 26,785 | (44,512) | 68,120 |
| Income tax expense | — | — | — | — | — | 8,045 | 11,231 | 19,276 |
| Profit/(loss) for the period | 30,337 | 28,844 | (358) | 15,866 | 11,158 | 18,740 | (55,743) | 48,844 |

2 Segmental analysis (continued)

| \$000's | Motor | Reverse Mortgages | Personal lending | Business | Rural | Australian Banking Group | Other | Total |
|--|------------------|----------------------|---------------------|----------------|----------------|--------------------------------|-----------------|------------------|
| <i>Unaudited</i> | | | | | | | | |
| <i>December 2024</i> | | | | | | | | |
| Net interest income | 31,837 | 27,863 | 2,429 | 27,207 | 15,967 | 43,356 | 475 | 149,134 |
| Lending and credit fee income | 2,673 | 1,298 | (336) | 1,803 | 246 | 1,062 | — | 6,746 |
| Net other income/(expense) | 618 | — | 42 | 496 | (81) | 730 | (2,386) | (581) |
| Net operating income | 35,128 | 29,161 | 2,135 | 29,506 | 16,132 | 45,148 | (1,911) | 155,299 |
| Personnel expenses | 1,558 | 1,035 | 3,400 | 3,680 | 1,179 | 12,361 | 29,454 | 52,667 |
| Other expenses | 625 | 1,968 | 1,230 | 729 | 396 | 14,189 | 26,277 | 45,414 |
| Operating expenses | 2,183 | 3,003 | 4,630 | 4,409 | 1,575 | 26,550 | 55,731 | 98,081 |
| Profit/(loss) before fair value loss on equity investments, losses on guaranteed future value products, impaired asset expense and income tax | 32,945 | 26,158 | (2,495) | 25,097 | 14,557 | 18,598 | (57,642) | 57,218 |
| Fair value loss on equity investments | — | — | — | — | — | — | 172 | 172 |
| Losses on guaranteed future value products | 1,174 | — | — | — | — | — | — | 1,174 |
| Impaired asset expense | 17,285 | — | 492 | 29,319 | 2,496 | 938 | — | 50,530 |
| Profit/(loss) before income tax | 14,486 | 26,158 | (2,987) | (4,222) | 12,061 | 17,660 | (57,814) | 5,342 |
| Income tax expense | — | — | — | — | — | 5,276 | (3,546) | 1,730 |
| Profit/(loss) for the period | 14,486 | 26,158 | (2,987) | (4,222) | 12,061 | 12,384 | (54,268) | 3,612 |
| <i>Unaudited December 2025</i> | | | | | | | | |
| Total assets | 1,646,988 | 1,327,928 | 78,269 | 728,608 | 642,940 | 3,635,378 | 748,524 | 8,808,635 |
| Total liabilities¹ | | | | | | | | 7,520,075 |
| <i>Audited June 2025</i> | | | | | | | | |
| Total assets | 1,687,763 | 1,233,272 | 178,625 | 853,011 | 731,819 | 3,169,630 | 793,330 | 8,647,450 |
| Total liabilities¹ | | | | | | | | 7,428,398 |

¹Total liabilities include \$3.126 million (June 2025: \$2.713 million) attributable to the Australian Banking Group segment.

3 Net interest income

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|---|--|--|
| Interest Income | | |
| <i>Calculated using the effective interest method</i> | | |
| Cash and cash equivalents | 4,754 | 8,325 |
| Investments measured at FVOCI | 16,937 | 19,346 |
| Finance receivables measured at amortised cost | 151,341 | 185,990 |
| Total interest income calculated using the effective interest method | 173,032 | 213,661 |
| | | |
| <i>Fair value through profit or loss</i> | | |
| Investments measured at FVTPL | 31 | 1,138 |
| Finance receivables - reverse mortgages | 158,028 | 147,934 |
| Total interest income on financial assets measured at FVTPL | 158,059 | 149,072 |
| Total interest income | 331,091 | 362,733 |
| | | |
| Interest Expense | | |
| <i>Calculated using the effective interest method</i> | | |
| Deposits ¹ | 135,552 | 163,973 |
| Other borrowings | 23,979 | 57,574 |
| Total interest expense calculated using the effective interest method | 159,531 | 221,547 |
| | | |
| <i>Fair value through profit or loss</i> | | |
| Net interest expense/ (income) on derivative financial instruments | 5,639 | (7,948) |
| Total net interest expense/ (income) on derivative financial instruments measured at FVTPL | 5,639 | (7,948) |
| Total interest expense | 165,170 | 213,599 |
| | | |
| Net interest income | 165,921 | 149,134 |

¹ Includes \$0.9 million DCS Levy applicable from 1 July 2025.

4 Other income

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|--|--|
| Rental income from investment properties | 120 | 229 |
| Insurance income | – | 68 |
| Fair value gain/(loss) on derivative instruments measured at fair value ¹ | 253 | (2,555) |
| Fair value loss on non-derivative financial instruments ² | – | (104) |
| Other income ³ | 669 | 890 |
| Loss on early extinguishment of borrowings | (2,271) | – |
| Foreign exchange gain/(loss) | 213 | (1) |
| Total other expense | (1,016) | (1,473) |

¹Includes hedge ineffectiveness from the hedging relationships and fair value gains/(losses) on derivative financial instruments which are in economic hedge relationships.

²Includes realised and unrealised losses on Heartland Bank Australia Limited (HBA)'s investment in government securities, bank bonds and floating rate notes.

³Other Income in the six month period ended 31 December 2025 includes \$0.6 million income generated from rural properties under management of the Group and a realised loss of \$0.8 million from the sale of a group of rural property/dairy farm.

5 Operating expenses

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|--|--|
| Personnel expenses ¹ | 48,835 | 52,667 |
| Directors' fees | 1,100 | 1,096 |
| Superannuation | 2,056 | 1,874 |
| Depreciation - property, plant and equipment | 845 | 889 |
| Legal and professional fees | 4,740 | 4,812 |
| Advertising and public relations | 2,675 | 1,799 |
| Depreciation - right of use asset | 1,818 | 1,863 |
| Technology services and communications | 11,772 | 9,824 |
| Customer administration costs | 7,087 | 5,129 |
| Customer onboarding costs | 1,175 | 1,313 |
| Occupancy costs | 1,438 | 1,475 |
| Amortisation of intangible assets | 5,563 | 5,705 |
| Other operating expenses ² | 5,321 | 9,635 |
| Total operating expenses | 94,425 | 98,081 |

¹Excludes certain personnel expenses directly incurred in acquiring and developing software and capitalised as part of specific application software.

²Other operating expenses mainly comprise non-recoverable proportion of goods and services tax (GST), travel and insurance expenses.

³Certain comparative balances have been reclassified to align with the presentation used in the current period. Telecommunications, stationery, and postage costs, previously reported within a single line item, have been reallocated across Customer administration, Technology services and communications, and Other operating expenses. Management fees - related party are now disclosed separately, having previously been reported within personnel expenses.

6 Impaired asset expense

| | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|--|--|
| \$000's | | |
| Individually impaired asset expense | 12,864 | 20,011 |
| Collectively impaired asset expense | 1,618 | 31,027 |
| Total impaired asset expense excluding recovery of amounts previously written off to the income statement | 14,482 | 51,038 |
| Recovery of amounts previously written off to the income statement | (1,697) | (508) |
| Total impaired asset expense | 12,785 | 50,530 |

Refer to Note – 8 Finance receivables measured at amortised cost for provision for impairment details.

7 Earnings per share

| | Unaudited 6 Months to December 2025 | | | Unaudited 6 Months to December 2024 | | |
|------------------|---|------------------------------------|---|---|------------------------------------|---|
| | Earnings Per Share Cents | Net Profit After Tax \$000's | Weighted Average No. of Shares 000's | Earnings Per Share Cents | Net Profit After Tax \$000's | Weighted Average No. of Shares 000's |
| \$000's | | | | | | |
| Basic Earnings | 5.20 | 48,844 | 941,561 | 0.40 | 3,612 | 934,349 |
| Diluted Earnings | 5.20 | 48,844 | 941,561 | 0.40 | 3,612 | 934,349 |

FINANCIAL POSITION

8 Finance receivables measured at amortised cost

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Gross finance receivables measured at amortised cost | 3,470,715 | 3,784,733 |
| Less provision for impairment | (70,684) | (71,779) |
| Less provision for losses on guaranteed future value products ¹ | (1,504) | (1,504) |
| Net finance receivables measured at amortised cost | 3,398,527 | 3,711,450 |

¹ Represents provision for probable losses arising from guaranteed future value (GFV) portfolio of motor vehicle loans that have guaranteed residual value of the underlying security and optionality for customers to return the vehicle.

Collectively assessed expected credit loss (ECL) (stage 1, 2 and 3) - New Zealand

The Group estimated ECL for its lending portfolio measured at amortised cost using models based on historical credit performance and observed portfolio behaviour. The models are recalibrated across each period, which included aligning model input of probabilities of default and loss given defaults with more recent observations and data. These models assume that economic conditions remain constant over time with the provision being calculated as a point-in-time estimate.

Accordingly, management applies model overlays or adjustments in circumstances where the existing inputs, assumptions, and model techniques do not capture all risk factors relevant to the Group's lending portfolios.

Model overlays have been applied in the following instances:

a) Multiple macroeconomic scenarios (MES) and sensitivity analysis:

To incorporate a range of potential future economic outcomes, HBL applies a MES overlay. This approach estimates a distribution of possible credit loss outcomes by reference to historical loss curves for each portfolio, from which probability weighted loss rates are derived.

The MES framework considers four forward looking scenarios – upside, central, downside and severe downside – each reflecting differing degrees of economic improvement or deterioration relative to the modelled provision (point-in-time ECL). The difference between the MES probability weighted and point-in-time ECL represents the MES overlay required to the modelled provision.

| MES | Description | Weighting applied as at 31 December 2025 |
|----------------------|--|---|
| Upside case | Reflect inputs and assumptions improving comparative to the current provisioning model. | 7% |
| Central case | Reflect inputs and assumptions similar to the current provisioning model. | 50% |
| Downside case | Reflect inputs and assumptions deteriorating comparative to the current provisioning model. | 33% |
| Severe downside case | Reflect inputs and assumptions deteriorating severely comparative to the current provisioning model. | 10% |

Based on this, a loss rate for each scenario was calculated, weighted by the probability of that scenario, and applied to the receivables position.

At 31 December 2025, the MES overlay for the Group is \$2.7 million (June 2025: \$2.7 million).

8 Finance receivables measured at amortised cost (continued)

The following sensitivity table shows the difference between the reported provision based on the point-in-time estimate, and the ECL calculated for each scenario, assuming a 100% weightage for that case:

| \$m | Increase/(decrease) in ECL as at 31 December 2025 |
|---|---|
| 100% upside case | (14.0) |
| 100% central case | (4.8) |
| 100% downside case | 10.5 |
| 100% severe downside case | 25.6 |
| Total probability weighted ECL per the MES methodology | 2.7 |

(b) Geopolitical overlay:

In addition to the MES overlay, HBL applies a further overlay to reflect heightened geopolitical risks. Geopolitical risk refers to the potential for adverse credit outcomes arising from global political and economic tensions that may not be captured within historical loss experience or baseline forward looking scenarios. This overlay applies an assumed deterioration in loss rates to reflect the possibility of broader macro level disruption.

At 31 December 2025, the geopolitical overlay is \$0.5 million (June 2025: \$0.5 million).

Individually assessed ECL (stage 3) - New Zealand

Individually assessed provisions are recognised for exposures where there is objective evidence of impairment and where HBL determines that the impact on expected future cash flows can be reliably estimated on a case-by-case basis.

These are predominantly within the Asset Finance and older Business Relationship lending portfolios within the transport, construction, forestry and agriculture sectors.

ECL (stage 1,2 and 3) - Australia

There have been no material changes to the critical estimates and judgements for ECL in HBA during the period ended 31 December 2025.

8 Finance receivables measured at amortised cost (continued)

The following table details the movement from the opening balance to the closing balance of the provision for impairment losses by class.

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|--|-----------------------|----------------|---------------|-----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Unaudited - December 2025 | | | | | |
| Impairment allowance as at 30 June 2025 | 16,029 | 7,851 | 23,104 | 24,795 | 71,779 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (226) | (4,937) | 944 | 4,219 | – |
| New and increased provision (net of provision releases) ¹ | (1,003) | 3,432 | 3,408 | 8,645 | 14,482 |
| Credit impairment charge | (1,229) | (1,505) | 4,352 | 12,864 | 14,482 |
| Write-offs | – | – | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 61 | 29 | – | 241 | 331 |
| Impairment allowance as at 31 December 2025 | 14,861 | 6,375 | 19,021 | 30,427 | 70,684 |
| Audited - 30 June 2025 | | | | | |
| Impairment allowance as at 30 June 2024 | 14,361 | 5,197 | 34,281 | 22,482 | 76,321 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (140) | (9,070) | 7,582 | 1,628 | – |
| New and increased provision (net of provision releases) ¹ | 1,832 | 11,724 | 36,735 | 23,102 | 73,393 |
| Credit impairment charge | 1,692 | 2,654 | 44,317 | 24,730 | 73,393 |
| Write-offs | – | – | (55,494) | (22,417) | (77,911) |
| Effect of changes in foreign exchange rate | (24) | – | – | – | (24) |
| Impairment allowance as at 30 June 2025 | 16,029 | 7,851 | 23,104 | 24,795 | 71,779 |

¹The increase in provision when a loan moves to a higher stage is included in New and increased provision (net of provision releases) in the higher stage to which the loan moved. The decrease in provision when a loan moves to a lower stage is included in New and increased provision (net of provision releases) in the higher stage from which the loan moved.

8 Finance receivables measured at amortised cost (continued)

Impact of changes in gross finance receivables measured at amortised cost on allowance for ECL

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|--|-----------------------|----------------|----------------|-----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| <i>Unaudited - December 2025</i> | | | | | |
| Gross finance receivables measured at amortised cost as at 30 June 2025 | 3,359,596 | 236,862 | 96,957 | 91,318 | 3,784,733 |
| Transfer between stages | (67,530) | (18,141) | 29,561 | 56,110 | — |
| Additions | 591,239 | — | — | — | 591,239 |
| Deletions | (762,726) | (71,528) | (46,912) | (31,270) | (912,436) |
| Write-offs | — | — | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 18,413 | 1,705 | — | 2,969 | 23,087 |
| Gross finance receivables measured at amortised cost as at 31 December 2025 | 3,138,992 | 148,898 | 71,171 | 111,654 | 3,470,715 |
| <i>Audited - 30 June 2025</i> | | | | | |
| Gross finance receivables measured at amortised cost as at 30 June 2024 | 3,888,443 | 241,633 | 116,723 | 96,468 | 4,343,267 |
| Transfer between stages | (216,671) | 79,265 | 103,381 | 34,025 | — |
| Additions | 1,255,780 | — | — | — | 1,255,780 |
| Deletions | (1,564,666) | (83,543) | (67,653) | (16,182) | (1,732,044) |
| Write-offs | — | — | (55,494) | (22,417) | (77,911) |
| Effect of changes in foreign exchange rate | (3,290) | (493) | — | (576) | (4,359) |
| Gross finance receivables measured at amortised cost as at 30 June 2025 | 3,359,596 | 236,862 | 96,957 | 91,318 | 3,784,733 |

The Group's provision for impairment has decreased by \$1.1 million for the period ended 31 December 2025, driven by the following movements:

- A net reduction in collective provisions of \$6.7 million, reflecting improvements in staging mix and specifically reductions in Stage 3 gross exposures due to recovery actions undertaken by the Group and subsequent bad-debt write-offs of \$8.4 million.
- A net increase in individually assessed provisions of \$5.6 million, following the transfer (net of repayments) of \$25.2 million of receivables into this category. This resulted in additional provisions of \$12.9 million on loans within the secured business lending portfolio, driven by deteriorating economic conditions and lower valuations of underlying securities, partially offset by bad-debt write-offs of \$7.5 million.

9 Borrowings

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Deposits | | |
| Short-term interest bearing deposits | 1,437,893 | 1,417,823 |
| Non-interest bearing deposits | 35,921 | 38,369 |
| Term deposits | 5,421,347 | 5,073,761 |
| Total deposits | 6,895,161 | 6,529,953 |
| Other borrowings | | |
| Unsubordinated notes | 20,303 | 128,747 |
| Subordinated notes | 161,789 | 156,854 |
| Securitised borrowings | 372,557 | 520,048 |
| Certificates of deposit | — | 19,805 |
| Total other borrowings | 554,649 | 825,454 |
| Total deposits and other borrowings | 7,449,810 | 7,355,407 |

Deposits, unsubordinated notes and certificates of deposit rank equally and are unsecured.

Movement in other borrowings

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Balance as at beginning of period | 825,454 | 2,040,763 |
| Issue of debt | — | 424,614 |
| Repayment of debt | (306,277) | (1,632,394) |
| Total cash movements | (306,277) | (1,207,780) |
| Capitalised interest and fee expense | (724) | (3,354) |
| Fair value hedge adjustment | 732 | 3,470 |
| Foreign exchange and other movements | 35,464 | (7,645) |
| Total non-cash movements | 35,472 | (7,529) |
| Balances as at end of period | 554,649 | 825,454 |

Unsubordinated notes

On 7 October 2025, AU\$100 million unsubordinated medium term note (MTN) was fully repaid prior to its maturity on 7 October 2027. Refer to Note 4 - Other income for the loss incurred on early extinguishment of the borrowing.

Securitised borrowings

On 15 September 2025, the Class A and Class B notes of the Heartland Auto Receivables Warehouse Trust 2018-1 (HARWT) facility were repaid in full, with the facility remaining open for future drawdowns. Additionally, on 31 October 2025, the HARWT facility was extended to 31 October 2027, with its facility limit reduced from \$320 million to \$268 million.

On 4 December 2025, the Availability Period (being the period during which the undrawn balance is available for use) of the Seniors Warehouse Trust No. 2 (SWT2) facility was extended to 15 October 2027, while the maturity date remained unchanged.

10 Share capital and dividends

| | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| 000's | Number of Shares | Number of Shares |
| Issued shares | | |
| Opening balance | 940,100 | 930,561 |
| Shares issued - dividend reinvestment plan | 2,443 | 9,539 |
| Closing balance | 942,543 | 940,100 |

The Group issued 2,443,526 new shares at \$0.93 per share (\$2.3 million) on 12 September 2025 under the dividend reinvestment plan (DRP) for the period.

The ordinary shares have no par value. Each ordinary share of HGH carries the right to vote on a poll at meetings of shareholders, the right to an equal share in dividends and the right to an equal share in the distribution of the surplus assets of HGH in the event of liquidation.

Dividends paid

| | Unaudited 6 Months December 2025 | | | Audited 12 Months to June 2025 | | |
|-----------------------------|-------------------------------------|--------------------|---------------|-----------------------------------|--------------------|---------------|
| | Date Declared | Cents Per Share | \$000's | Date Declared | Cents Per Share | \$000's |
| Final dividend | 28 August 2025 | 2.0 | 18,802 | 28 August 2024 | 3.0 | 27,918 |
| Interim dividend | — | — | — | 26 February 2025 | 2.0 | 18,747 |
| Total dividends paid | | | 18,802 | | | 46,665 |

11 Other reserves

| \$000's | Employee Benefit Reserve | Foreign Currency Translation Reserve (FCTR) | Fair Value Reserve | Cash Flow Hedge Reserve | Total |
|--|--------------------------------|---|-----------------------|-------------------------------|-----------------|
| Unaudited - December 2025 | | | | | |
| Balance as at 1 July 2025 | 721 | (13,570) | (6,459) | (9,474) | (28,782) |
| Movements attributable to net investments in foreign operations | — | 36,245 | — | — | 36,245 |
| Net movements attributable to changes in fair value of debt investments at FVOCI | — | — | (730) | — | (730) |
| Movements attributable to cash flow hedges | — | — | — | 1,716 | 1,716 |
| Movements attributable to changes in fair value of equity investments at FVOCI | — | — | (1) | — | (1) |
| Income tax effect | — | — | 117 | (689) | (572) |
| Total other comprehensive income/(loss) net of income tax | — | 36,245 | (614) | 1,027 | 36,658 |
| Share based payments ¹ | 539 | — | — | — | 539 |
| Transfer on disposal of equity investments at FVOCI | — | — | 6,051 | — | 6,051 |
| Balance as at 31 December 2025 | 1,260 | 22,675 | (1,022) | (8,447) | 14,466 |
| Unaudited - December 2024 | | | | | |
| Balance as at 1 July 2024 | — | (6,665) | (6,205) | 4,374 | (8,496) |
| Movements attributable to net investments in foreign operations | — | 4,824 | — | — | 4,824 |
| Net movements attributable to changes in fair value of debt investments at FVOCI | — | — | 201 | — | 201 |
| Movements attributable to fair value hedges | — | — | — | — | — |
| Movements attributable to cash flow hedges | — | — | — | (16,682) | (16,682) |
| Income tax effect | — | — | 45 | 3,522 | 3,567 |
| Total other comprehensive income/(loss) net of income tax | — | 4,824 | 246 | (13,160) | (8,090) |
| Balance as at 31 December 2024 | — | (1,841) | (5,959) | (8,786) | (16,586) |

¹Refer to Note 16 - Staff share ownership arrangements for further details.

11 Other reserves (continued)

Employee benefit reserve

Includes amounts which arise on the recognition of the Group's fair value estimate of equity instruments expected to vest under share-based compensation plan.

FCTR

Exchange differences arising on translation of the Group's foreign operations are accumulated in the Foreign currency translation reserve and recognised in other comprehensive income. The cumulative amount is reclassified to profit or loss when a foreign operation is disposed of.

Fair value reserve

This includes unrealised fair value gain/(loss) on debt and equity investments measured at FVOCI and fair value hedge adjustments on certain such debt investments, net of tax.

Where a debt investment is disposed of, related fair value changes and any unamortised fair value hedge adjustments previously recorded in equity are reclassified to profit or loss.

Where an equity investment is disposed of, related fair value changes is transferred directly to retained earnings.

Cash flow hedge reserve

This includes fair value gains and losses associated with the effective portion of the designated cash flow hedging instruments, net of tax.

Where a swap that was previously subject to hedge designation is terminated early and the Group continues to hold the hedge items, any unamortised effective portion of the hedge adjustment is reclassified to profit or loss over the remaining term of the related hedged item.

12 Intangible assets

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Computer software | | |
| Software - cost | 78,947 | 77,360 |
| Software under development | 806 | 1,823 |
| Accumulated amortisation | (38,810) | (33,181) |
| Net carrying value of computer software | 40,943 | 46,002 |
| | | |
| Goodwill | 217,743 | 204,819 |
| Net carrying value of goodwill | 217,743 | 204,819 |
| | | |
| Banking licence | 14,401 | 14,401 |
| Total intangible assets | 273,087 | 265,222 |

Goodwill

For the purposes of impairment testing, goodwill is allocated to cash generating units. A Cash Generating Unit (CGU) is the smallest identifiable group of assets that generate independent cash inflows. The Group has assessed that goodwill should be allocated to the smallest identifiable CGU or group of CGUs as follows:

| CGU | Goodwill | |
|----------------------------------|-------------------------------|----------------------|
| \$000's | Unaudited December 2025 | Audited June 2025 |
| Heartland Bank Limited | 29,799 | 29,799 |
| Heartland Bank Australia Limited | 187,944 | 175,020 |
| Total goodwill | 217,743 | 204,819 |

There was no indication of impairment and no impairment losses have been recognised against the carrying amount of goodwill for the six months ended 31 December 2025 (June 2025: nil).

13 Related party transactions and balances

(a) Transactions with Heartland Trust

The Trustees of Heartland Trust (HT) and certain employees of the Group provided their time and skills to the oversight and operation of HT at no charge.

| \$000's | Unaudited December 2025 | Unaudited December 2024 |
|-----------------------------|-------------------------------|-------------------------------|
| Heartland Trust (HT) | | |
| Unclaimed monies paid to HT | 104 | — |
| Dividends paid | 130 | 195 |

14 Fair value

(a) Financial instruments measured at fair value

The following methods and assumptions were used to estimate the fair value of each class of financial asset and liability measured at fair value on a recurring basis in the statement of financial position.

The Group has an established framework in performing valuations required for financial reporting purposes including Level 3 fair values. The Group regularly reviews and calibrates significant unobservable inputs and valuation adjustments in accordance with market participants' views. If external valuation specialists are engaged to measure fair values, the Group assesses the evidence obtained from these specialists to support the conclusion of these valuations. All significant valuations are reported to the Group's Board Audit and Risk Committee for approval prior to its adoption in the financial statements.

Investments in debt securities

Investments in public sector securities and corporate bonds are stated at FVOCI or FVTPL, with the fair value being based on quoted market prices (Level 1 under the fair value hierarchy) or modelled using observable market inputs (Level 2 under the fair value hierarchy).

Investments valued under Level 2 of the fair value hierarchy are valued either based on quoted market prices or dealer quotes for similar instruments, or discounted cash flows analysis.

Investments in equity securities

Investments in equity securities where the Group does not have control, joint control or significant influence are classified at FVTPL. However, where such securities are not held for trading, the Group could make an irrevocable election to measure them at FVOCI. Any unrealised gain or loss on instrument under such election are recorded in other comprehensive income.

Investments in listed securities traded in liquid, active markets where prices are readily observable are measured under Level 1 of the fair value hierarchy with no modelling or assumptions used in the valuation. Investments in unlisted securities are measured under Level 3 of the fair value hierarchy with the fair value being based on unobservable inputs using market accepted valuation techniques. Where appropriate, the Group may apply adjustments to the above-mentioned techniques to determine fair value of a security to reflect the underlying characteristics. These adjustments are reflective of market participant considerations in valuing the said security.

Finance receivables - reverse mortgages

The Group classifies and measures the reverse mortgage portfolio at FVTPL under NZ IFRS 9 as the review of the reverse mortgage portfolio valuation determined that the terms and conditions of these loan contracts do not contain a component of significant insurance risk.

On initial recognition the Group considers the transaction price to represent the fair value of the loan, on the basis that no reliable fair value can be estimated as there is no relevant active market and fair value cannot be reliably measured using other valuation techniques under NZ IFRS 13 Fair value measurement.

For subsequent measurement, and at balance date, the Group considered whether the fair value can be determined by reference to a relevant active market or using a valuation technique that incorporates observable inputs but has concluded relevant support is not currently available. In the absence of such market evidence the Group has used the transaction value (cash advanced plus accrued capitalised interest) for subsequent measurement. The Group has used an actuarial method to determine a proxy for the fair value that incorporates changes in the portfolio risk and expectations of the portfolio performance. This includes inputs such as mortality and potential move into care, voluntary exits, house price changes, interest rate margin and the no equity guarantee. This estimate is highly subjective and a wide range of plausible values are possible. The estimate provides an indication of whether the transaction value is overstated.

14 Fair value (continued)

(a) Financial instruments measured at fair value (continued)

Finance receivables - reverse mortgages (continued)

The Group does not consider that the actuarial estimate has moved outside of the original expectation range on initial recognition. There has been no fair value movement recognised in profit or loss during the period (December 2024: nil). Fair value is not sensitive to the above assumptions due to the nature of reverse mortgage loans. In particular, given conservative origination loan-to-value ratio and security criteria, a material deterioration in house prices combined with a material increase in interest rates over a sustained period of time would likely need to occur before any potential impact to fair value.

The Group will continue to reassess the existence of a relevant active market and movements in expectations on an on-going basis.

Derivative financial instruments

Derivative financial instruments are recognised in the financial statements at fair value. Fair values are determined from observable market prices as at the reporting date, discounted cash flow models or option pricing models as appropriate (Level 2 under the fair value hierarchy).

The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which each fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

| \$000's | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|---------------|------------------|------------------|
| Unaudited - December 2025 | | | | |
| Assets | | | | |
| Investments | 773,237 | — | 4,950 | 778,187 |
| Derivative financial instruments | — | 5,532 | — | 5,532 |
| Finance receivables - reverse mortgages | — | — | 3,841,667 | 3,841,667 |
| Total financial assets measured at fair value | 773,237 | 5,532 | 3,846,617 | 4,625,386 |
| Liabilities | | | | |
| Derivative financial instruments | — | 19,870 | — | 19,870 |
| Total financial liabilities measured at fair value | — | 19,870 | — | 19,870 |
| Audited - June 2025 | | | | |
| Assets | | | | |
| Investments | 783,272 | — | 6,772 | 790,044 |
| Derivative financial instruments | — | 4,792 | — | 4,792 |
| Finance receivables - reverse mortgages | — | — | 3,370,949 | 3,370,949 |
| Total financial assets measured at fair value | 783,272 | 4,792 | 3,377,721 | 4,165,785 |
| Liabilities | | | | |
| Derivative financial instruments | — | 20,660 | — | 20,660 |
| Total financial liabilities measured at fair value | — | 20,660 | — | 20,660 |

There were no transfers between levels in the fair value hierarchy in the six months ended 31 December 2025 (December 2024: nil).

14 Fair value (continued)

(a) Financial instruments measured at fair value (continued)

The movement in Level 3 assets measured at fair value are below:

| \$000's | Finance Receivables - Reverse Mortgages | Investments | Total |
|--|--|--------------|------------------|
| Unaudited - December 2025 | | | |
| As at 30 June 2025 | 3,370,949 | 6,772 | 3,377,721 |
| New loans | 424,053 | — | 424,053 |
| Repayments | (278,405) | — | (278,405) |
| Capitalised Interest and fees | 162,196 | — | 162,196 |
| Sale of investments | — | (2,222) | (2,222) |
| Fair value loss on investment | — | (16) | (16) |
| Foreign exchange gain on translation | 162,874 | 416 | 163,290 |
| As at 31 December 2025 | 3,841,667 | 4,950 | 3,846,617 |
| Audited - June 2025 | | | |
| As at 30 June 2024 | 2,897,818 | 9,432 | 2,907,250 |
| New loans | 643,735 | — | 643,735 |
| Repayments | (424,626) | — | (424,626) |
| Capitalised Interest and fees | 283,600 | — | 283,600 |
| Purchase of investments | — | 251 | 251 |
| Fair value (loss) on investment | — | (2,805) | (2,805) |
| Foreign exchange (loss) on translation | (29,578) | (106) | (29,684) |
| As at 30 June 2025 | 3,370,949 | 6,772 | 3,377,721 |

(b) Financial instruments not measured at fair value

The following assets and liabilities of the Group are not measured at fair value in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost and their carrying value is considered equivalent to their fair value due to their short term nature.

Finance receivables measured at amortised cost

The fair value of the Group's finance receivables is calculated using a valuation technique which assumes the Group's current weighted average lending rates for loans of a similar nature and term.

Finance receivables with a floating interest rate are deemed to be at current market rates. The current amount of credit provisioning has been deducted from the fair value calculation of finance receivables as a proxy for future losses.

14 Fair value (continued)

(b) Financial instruments not measured at fair value (continued)

Borrowings

The fair value of deposits, bank borrowings and other borrowings is the present value of future cash flows and is based on the current market interest rates payable by the Group for debt of similar maturities.

Other financial assets and financial liabilities

The fair value of all other financial instruments is considered equivalent to their carrying value due to their short-term nature.

The following table sets out financial instruments not measured at fair value where the carrying value does not approximate fair value, compares their carrying value against their fair value and analyses them by level in the fair value hierarchy.

| \$000's | Unaudited - December 2025 | | | Audited - June 2025 | | |
|--|---------------------------|------------------|----------------------|----------------------|------------------|----------------------|
| | Fair Value Hierarchy | Total Fair Value | Total Carrying Value | Fair Value Hierarchy | Total Fair Value | Total Carrying Value |
| Assets | | | | | | |
| Finance receivables measured at amortised cost | Level 3 | 3,531,525 | 3,398,527 | Level 3 | 3,823,238 | 3,711,450 |
| Total financial assets | | 3,531,525 | 3,398,527 | | 3,823,238 | 3,711,450 |
| Liabilities | | | | | | |
| Deposits | Level 2 | 6,913,739 | 6,895,161 | Level 2 | 6,554,765 | 6,529,953 |
| Other borrowings | Level 2 | 561,935 | 554,649 | Level 2 | 831,035 | 825,454 |
| Total financial liabilities | | 7,475,674 | 7,449,810 | | 7,385,800 | 7,355,407 |

Risk Management

15 Enterprise risk management program

There have been no material changes in the Group's policies for managing risk, or material exposures to any new types of risk since the reporting date of the annual financial statements for the year ended 30 June 2025.

Other Disclosures

16 Staff share ownership arrangements

From time to time HGH operates various share-based compensation plans that issue tranches of performance rights (**Performance Rights**) which are equity-settled. Following the finalisation of the formal plan documents, HGH issued a new share-based compensation plan in December 2025 which qualifying senior management and employees were invited to participate in. The HGH Performance Share Rights Plan (**Plan**) was established to enhance the alignment of participants' interests with those of the Group's shareholders. The new plan replaces the HGH Performance Rights Plan (2016) which is now terminated. Subject to satisfaction of the performance hurdles and continued employment, at vesting each Performance Right converts to a HGH share at zero exercise price. If the base target is not met or the participant ceases to be an employee of the Group, the Performance Rights will lapse.

The fair value of each tranche is measured at grant date, which is the date where shared understanding is achieved between HGH and the participants.

(a) Share-based compensation plan details

Since the establishment of the new plan, HGH has issued one tranche.

FY2028 Tranche

The Performance Rights were issued subject to the participants' continued employment with the Group until the 11th trading day following the release of HGH's FY2028 financial results to NZX and ASX and the Group achieving its Financial Measures, and non-Financial Measures (Risk and Compliance Measures, and Conduct and Culture Measures), over the vesting period.

The tranche is divided into two equal pools that are linked to different Financial Measures. The first pool is linked to a total shareholder return (**TSR**) measure and the second is linked to a Return on Equity (**ROE**) measure. The quantum of vesting for both pools are variable and are dependent on achievements of the respective ranges of targets set for both TSR and ROE measures.

The fair value of the Performance Rights is determined by an independent third-party expert on grant date using valuation methods, such as Monte Carlo option pricing model. The valuation incorporates various assumptions, this includes but is not limited to grant date share price, price volatility, probability of achieving future share price (applicable to TSR hurdle only) and trading restriction. At the end of each reporting period, the Group revises its estimate of the number of equity instruments to be duly vested based on its current expectation of achievement of employment condition, ROE hurdle, and non-Financial Measures. The impact of this revision from the prior estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee benefits reserve.

16 Staff share ownership arrangements (continued)

(a) Share-based compensation plan details (continued)

The movement of outstanding Performance Rights during the period is as follows:

| | Unaudited December 2025 PR Plan Number of Rights |
|-----------------------------------|---|
| Opening balance | 1,149,148 |
| Vested | — |
| Issued | 4,875,000 |
| Forfeited / unvested ¹ | (1,149,148) |
| Closing balance | 4,875,000 |

¹The 2025(non-CEOs) tranche did not vest.

(b) Effect of share-based payment transactions

| \$000's | Unaudited December 2025 |
|------------------------------------|----------------------------|
| Award of Shares | |
| PR Plan -2025 | — |
| Plan - FY2028 tranche ² | 539 |
| Total expense recognised | 539 |

²The expense recognised in FY2026 included a true-up adjustment to the prior year compensation expense based on the estimate of grant date fair value in December 2025.

17 Contingent liabilities and commitments

The Group in the ordinary course of business will be subject to claims and proceedings against it whereby the validity of the claim will only be confirmed by uncertain future events. In such circumstances the contingent liabilities are possible obligations, or present obligations if known, where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised, but are disclosed, unless they are remote. Where some loss is probable, provisions have been made on a case by case basis.

Credit related commitments arising in respect of the Group's operations were:

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Letters of credit, guarantee commitments and performance bonds | 2,235 | 5,507 |
| Total | 2,235 | 5,507 |
| Undrawn facilities available to customers | 666,824 | 565,735 |
| Conditional commitments to fund at future dates | 6,951 | 11,095 |
| Total commitments | 673,775 | 576,830 |

18 Events after reporting date

The Group approved a fully imputed final dividend of 3.5 cents per share on 25 February 2026.

Subsequent to 31 December 2025, the Reserve Bank of New Zealand have issued Heartland Bank Limited revised Conditions of Registration that, effective 1 March 2026, reducing the Banking Group and New Zealand Banking Group's regulatory capital overlay from 2.00% to 0.50%. The effect of this is reducing the Banking Group and New Zealand Banking Group's minimum capital ratios as follows:

- Total capital ratio from 11.0% to 9.5%
- Tier 1 capital ratio from 9.0% to 7.5%
- Common Equity Tier 1 capital ratio from 6.5% to 5.0%.

There were no other events subsequent to the reporting period, not already disclosed within these interim financial statements, that would materially affect the Group's financial position, results of its operations or its state of affairs in subsequent periods.



Independent auditor's review report

To the shareholders of Heartland Group Holdings Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of Heartland Group Holdings Limited (the Company) and its controlled entities (the Group), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six month period ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (PES 1), as applicable to audits and reviews of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1.

In our capacity as auditor and assurance practitioner, our firm provides audit, review and other assurance services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Responsibilities of Directors for the interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Karen Shires.

For and on behalf of:



PricewaterhouseCoopers
25 February 2026

Auckland

Heartland announces 1H2026 result

Heartland Group Holdings Limited (**Heartland**) (NZX/ASX: **HGH**) has announced a strong turnaround in net profit after tax (**NPAT**) for the six-month period ended 31 December 2025 (**1H2026**) of \$48.8 million. On an underlying basis¹, 1H2026 NPAT was \$46.1 million.

Heartland delivered steady progress towards its guidance for the financial year ending 30 June 2026 (**FY2026**), supported by net interest margin (**NIM**) expansion, improved asset quality metrics, strong Reverse Mortgage growth in New Zealand and Australia, cost control and accelerated non-strategic asset (**NSA**) realisation. Heartland continues to expect to deliver an underlying return on equity (**ROE**) of at least 7% and underlying NPAT of at least \$85 million for FY2026.

Overview: 1H2026 performance²

- Underlying ROE, Heartland's key performance metric, was up 540 basis points (**bps**) to 7.3% (up 142 bps from the six-month period ended 30 June 2025).³
- Average NIM expanded, up 51 bps to 3.92%.
- Underlying operating expenses (**OPEX**) remained steady, up \$3.6 million (4.0%) primarily due to investment in Australia to support growth and technology programme costs.
- Underlying cost-to-income (**CTI**) ratio was down 304 bps to 54.6%.⁴
- Consistent Reverse Mortgage growth by Heartland Bank Limited (**Heartland Bank**) and Heartland Bank Australia Limited (**Heartland Bank Australia**), with gross finance receivables (**Receivables**) up 15.2% and 18.9% respectively.⁵
- Further momentum in Heartland Bank's Rural⁶ portfolio through direct channels and intermediary partnerships, while Heartland Bank Australia saw solid growth in Australian Livestock Finance.
- Heartland Bank's strategic shift to higher quality used and franchise Motor Finance lending saw a 4.8%⁵ reduction in Receivables, accompanied by significantly improved asset quality metrics.
- Heartland Bank's Business Finance⁷ Receivables retracted as business conditions remained challenged – however Heartland Bank entered the second half of FY2026 (**2H2026**) with a compelling growth pipeline.
- Significant asset quality improvements reflect the benefits of Heartland Bank's more prescriptive collections and recoveries policies, and its refined strategic focus on core product sets.
- NSA realisation continues to progress ahead of expectations, with a recovery rate in excess of 90%, and is tracking to be largely complete by 30 June 2026.
- Through NSA realisation and recent Reserve Bank of New Zealand (**RBNZ**) capital decisions, Heartland is well positioned for growth, holding excess capital across the group.
- Interim dividend of 3.5 cents per share (**cps**).

See the accompanying 1H2026 investor presentation for more detail.

Technology update

Heartland is investing in technology programmes to support scalable growth for its core product sets in New Zealand and Australia. These investments will modernise and simplify technology for both banks by implementing AI-enabled, cloud-based platforms. Heartland Bank's technology programme will leverage and fully integrate with its upgraded core banking system to unify its origination and servicing activities, enabling greater automation. Heartland Bank Australia's technology programme will consolidate its three origination and servicing platforms into a single banking solution. Implementation has commenced with Reverse Mortgages for each bank, and will progress through other product sets. The anticipated implementation costs for these technology programmes are estimated to be no more than \$17 million over a three-year period.

These platforms will deliver new capabilities within each bank, resulting in greater operational efficiency, an enhanced customer, intermediary and employee experience, and positioning both banks to meet customer demand at scale.

Note: All figures in NZD unless otherwise stated. Endnotes are located at the end of this announcement.

Capital

Heartland remains well placed to cater for organic growth with excess capital held across the group. This position has been enhanced through NSA realisation and recent RBNZ decisions on capital settings.

On 17 December 2025, the RBNZ announced final decisions on key capital settings for deposit takers, with the following key features set to benefit Heartland Bank:

- a reduction in both Tier 1 (to 11% from 14%) and total capital (to 14% from 16%) ratio requirements relative to the 2028 settings previously determined in 2019
- removal of Additional Tier 1 capital instruments, while allowing a higher mix of Tier 2 capital (to 3% from 2%)
- more granular and reduced risk weights, particularly in the productive sectors of the economy Heartland Bank focuses on, being small business and rural lending.

The current target date for implementation of risk weight reductions and the first annual step changes in capital ratios is 1 October 2026. The RBNZ is expected to provide further information about the process for transitioning to the new capital settings on 27 February 2026.

In addition:

- effective 1 March 2026, the RBNZ has reduced Heartland Bank's transitional capital overlay (imposed after the acquisition of (now) Heartland Bank Australia) by 1.5%, from 2.0% to 0.5% – the remaining capital overlay is expected to remain in place until the RBNZ implements a formal Group Supervision Policy for deposit takers under the Deposit Takers Act 2023 (which is expected to come into force on 1 December 2028)
- the RBNZ has indicated it will review reverse mortgage risk weights in 2026 (following their adjustment after a review conducted in 2023).

As at 31 December 2025, Heartland Bank holds approximately \$125 million of regulatory capital in excess of expected regulatory requirements. Applying Heartland Bank's expected risk weight changes to the 31 December 2025 balance sheet, the excess is approximately \$190 million.⁸

NSA realisation

NSA realisation continues to progress ahead of expectations and is tracking to be largely concluded by 30 June 2026. In 1H2026, the total value of NSAs reduced by \$189.8 million, creating \$21.2 million of available capital. Since the establishment of the NSA portfolio, Heartland has achieved a recovery rate in excess of 90%.

In 1H2026, Heartland:

- accelerated exits from Rural borrowers, realising \$45.6 million, \$24.4 million ahead of target
- completed the sale of one of the two dairy farms from the Properties NSA
- sold one of the apartments which make up the Investment Properties NSA
- exited Heartland Bank's Harmony Corp Limited shareholding and Heartland Bank Australia's Alex Bank shareholding in full.

Interim dividend

Heartland has declared a 1H2026 interim dividend of 3.5 cps, up 1.5 cps on 1H2025. Heartland's interim dividend yield of 6.1%⁹ compares with 7.9%¹⁰ in 1H2025. The interim dividend will be paid on Friday 20 March 2026 (**Payment Date**) to shareholders on the company's share register as at 5.00pm NZDT on Friday 6 March 2026 (**Record Date**) and will be fully imputed.

The dividend payout ratio of 72% for 1H2026 exceeds Heartland's target of at least 50% of underlying NPAT, reflecting Heartland's strong turnaround performance and excess capital position.¹¹

Heartland has a Dividend Reinvestment Plan (**DRP**), giving eligible shareholders the opportunity to reinvest some or all of their dividend payments into new ordinary shares. The DRP will apply to the final dividend with no discount.¹² The DRP offer document and participation form are available on Heartland's website at heartlandgroup.info/investor-information/dividends.

Looking forward

Heartland affirms its FY2026 guidance to deliver an underlying ROE of at least 7% and underlying NPAT of at least \$85 million.

NIM remains on track to meet Heartland's FY2026 underlying average and exit NIM guidance, while further asset quality improvements in 1H2026 have resulted in a positive adjustment to the FY2026 underlying impairment expense ratio guidance. Heartland has also revised its underlying CTI ratio guidance due to the 1H2026 retraction in certain Heartland Bank portfolios, and the impact of the investment in the bank technology programmes. In addition, underlying OPEX guidance has now been provided by Heartland (previously provided only at a respective bank level).

Updated guidance for each bank is detailed within this announcement.

FY2026 underlying guidance

| | Heartland | NZ Banking | AU Banking |
|--------------------------|------------------|-------------------|--------------------|
| NPAT | ≥\$85m | >\$45m | >AU\$37m (NZ\$40m) |
| ROE | ≥7% | >6% | >8% |
| Average NIM | >3.90% (n.c.) | >4.10% (-10 bps) | >3.70% (+30 bps) |
| Exit NIM | >3.95% (n.c.) | >4.20 (-5 bps) | >3.75% (+10 bps) |
| OPEX | <\$195m | <\$127m (-\$2.1m) | <A\$58m (+A\$3.4m) |
| CTI ratio | <56% (+250 bps) | <56% (+250 bps) | <50% (+450 bps) |
| Impairment expense ratio | <0.45% (-10 bps) | <0.70% (-15 bps) | <0.10% (n.c.) |

Investor day

Heartland is pleased to confirm it will hold an investor day on Friday 5 June 2026 where it will present its longer-term strategy, financial ambitions, and provide detail on the technology and product strategies within each bank. Further details, including a link for shareholders to join online, will be published in due course.

NZ banking

NIM

| NZ banking | 1H2025 | FY2025 | 1H2026 | FY2026 Outlook |
|-------------|--------|--------|--------|----------------|
| Average NIM | 3.78% | 3.87% | 4.05% | > 4.10% |
| Exit NIM | 3.89% | 4.13% | 4.11% | > 4.20% |

NIM remains strong, with steady expansion (up 28 bps from 1H2025). This was supported by a low cost of funds, despite lower gross yields from competitive pricing in core product sets and portfolio mix changes driven by continued NSA realisation. Heartland Bank's FY2026 average NIM is now expected to be greater than 4.10%, a reduction of 10 bps from the prior outlook due to Reverse Mortgage repricing and the impact of NSA realisation.

Costs

| NZ banking | 1H2025 | FY2025 | 1H2026 | FY2026 Outlook |
|-----------------------------------|---------|----------|---------------------|---------------------|
| Reported OPEX | \$63.1m | \$131.8m | \$63.0m | No outlook provided |
| Underlying OPEX | \$62.1m | \$128.1m | \$62.6m | <\$127m |
| Underlying CTI ratio ⁴ | 53.2% | 54.8% | 53.8% ¹³ | <56% |

Underlying OPEX remains stable and is expected to be lower than Heartland Bank's previous FY2026 outlook, at less than \$127 million, despite operational costs increasing in 2H2026 from investment in technology and

marketing. The underlying CTI ratio increased by 57 bps from 1H2025 to 53.8%¹³ due to Receivables retraction and a consequential reduction in net operating income, offsetting the benefit from operational cost savings. Despite cost control, the shortfall in revenue from subdued growth and the successful execution of NSA realisation has resulted in an increased underlying CTI ratio outlook, now expected to be less than 56%, up 250 bps from the previous guidance.

Asset quality

| NZ banking | 1H2025 | FY2025 | 1H2026 | FY2026 Outlook |
|--------------------------|--------|--------|--------|----------------|
| Impairment expense ratio | 1.99% | 1.40% | 0.50% | < 0.70% |

Heartland Bank's overall asset quality continued to improve in 1H2026, reflecting the benefits of maintaining a refined strategic focus on core product sets, early intervention and disciplined portfolio management. The 1H2026 impairment expense ratio of 0.50% benefitted from the release of collective provisions in Motor Finance and NSAs. Heartland Bank now expects the FY2026 impairment expense ratio outlook to be less than 0.70% (15 bps lower than the previous guidance). This reflects an expected stabilisation in impairment expense in 2H2026.

The non-performing loan (NPL) ratio improved by 17 bps from 30 June 2025 to 3.04% as at 31 December 2025, while the core portfolio NPL ratio (excluding NSAs and Unsecured Lending) improved by 33 bps from 30 June 2025 to 2.07% as at 31 December 2025.

Motor Finance asset quality metrics improved over 1H2026 as a result of Heartland Bank's enhanced collections, recoveries and write off strategies which are now well established within business-as-usual practices. Total Motor Finance arrears of 4.5% (as per Centrix's measure of arrears greater than or equal to 14 days past due (DPD)) continue to outperform the industry average of 5.8%.¹⁴ Motor Finance NPLs between 180 and 364 DPD reduced from \$13.2 million as at 30 June 2025 to \$8.9 million as at 31 December 2025 and are expected to clear by 30 June 2026. Excluding this subset of NPLs, Heartland Bank considers its arrears levels to be at suitable levels for its business.

Economic conditions for the New Zealand business sector remained challenging, with elevated levels of company liquidations across several sectors Heartland Bank operates within. Despite this, and due to the bank's continued focus on executing a timely recovery and collections strategy, the Business Finance portfolio recorded a reduction in NPLs from \$58.3 million as at 30 June 2025 to \$52.2 million as at 31 December 2025. Heartland Bank is continuing to work closely with customers in arrears to reduce NPLs further.

Other core product sets remain stable. The Reverse Mortgage portfolio continues to perform well, with an NPL ratio of 0.15%, average current loan size of \$159,168 and a weighted average current loan-to-value ratio (LVR) of 27.1%.¹⁵ The Rural portfolio's asset quality also remained stable, with a NPL ratio of 0.89%.

Core lending performance

Reverse Mortgage Receivables were up by \$94.6 million (15.2%)⁵ from 30 June 2025 to \$1.33 billion as at 31 December 2025. Strong pipeline development in 1H2026 and a new marketing campaign, now live, are expected to generate further growth in 2H2026 and boost momentum into the financial year ending 30 June 2027 (FY2027). New business volumes increased by more than 23% compared with 1H2025, with an increasing proportion of customers drawing additional funds through cash reserve facilities. Village Access Loans continues to gain traction.

Rural Receivables were down by \$30.4 million (-9.9%)⁵ from 30 June 2025 to \$578.4 million as at 31 December 2025. This is comprised of Livestock Finance, down due to seasonal contraction by \$45.5 million (-38.5%)⁵ from 30 June 2025 to \$188.8 million as at 31 December 2025, and Rural Lending, up by \$15.0 million (8.0%)⁵ from 30 June 2025 to \$389.6 million as at 31 December 2025. With good momentum early into the third quarter, the portfolio is on track to deliver more than 9% growth in FY2026 (previously targeting more than 6%). New partnerships and intermediary channels continue to create growth opportunities, while market conditions remain favourable, underpinned by pasture growth and global protein demand.

Motor Finance Receivables were down by \$41.1 million (-4.8%)⁵ from 30 June 2025 to \$1.65 billion as at 31 December 2025 as a result of Heartland Bank’s strategic shift towards higher quality intermediary partners, with a focus on quality used and franchise vehicles. Direct-to-consumer lending increased by 27.8%⁵ in 1H2026, while dealer volumes decreased by 7.3%⁵. As at 31 December 2025, new business through franchise dealerships accounted for approximately 50% of dealer origination, up from 40% as at 31 December 2024. Due to Receivables contraction in 1H2026, Heartland Bank now expects FY2026 Motor Finance Receivables to be flat on the financial year ended 30 June 2025 (**FY2025**) (previously targeting growth of more than 3%).

Business Finance Receivables were down by \$89.7 million (-22.8%)⁵ from 30 June 2025 to \$690.0 million as at 31 December 2025. This is comprised of Asset Finance, down by \$56.4 million (-18.4%)⁵ from 30 June 2025 to \$551.4 million as at 31 December 2025, and Business Relationship, down by \$33.3 million (-38.5%)⁵ from 30 June 2025 to \$138.6 million as at 31 December 2025. This Business Finance contraction reflects Heartland Bank’s disciplined approach to pricing and risk in response to subdued demand and ongoing economic challenges across several industry sectors (specifically transport and construction). While the Asset Finance pipeline strengthened in 1H2026 (applications were up 11% compared with 1H2025), with improvement anticipated in 2H2026, Heartland Bank now expects FY2026 Business Finance Receivables retraction of up to 19% (previously expecting up to 9% retraction).

Technology programme

Heartland Bank has partnered with Pega to deliver a technology platform which will leverage and fully integrate with its modern core banking system, Oracle. Pega is a leading global enterprise software provider with a proven track record in delivering intelligent, AI-enabled platforms for financial services organisations in the Asia Pacific region and globally. Heartland Bank’s new platform will replace existing legacy systems and manual processes with a single, integrated solution, modernising the bank’s technology foundations to strengthen control, resilience and competitiveness. It will enable increased automation and AI-driven capabilities to improve operational efficiency and enhance customer experience. The cost to implement the platform is estimated to be no more than \$11 million over a three-year period.

The programme will deliver the following benefits:

- fully digital, end-to-end customer journeys with seamless and improved experience for customers, intermediaries and employees
- increased agility, enabling faster approvals, product changes, and easier customer servicing
- simplified technology and platform landscape, reducing complexity and operational risk
- reduced long-term cost through a flexible, cloud-based platform.

Delivery will be phased. Reverse Mortgages completion is targeting August 2026, with subsequent phases for all other products delivered progressively over a three-year timeframe.

AU banking

NIM

| AU banking | 1H2025 | FY2025 | 1H2026 | FY2026 Outlook |
|-------------|--------|--------|--------|----------------|
| Average NIM | 2.75% | 3.01% | 3.68% | >3.70% |
| Exit NIM | 3.13% | 3.59% | 3.96% | >3.75% |

NIM expansion was primarily driven by a lower proportion of average wholesale funding in 1H2026, reducing from 52% in 1H2025 to 15% in 1H2026. This enabled a normalisation of liquid asset holdings by removing the need to pre-fund large securitisation date-based calls or medium-term note (**MTN**) maturities.

The exit NIM of 3.96% was aided by favourable deposit spreads and growth in Livestock Finance. Margins are expected to stabilise in 2H2026 as the interest rate outlook in Australia shifts towards higher deposit costs.

Costs

| AU banking (\$AUD) | 1H2025 | FY2025 | 1H2026 | FY2026 Outlook |
|-----------------------------------|---------|---------|---------------------|---------------------|
| Reported OPEX | \$24.2m | \$47.7m | \$28.0m | No outlook provided |
| Underlying OPEX | \$23.2m | \$46.4m | \$28.0m | <\$58m |
| Underlying CTI ratio ⁴ | 56.4% | 52.0% | 51.5% ¹³ | <50% |

Costs increased in 1H2026 due to volume related expenses and the commencement of the technology programme, as indicated in recent announcements. These costs will continue in 2H2026. As a result, Heartland Bank Australia now expects the FY2026 underlying OPEX to be less than A\$58 million.

While the underlying CTI ratio of 51.5%¹³ was down from 56.4% in 1H2025, on a quarterly basis the underlying CTI ratio was up from 49.5% in the first quarter (1 July to 30 September 2025) to 53.5% in the second quarter (1 October to 31 December 2025). This was due to technology related costs and the early repayment of Heartland Bank Australia's final MTN which was replaced by cheaper deposit funding. The impact of the early MTN repayment will be offset by lower deposit costs across the remainder of FY2026 and provide significant benefit into FY2027 and the financial year ending 30 June 2028 (**FY2028**). Excluding this non-recurring expense, the 1H2026 underlying CTI ratio was 47.8%.

Asset quality

Heartland Bank Australia's impairment expense ratio remained steady and low at 0.10% in 1H2026.

Australian Livestock Finance NPLs remained stable (A\$37.9 million as at 31 December 2025 compared with A\$36.4 million as at 30 June 2025). The Livestock Finance portfolio is appropriately provisioned in line with expected credit losses and prevailing economic conditions. Australian Reverse Mortgage asset quality remains strong with an NPL ratio of 0.70%, average current loan size of A\$214,710 and weighted average current LVR of 25.0%.¹⁵

Lending performance

Australian Reverse Mortgage Receivables were up by A\$188.2 million (18.9%)⁵ from 30 June 2025 to A\$2.17 billion as at 31 December 2025. To further market reach and broaden its broker network, Heartland Bank Australia has established new intermediary partnerships with two leading aggregators.

Australian Livestock Finance Receivables were up by A\$19.1 million (14.9%)⁵ from 30 June 2025 to A\$272.9 million as at 31 December 2025.

In 1H2026, Heartland Bank Australia commenced net promoter score (**NPS**) and customer satisfaction score (**CSAT**) reporting across all products. Results show the bank is outperforming financial services industry benchmarks for Australian Reverse Mortgages and is above industry norms for Australian Livestock Finance.¹⁶

Recent extreme weather events across Australia have impacted growth volumes for Livestock Finance early into 2H2026. In line with standard practice, Heartland Bank Australia is working closely with impacted customers and agents to ensure they are fully supported through this difficult time.

Technology programme

Heartland Bank Australia has partnered with Constantinople to consolidate three separate product origination and servicing platforms into a single, cohesive solution. The programme will introduce a new modern core banking platform to support all products, simplifying the bank's technology infrastructure and enabling increased automation and AI capability. Constantinople's cloud-based, AI-powered banking platform is used by banks and finance companies to bring technology and operations services into a single platform. The subscription model is cost efficient and activity based. The cost to implement the platform is estimated to be no more than A\$5 million over a three-year period, with ongoing subscription costs expected to align to current technology and operational spend, and scale with lending volume growth.

Benefits are expected to include:

- improved customer and employee experience, including faster decisioning, streamlined processes and greater automation
- reduced operational risk through the retirement of manual processes, stronger embedded controls, and improved compliance capability
- efficiency benefits over time, driven by a simplified technology stack, reduced vendor complexity, and lower cost to serve.

Migration to the new banking platform will occur progressively by product, starting with Reverse Mortgages. All products are expected to be migrated by the end of FY2028. The programme is progressing to plan, providing a solid foundation for future growth.

– ENDS –

The person who authorised this announcement:

Andrew Dixon, Chief Executive Officer

For further information and media enquiries, please contact:

Nicola Foley, Head of Corporate Communications & Investor Relations

+64 27 345 6809, nicola.foley@heartland.co.nz

Level 3, Heartland House, 35 Teed Street, Newmarket, Auckland, New Zealand

About Heartland

Heartland is an Australasian financial services group providing specialist banking products to New Zealanders and Australians. Heartland is listed on the New Zealand and Australian stock exchanges under the HGH ticker (NZX/ASX: HGH). Through its various predecessors, Heartland has a long history in financial services, stretching back to Ashburton, New Zealand in 1875.

Today, Heartland is the listed holding company for two banks – [Heartland Bank](#) in New Zealand and [Heartland Bank Australia](#). Each bank is focused on providing specialist banking products to enable better lives for New Zealanders and Australians. In both countries, these products include Reverse Mortgages, Livestock Finance, and Savings and Deposits. In New Zealand, Heartland Bank also offers Motor Finance and Asset Finance.

Heartland's role as the listed parent company is to ensure capital is allocated to the parts of its business which generate strong returns, and to set the strategy and risk appetite within which the group operates. This enables Heartland to maximise shareholder returns and for each bank to enhance the value it offers customers by helping more New Zealanders and Australians with their specialist banking needs.

More: heartlandgroup.info

Endnotes

¹ Financial results are presented on a reported and underlying basis. Reported results are prepared in accordance with NZ GAAP and include the impacts of positive and negative one-offs, which can make it difficult to compare performance between periods. Underlying results for 1H2026 (which are non-GAAP financial information) exclude the impact of fair value changes on equity investments held, and other non-recurring costs. The use of underlying results is intended to allow for easier comparability between periods and is used internally by management for this purpose. In the accompanying 1H2026 investor presentation (IP), refer to page 2 for information on the presentation of results and general information about the use of non-GAAP financial measures, page 6 for a summary of reported and underlying results, and page 7 for details about 1H2026 and 1H2025 one-offs. The 1H2026 financial statements are unaudited, but have been reviewed by Heartland's auditor, PricewaterhouseCoopers.

² All comparative figures and percentage increases or decreases are against the six-month period ended 31 December 2024 (**1H2025**), unless explicitly stated otherwise.

³ Underlying ROE refers to ROE calculated using underlying results. When calculated using reported results, Heartland's ROE was 7.7%, up 714 bps compared with 1H2025. For more information, see page 2 of the IP.

⁴ Underlying CTI ratio refers to the CTI ratio calculated using underlying results. When calculated using reported results, Heartland Bank's CTI ratio was 53.3%, up 1.6% compared with 1H2025, and Heartland Bank Australia's CTI ratio was 51.5%, up 7.4% compared with 1H2025. For more information, see page 2 of the IP.

⁵ Annualised growth.

⁶ Rural includes Rural Relationship, Rural Direct and Livestock Finance. Excludes NSAs.

⁷ Business Finance includes Asset Finance and Business Relationship. Excludes NSAs.

⁸ Including ordinary internal buffers.

⁹ Total fully imputed dividends divided by the closing share price as at 24 February 2026 of \$1.25.

¹⁰ Total fully imputed dividends divided by the closing share price as at 25 February 2025 of \$0.88.

¹¹ Heartland's Dividend Policy is available on Heartland's website at heartlandgroup.info/investor-information/dividends.

¹² That is, the strike price under the DRP will be 100% of the volume weighted average sale price of Heartland shares over the five trading days following the Record Date. For the full details of the DRP and the Strike Price calculation, refer to the Heartland DRP offer document dated 20 August 2025 available at heartlandgroup.info/investor-information/dividends.

¹³ Excluding intercompany group charges.

¹⁴ Industry average arrears are based on auto arrears as at December 2025, reported by Centrix in its Credit Insights Report, January 2025.

¹⁵ Reverse Mortgages are measured at fair value. NPLs arise due to late settlement (90 days after the 12-month repayment period) after the departure of the borrower from the property. As at 31 December 2025, Heartland Bank Reverse Mortgage NPLs included 10 loans with a total value of \$2.0 million and a weighted average LVR of 32.2%. Heartland Bank Australia Reverse Mortgage NPLs included 54 loans with a total NPL value of A\$17.2 million and a weighted average LVR of 29.5%.

¹⁶ Based on NPS and CSAT benchmarking data provided by Fullview.

Disclosure Statement

For the six months ended 31 December 2025



HEARTLAND
— BANK —

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General Information

This Disclosure Statement has been issued by Heartland Bank Limited (**HBL** or the **Bank**) and its subsidiaries (the **Banking Group**) for the six months ended 31 December 2025 in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the **Order**). The financial statements of the Banking Group for the six months ended 31 December 2025 form part of, and should be read in conjunction with, this Disclosure Statement.

Words and phrases defined by the Order have the same meanings when used in this Disclosure Statement.

The Bank's address for service is Level 3, 35 Teed Street, Newmarket, Auckland 1023.

Priority of Creditors' Claims

In the event of the Bank becoming insolvent or ceasing business, certain claims set out in legislation are paid in priority to others. These claims include secured creditors, taxes, certain payments to employees and any liquidator's costs. After payment of those creditors, the claims of all other creditors are unsecured and would rank equally, with the exception of holders of subordinated bonds and notes which rank below all other claims.

Guarantee Arrangements

As at the date this Disclosure Statement was signed, no material obligations of the Bank were guaranteed.

Auditor

PricewaterhouseCoopers

PwC Tower, Level 27
15 Customs Street West
Auckland 1010

Directors

All Directors of the Bank reside in New Zealand. Communications to the Directors can be sent to Heartland Bank Limited, Level 3, 35 Teed Street, Newmarket, Auckland 1023.

There have been no changes in the composition of the Board of Directors of the Bank since 30 June 2025 for the six months ended 31 December 2025.

Directors' Statements

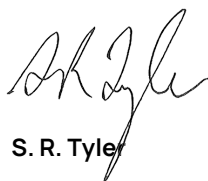
Each Director of the Bank states that he or she believes, after due enquiry, that:

1. As at the date on which this Disclosure Statement is signed:
 - (a) the Disclosure Statement contains all the information that is required by the Order; and
 - (b) the Disclosure Statement is not false or misleading.
2. During the six months ended 31 December 2025:
 - (a) the Bank complied in all material respects with each Condition of Registration that applied during the period;
 - (b) credit exposures to connected persons were not contrary to the interests of the Registered Bank's Banking Group; and
 - (c) the Bank had systems in place to monitor and control adequately the material risks of the Registered Bank's Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated 25 February 2026 and has been signed by all the Directors.



B. R. Irvine (Chair)



S. R. Tyler



E. J. Harvey



S. M. Ruha



K. Mitchell



A. P. Dixon

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2025

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|---|------|--|--|
| Interest income: | | | |
| Effective interest method | 3 | 173,032 | 213,660 |
| Fair value through profit or loss | 3 | 158,059 | 149,072 |
| Total interest income | | 331,091 | 362,732 |
| Interest expense | 3 | 165,283 | 213,779 |
| Net interest income | | 165,808 | 148,953 |
| Operating lease income | | 2,410 | 3,131 |
| Operating lease expense | | 1,660 | 2,239 |
| Net operating lease income | | 750 | 892 |
| Lending and credit fee income | | 6,620 | 6,746 |
| Other (expense)/income | 4 | (479) | 2,869 |
| Net operating income | | 172,699 | 159,460 |
| Operating expenses | 5 | 93,663 | 88,830 |
| Profit before net fair value gain/(loss) on equity investments, investment property, losses on guaranteed future value products, impaired asset expense and income tax | | 79,036 | 70,630 |
| Net fair value gain/(loss) on equity investments and investment property | | 3,055 | (172) |
| Losses on guaranteed future value products | | — | 1,174 |
| Impaired asset expense | 6 | 12,785 | 50,530 |
| Profit before income tax | | 69,306 | 18,754 |
| Income tax expense | | 19,567 | 5,431 |
| Profit for the period | | 49,739 | 13,323 |
| Other comprehensive income/(loss) | | | |
| Items that are or may be reclassified subsequently to profit or loss, net of income tax: | | | |
| Effective portion of change in fair value of derivative financial instruments in a cash flow hedge relationship | 10 | 1,027 | (13,160) |
| Movement in fair value of debt investments at fair value through other comprehensive income (FVOCI) | 10 | (613) | 246 |
| Movement in foreign currency translation reserve | 10 | 36,245 | 4,824 |
| Items that will not be reclassified to profit or loss, net of income tax: | | | |
| Movement in fair value of equity investments at FVOCI | 10 | (1) | — |
| Other comprehensive income/(loss) for the period, net of income tax | | 36,658 | (8,090) |
| Total comprehensive income for the period | | 86,397 | 5,233 |

Total comprehensive income for the period is attributable to the owner of the Bank.

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2025

| \$000's | Note | Unaudited - December 2025 | | | | Unaudited - December 2024 | | | |
|--|------|---------------------------|-----------|-------------------|--------------|---------------------------|----------|-------------------|--------------|
| | | Share Capital | Reserves | Retained Earnings | Total Equity | Share Capital | Reserves | Retained Earnings | Total Equity |
| Balance at beginning of the period | | 1,045,060 | (104,877) | 253,106 | 1,193,289 | 1,044,811 | (83,621) | 235,200 | 1,196,390 |
| Comprehensive income for the period | | | | | | | | | |
| Profit for the period | | – | – | 49,739 | 49,739 | – | – | 13,323 | 13,323 |
| Other comprehensive income/(loss), net of income tax | 10 | – | 36,658 | – | 36,658 | – | (8,090) | – | (8,090) |
| Total comprehensive income for the period | | – | 36,658 | 49,739 | 86,397 | – | (8,090) | 13,323 | 5,233 |
| Transactions with owner | | | | | | | | | |
| Dividends paid to owner | 9 | – | – | (28,350) | (28,350) | – | – | (15,000) | (15,000) |
| Total transactions with owner | | – | – | (28,350) | (28,350) | – | – | (15,000) | (15,000) |
| Transfer on disposal of equity investments at FVOCI | 10 | – | 6,051 | (6,051) | – | – | – | – | – |
| Other movements | 10 | – | – | – | – | 249 | (249) | – | – |
| Balance at end of the period | | 1,045,060 | (62,168) | 268,444 | 1,251,336 | 1,045,060 | (91,960) | 233,523 | 1,186,623 |

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| \$000's | Note | Unaudited December 2025 | Audited June 2025 |
|--|------|-------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | | 394,089 | 349,745 |
| Collateral paid | | 12,867 | 14,239 |
| Investments | 13 | 778,187 | 790,044 |
| Derivative financial instruments | | 5,532 | 4,792 |
| Finance receivables measured at amortised cost | 7 | 3,398,527 | 3,711,450 |
| Finance receivables - reverse mortgages | 13 | 3,841,667 | 3,370,949 |
| Due from related parties | 12 | 36 | – |
| Investment properties | | 3,890 | 4,390 |
| Operating lease vehicles | | 16,014 | 15,561 |
| Right of use assets | | 13,583 | 12,223 |
| Other assets | | 35,565 | 44,846 |
| Current tax asset | | 8,852 | 31,274 |
| Intangible assets | 11 | 258,686 | 250,821 |
| Deferred tax asset | | 19,535 | 21,430 |
| Total assets | | 8,787,030 | 8,621,764 |
| Liabilities | | | |
| Deposits | 8 | 6,912,116 | 6,532,794 |
| Other borrowings | 8 | 554,649 | 825,454 |
| Derivative financial instruments | | 19,870 | 20,660 |
| Due to related parties | 12 | – | 792 |
| Lease liabilities | | 15,655 | 14,390 |
| Trade and other payables | | 31,908 | 33,064 |
| Deferred tax liability | | 1,496 | 1,321 |
| Total liabilities | | 7,535,694 | 7,428,475 |
| Net assets | | 1,251,336 | 1,193,289 |
| Equity | | | |
| Share capital | 9 | 1,045,060 | 1,045,060 |
| Retained earnings and other reserves | 10 | 206,276 | 148,229 |
| Total equity | | 1,251,336 | 1,193,289 |
| <hr/> | | | |
| Total interest earning and discount bearing assets | | 8,423,804 | 8,225,502 |
| Total interest and discount bearing liabilities | | 7,430,844 | 7,319,879 |

The accompanying notes form an integral part of the interim financial statements.

STATEMENT OF CASH FLOWS

For the six months ended 31 December 2025

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|------|--|--|
| Cash flows from operating activities | | | |
| Interest received | | 182,441 | 210,402 |
| Operating lease income received | | 2,108 | 2,828 |
| Lending, credit fees and other income received | | 4,115 | 7,863 |
| Operating inflows | | 188,664 | 221,093 |
| Operating outflows | | | |
| Interest paid | | (160,364) | (206,187) |
| Loss on early extinguishment of borrowings | | (2,271) | – |
| Payments to suppliers and employees | | (86,236) | (87,480) |
| Taxation received/(paid) | | 7,031 | (19,386) |
| Operating outflows | | (241,840) | (313,053) |
| Net cash flows applied to operating activities before changes in operating assets and liabilities | | (53,176) | (91,960) |
| Net cash flows from operating activities | | | |
| Collateral paid | | (13,558) | (27,610) |
| Collateral received | | 14,930 | 11,820 |
| Proceeds from sale of operating lease vehicles | | 2,922 | 1,265 |
| Purchase of operating lease vehicles | | (4,575) | (1,604) |
| Net decrease in finance receivables measured at amortised cost | | 313,162 | 318,899 |
| Net (increase) in finance receivables - reverse mortgages | | (143,978) | (69,731) |
| Net movement in deposits | | 202,269 | 94,783 |
| Net movement in related party balances | | (823) | (4,617) |
| Net cash flows from operating activities | | 317,173 | 231,245 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment and intangible assets | | (2,228) | (1,123) |
| Proceeds from investment securities | | 460,770 | 698,815 |
| Purchase of investment securities | | (424,026) | (493,077) |
| Proceeds from sale of rural property assets | | 9,598 | – |
| Proceeds from sale of investment property | | 475 | – |
| Proceeds from sale of equity investments | | 10,189 | – |
| Purchase of equity investment | | – | (246) |
| Consideration adjustment related to acquisition of subsidiary | | – | 1,404 |
| Net cash flows from investing activities | | 54,778 | 205,773 |
| Cash flows from financing activities | | | |
| Proceeds from wholesale borrowings | | – | 146,960 |
| Repayment of wholesale borrowings | | (192,719) | (738,919) |
| Repayment of unsubordinated notes | | (113,558) | (82,813) |
| Dividends paid | 9 | (28,350) | (15,000) |
| Payment of lease liabilities | | (1,944) | (1,759) |
| Net cash flows applied to financing activities | | (336,571) | (691,531) |
| Net increase/(decrease) in cash and cash equivalents | | 35,380 | (254,513) |
| Effect of exchange rates on cash and cash equivalents | | 8,964 | 3,101 |
| Opening cash and cash equivalents | | 349,745 | 627,969 |
| Closing cash and cash equivalents¹ | | 394,089 | 376,557 |

¹At 31 December 2025, the Banking Group has \$70.9 million (December 2024: \$95.4 million) of cash held by structured asset holding entities (**Trusts**) which may only be used for the purposes defined in the underlying Trust documents.

The accompanying notes form an integral part of the interim financial statements.

Statement of Cash Flows (continued)

For the six months ended 31 December 2025

Reconciliation of profit after tax to net cash flows from operating activities

| \$000's | Note | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|------|--|--|
| Profit for the period | | 49,739 | 13,323 |
| Add/(less) non-cash items: | | | |
| Depreciation and amortisation expense | 5 | 8,226 | 8,457 |
| Depreciation on lease vehicles | | 1,531 | 2,014 |
| Capitalised net interest income and fee income | | (148,493) | (150,371) |
| Impaired asset expense | 6 | 14,482 | 51,038 |
| Losses on guaranteed future value products | | — | 1,174 |
| Fair value movements | | (3,055) | (9,257) |
| Deferred tax | | 2,070 | 3,171 |
| Other non-cash items | | (70) | 195 |
| Total non-cash items | | (125,309) | (93,579) |
| Add/(less) movements in operating assets and liabilities: | | | |
| Finance receivables measured at amortised cost | | 313,162 | 318,899 |
| Finance receivables - reverse mortgages | | (143,978) | (69,731) |
| Operating lease vehicles | | (1,984) | (667) |
| Other assets | | 3,538 | (21,398) |
| Current tax | | 22,422 | (20,791) |
| Derivative financial instruments | | (1,530) | 19,857 |
| Deposits | | 202,269 | 94,783 |
| Other liabilities | | (1,156) | (9,451) |
| Total movements in operating assets and liabilities | | 392,743 | 311,501 |
| Net cash flows from operating activities | | 317,173 | 231,245 |

The accompanying notes form an integral part of the interim financial statements.

Notes to the Financial Statements

For the six months ended 31 December 2025

1 Interim financial statements preparation

Basis of preparation

The interim financial statements presented are the interim financial statements comprising Heartland Bank Limited (**HBL** or the **Bank**) and its controlled entities (the **Banking Group**). They have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (**NZ GAAP**) as defined in the Financial Reporting Act 2013. These interim financial statements comply with NZ IAS 34 Interim Financial Reporting as appropriate for publicly accountable for-profit entities and IAS 34 Interim Financial Reporting.

The Banking Group's ultimate parent company is Heartland Group Holdings Limited (**HGH**).

These interim financial statements do not include all notes of the type normally included in the annual financial report. Accordingly these interim financial statements should be read in conjunction with the financial statements included in the Disclosure Statement for the year ended 30 June 2025.

The interim financial statements presented here are for the six month period ended 31 December 2025.

The interim financial statements have been prepared on the basis of historical cost, except for certain financial instruments and investment properties, which are measured at their fair values.

The interim financial statements have been prepared on a going concern basis.

The interim financial statements are presented in New Zealand dollars which is the functional and presentation currency of HBL. Unless otherwise indicated, amounts are rounded to the nearest thousand dollars.

Certain comparative balances have been reclassified in the interim financial statements to align with the presentation used in the current period.

The Banking Group revised the presentation of individual line items when preparing the financial statements for the year ended 30 June 2025 and applied this revised presentation to these interim financial statements.

- Total interest income of \$362.7 million is disaggregated into two categories as interest calculated using the effective interest method of \$213.6 million and interest derived from financial assets measured at fair value through profit or loss of \$149.1 million in the statement of comprehensive income and Note 3 - Net interest income; and
- Net increase in finance receivables - reverse mortgages of \$69.7 million is presented separately from Net decrease in finance receivables measured at amortised cost of \$318.9 million in the statement of cash flows.
- Certain line items within the notes to the interim financial statements have been revised to ensure consistency with the current period presentation. Refer to the relevant notes for further details.

These representations have no impact on the overall financial performance, financial position or cash flows for the comparative period.

Changes in accounting policy

There have been no changes to accounting policies or new or amended standards that are issued and newly effective that are expected to have a material impact on the Banking Group.

Critical accounting estimates and judgements

There have been no material changes to the use of estimates and judgements for the preparation of the interim financial statements since the reporting date of the previous financial statements. The Banking Group's Disclosure Statement for the year ended 30 June 2025 contains detail on other estimates and judgements used.

1 Interim financial statements preparation (continued)

Significant events and transactions

Establishment of Depositor Compensation Scheme (DCS)

The DCS, established under the Deposit Takers Act 2023, came into effect on 1 July 2025. The DCS provides protection for eligible New Zealand depositors in the event that a licensed deposit taker (including the Bank) fails. Under the scheme, eligible New Zealand deposits held in DCS-protected accounts are covered up to \$100,000 per depositor, per licensed deposit taker.

Realisation of Non-Strategic Assets (NSAs)

NSAs represent assets accumulated over time that are no longer aligned with the Banking Group's current strategic focus or threshold return on equity objectives and do not contribute positively to performance. These assets are subject to active realisation strategies, with proceeds intended to be redeployed into higher-return core lending portfolios to optimise capital efficiency.

During the six months ended 31 December 2025, the Banking Group made significant progress in reducing its exposure to NSAs. Key transactions completed in the period include:

- Accelerated exits from Rural and Business Relationship borrowers through sale of security and refinancing classified within finance receivables at amortised cost in the statement of financial position;
- Sale of one of two dairy farms classified as Properties NSAs classified within other assets in the statement of financial position;
- Full divestment of Banking Group's shareholding in Harmony Corp Limited and Alex Corporation Limited classified within investments in the statement of financial position.

These realisations align with the Banking Group's strategy to simplify its portfolio and focus on core operations. The financial impacts of these transactions, including any gains or losses on disposal, are reflected in the consolidated statement of comprehensive income for the period.

All other significant events and transactions are disclosed in the notes to the interim financial statements.

Performance

2 Segmental analysis

Segment information is presented in respect of the Banking Group's operating segments, consistent with those used for the Banking Group's management and internal reporting.

An operating segment is a component of an entity engaging in business activities whose results are regularly reviewed by the Banking Group's chief operating decision maker (**CODM**). The CODM, who is responsible for allocating resources and assessing business performance of the Banking Group, has been identified as the Banking Group's Chief Executive Officer (**CEO**) and direct reports.

Operating segments

The Banking Group operates within New Zealand and Australia and comprises the following main operating segments:

Operating segments – New Zealand

Motor Motor vehicle finance.

Reverse mortgages Reverse mortgage lending.

Personal lending Transactional, home loans and personal loans to individuals.

Business Term debt, plant and equipment finance, commercial mortgage lending and working capital solutions for small-to-medium sized businesses.

Rural Specialist financial services to the farming sector primarily offering livestock finance, rural mortgage lending, seasonal and working capital financing, as well as leasing solutions to farmers.

Operating segment – Australia

Australian Banking Group Australian Banking Group provides banking and financial services in Australia which consist of reverse mortgage lending, livestock finance and other financial services.

All other segments

Other Operating expenses, such as premises, IT and support centre costs in New Zealand are not allocated to the New Zealand operating segments and are included in Other. Income tax for New Zealand is also included in Other.

Finance receivables are allocated across the operating segments as assets. Liabilities are managed centrally and therefore are not allocated across the operating segments, except for the geographical allocation between Australia and New Zealand. The Banking Group does not rely on any single major customer for its revenue base.

When preparing the financial statements for the year ended 30 June 2025, the Banking Group revised the disclosure of specific income and expenses included in the operating segment profit and concluded that personnel expenses are material for the CODM's assessment of operating segment performance and therefore, appropriate for disclosure as a separate line item. This revised presentation has been applied to these interim financial statements. Comparative information within this note has been adjusted to align to the current period's basis for segmental analysis disclosure.

2 Segmental analysis (continued)

| \$000's | Motor | Reverse Mortgages | Personal lending | Business | Rural | Australian Banking Group | Other | Total |
|--|---------------|----------------------|---------------------|---------------|---------------|--------------------------------|-----------------|----------------|
| Unaudited | | | | | | | | |
| December 2025 | | | | | | | | |
| Net interest income | 35,692 | 30,668 | 1,505 | 20,775 | 16,747 | 60,421 | — | 165,808 |
| Lending and credit fee income | 1,690 | 1,369 | 176 | 1,612 | 417 | 1,356 | — | 6,620 |
| Net other income/(expense) | 473 | — | 4 | 390 | (161) | (2,242) | 1,807 | 271 |
| Net operating income | 37,855 | 32,037 | 1,685 | 22,777 | 17,003 | 59,535 | 1,807 | 172,699 |
| Personnel expenses | 3,468 | 1,011 | 1,620 | 2,322 | 1,157 | 13,124 | 24,642 | 47,344 |
| Other expenses | 929 | 2,182 | 545 | 202 | 595 | 18,320 | 23,546 | 46,319 |
| Operating expenses | 4,397 | 3,193 | 2,165 | 2,524 | 1,752 | 31,444 | 48,188 | 93,663 |
| Profit/(loss) before net fair value gain on equity investments and investment property, losses on guaranteed future value products, impaired asset expense and income tax | 33,458 | 28,844 | (480) | 20,253 | 15,251 | 28,091 | (46,381) | 79,036 |
| Net fair value gain on equity investments and investment property | — | — | — | — | — | — | 3,055 | 3,055 |
| Losses on guaranteed future value products | — | — | — | — | — | — | — | — |
| Impaired asset expense | 3,121 | — | (122) | 4,387 | 4,093 | 1,306 | — | 12,785 |
| Profit/(loss) before income tax | 30,337 | 28,844 | (358) | 15,866 | 11,158 | 26,785 | (43,326) | 69,306 |
| Income tax expense | — | — | — | — | — | 8,045 | 11,522 | 19,567 |
| Profit/(loss) for the period | 30,337 | 28,844 | (358) | 15,866 | 11,158 | 18,740 | (54,848) | 49,739 |

2 Segmental analysis (continued)

| \$000's | Motor | Reverse Mortgages | Personal lending | Business | Rural | Australian Banking Group | Other | Total |
|--|------------------|----------------------|---------------------|----------------|----------------|--------------------------------|-----------------|------------------|
| Unaudited | | | | | | | | |
| December 2024 | | | | | | | | |
| Net interest income | 31,837 | 27,863 | 2,429 | 27,207 | 15,967 | 43,356 | 294 | 148,953 |
| Lending and credit fee income | 2,673 | 1,298 | (336) | 1,803 | 246 | 1,062 | — | 6,746 |
| Net other income/(expense) | 618 | — | 42 | 496 | (81) | 730 | 1,956 | 3,761 |
| Net operating income | 35,128 | 29,161 | 2,135 | 29,506 | 16,132 | 45,148 | 2,250 | 159,460 |
| Personnel expenses | 1,558 | 1,035 | 3,400 | 3,680 | 1,179 | 12,361 | 18,857 | 42,070 |
| Other expenses | 625 | 1,968 | 1,230 | 729 | 396 | 14,189 | 27,623 | 46,760 |
| Operating expenses | 2,183 | 3,003 | 4,630 | 4,409 | 1,575 | 26,550 | 46,480 | 88,830 |
| Profit/(loss) before fair value loss on equity investments, losses on guaranteed future value products, impaired asset expense and income tax | 32,945 | 26,158 | (2,495) | 25,097 | 14,557 | 18,598 | (44,230) | 70,630 |
| Fair value loss on equity investments | — | — | — | — | — | — | 172 | 172 |
| Losses on guaranteed future value products | 1,174 | — | — | — | — | — | — | 1,174 |
| Impaired asset expense | 17,285 | — | 492 | 29,319 | 2,496 | 938 | — | 50,530 |
| Profit/(loss) before income tax | 14,486 | 26,158 | (2,987) | (4,222) | 12,061 | 17,660 | (44,402) | 18,754 |
| Income tax expense | — | — | — | — | — | 5,276 | 155 | 5,431 |
| Profit/(loss) for the period | 14,486 | 26,158 | (2,987) | (4,222) | 12,061 | 12,384 | (44,557) | 13,323 |
| Unaudited December 2025 | | | | | | | | |
| Total assets | 1,646,988 | 1,327,928 | 78,269 | 728,608 | 642,940 | 3,635,378 | 726,919 | 8,787,030 |
| Total liabilities¹ | | | | | | | | 7,535,694 |
| Audited June 2025 | | | | | | | | |
| Total assets | 1,687,763 | 1,233,272 | 178,625 | 853,011 | 731,819 | 3,169,630 | 767,644 | 8,621,764 |
| Total liabilities¹ | | | | | | | | 7,428,475 |

¹Total liabilities include \$3,126 million (June 2025: \$2,713 million) attributable to the Australian Banking Group segment.

3 Net interest income

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|---|--|--|
| Interest Income | | |
| <i>Calculated using the effective interest method</i> | | |
| Cash and cash equivalents | 4,754 | 8,324 |
| Investments measured at FVOCI | 16,937 | 19,346 |
| Finance receivables measured at amortised cost | 151,341 | 185,990 |
| Total interest income calculated using the effective interest method | 173,032 | 213,660 |
| <i>Fair value through profit or loss</i> | | |
| Investments measured at FVTPL | 31 | 1,138 |
| Finance receivables - reverse mortgages | 158,028 | 147,934 |
| Total interest income on financial assets measured at FVTPL | 158,059 | 149,072 |
| Total interest income | 331,091 | 362,732 |
| Interest Expense | | |
| <i>Calculated using the effective interest method</i> | | |
| Deposits ¹ | 135,665 | 164,159 |
| Other borrowings | 23,979 | 57,568 |
| Total interest expense calculated using the effective interest method | 159,644 | 221,727 |
| <i>Fair value through profit or loss</i> | | |
| Net interest expense/ (income) on derivative financial instruments | 5,639 | (7,948) |
| Total net interest expense/ (income) on derivative financial instruments measured at FVTPL | 5,639 | (7,948) |
| Total interest expense | 165,283 | 213,779 |
| Net interest income | 165,808 | 148,953 |

¹Includes \$0.9 million DCS Levy applicable from 1 July 2025.

4 Other income

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|---|--|--|
| Rental income from investment properties | 120 | 229 |
| Insurance income | – | 68 |
| Fair value gain/ (loss) on derivative instruments measured at fair value ¹ | 253 | (2,554) |
| Management fee income ² | 537 | 4,341 |
| Fair value gain on non-derivative financial instruments ³ | – | 438 |
| Other income/ (expense) ⁴ | 665 | (110) |
| Loss on early extinguishment of borrowings | (2,271) | – |
| Foreign exchange gain | 217 | 457 |
| Total other (expense)/income | (479) | 2,869 |

¹Includes hedge ineffectiveness from the hedging relationships and fair value gains/ (losses) on derivative financial instruments which are in economic hedge relationships.

²Refer to Note 12 - Related party transactions and balances for further details.

³Includes realised and unrealised losses on Heartland Bank Australia Limited (HBA)'s Investment in government securities, bank bonds and floating rate notes.

⁴Other income in the six month period ended 31 December 2025 includes \$0.6 million income generated from rural properties under management of the Banking Group, and a realised loss of \$0.8 million from the sale of a rural property/dairy farm.

5 Operating expenses

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|--|--|
| Personnel expenses ¹ | 47,344 | 42,070 |
| Directors' fees | 782 | 822 |
| Superannuation | 1,993 | 1,603 |
| Depreciation - property, plant and equipment | 845 | 889 |
| Legal and professional fees | 4,507 | 4,316 |
| Advertising and public relations | 2,675 | 1,787 |
| Depreciation - right of use asset | 1,818 | 1,863 |
| Technology services and communications | 11,746 | 9,806 |
| Customer administration costs | 7,087 | 5,129 |
| Customer onboarding costs | 1,175 | 1,313 |
| Occupancy costs | 1,438 | 1,325 |
| Amortisation of intangible assets | 5,563 | 5,705 |
| Management fees - related party ² | 2,075 | 3,613 |
| Other operating expenses ³ | 4,615 | 8,589 |
| Total operating expenses | 93,663 | 88,830 |

¹Excludes certain personnel expenses directly incurred in acquiring and developing software and capitalised as part of specific application software.

² Refer to Note 12 - Related party transactions and balances for further details.

³Other operating expenses mainly comprise non-recoverable proportion of goods and services tax (GST), travel and insurance expenses.

⁴Certain comparative balances have been reclassified to align with the presentation used in the current period. Telecommunications, stationery, and postage costs, previously reported within a single line item, have been reallocated across Customer administration, Technology services and communications, and Other operating expenses. Management fees - related party are now disclosed separately, having previously been reported within personnel expenses.

6 Impaired asset expense

| \$000's | Unaudited 6 Months to December 2025 | Unaudited 6 Months to December 2024 |
|--|--|--|
| Individually impaired asset expense | 12,864 | 20,011 |
| Collectively impaired asset expense | 1,618 | 31,027 |
| Total impaired asset expense excluding recovery of amounts previously written off to the income statement | 14,482 | 51,038 |
| Recovery of amounts previously written off to the income statement | (1,697) | (508) |
| Total impaired asset expense | 12,785 | 50,530 |

Refer to Note 7 - Finance receivables measured at amortised cost and Note 16 - Asset quality for provision for impairment details.

Financial Position

7 Finance receivables measured at amortised cost

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Gross finance receivables measured at amortised cost | 3,470,715 | 3,784,733 |
| Less provision for impairment ¹ | (70,684) | (71,779) |
| Less provision for losses on guaranteed future value products ² | (1,504) | (1,504) |
| Net finance receivables measured at amortised cost | 3,398,527 | 3,711,450 |

¹ Refer to Note 16 - Asset quality for further details.

² Represents provision for probable losses arising from guaranteed future value (GFV) portfolio of motor vehicle loans that have guaranteed residual value of the underlying security and optionality for customers to return the vehicle.

Collectively assessed expected credit loss (ECL) (stage 1, 2 and 3) - New Zealand

The Bank estimated ECL for its lending portfolio measured at amortised cost using models based on historical credit performance and observed portfolio behaviour. The models are recalibrated across each period, which included aligning model input of probabilities of default and loss given defaults with more recent observations and data. These models assume that economic conditions remain constant over time with the provision being calculated as a point-in-time estimate.

Accordingly, management applies model overlays or adjustments in circumstances where the existing inputs, assumptions, and model techniques do not capture all risk factors relevant to the Bank's lending portfolios.

Model overlays have been applied in the following instances:

a) Multiple macroeconomic scenarios (MES) and sensitivity analysis:

To incorporate a range of potential future economic outcomes, the Bank applies a MES overlay. This approach estimates a distribution of possible credit loss outcomes by reference to historical loss curves for each portfolio, from which probability weighted loss rates are derived.

The MES framework considers four forward looking scenarios – upside, central, downside and severe downside – each reflecting differing degrees of economic improvement or deterioration relative to the modelled provision (point-in-time ECL). The difference between the MES probability weighted and point-in-time ECL represents the MES overlay required to the modelled provision.

| MES | Description | Weighting applied as at 31 December 2025 |
|----------------------|--|---|
| Upside case | Reflect inputs and assumptions improving comparative to the current provisioning model. | 7% |
| Central case | Reflect inputs and assumptions similar to the current provisioning model. | 50% |
| Downside case | Reflect inputs and assumptions deteriorating comparative to the current provisioning model. | 33% |
| Severe downside case | Reflect inputs and assumptions deteriorating severely comparative to the current provisioning model. | 10% |

Based on this, a loss rate for each scenario was calculated, weighted by the probability of that scenario, and applied to the receivables position.

At 31 December 2025, the MES overlay for the Bank is \$2.7 million (June 2025: \$2.7 million).

7 Finance receivables measured at amortised cost (continued)

The following sensitivity table shows the difference between the reported provision based on the point-in-time estimate, and the ECL calculated for each scenario, assuming a 100% weightage for that case:

| \$m | Increase/(decrease) in ECL as at 31 December 2025 |
|---|---|
| 100% upside case | (14.0) |
| 100% central case | (4.8) |
| 100% downside case | 10.5 |
| 100% severe downside case | 25.6 |
| Total probability weighted ECL per the MES methodology | 2.7 |

b) Geopolitical overlay:

In addition to the MES overlay, the Bank applies a further overlay to reflect heightened geopolitical risks. Geopolitical risk refers to the potential for adverse credit outcomes arising from global political and economic tensions that may not be captured within historical loss experience or baseline forward looking scenarios. This overlay applies an assumed deterioration in loss rates to reflect the possibility of broader macro level disruption.

At 31 December 2025, the geopolitical overlay is \$0.5 million (June 2025: \$0.5 million).

Individually assessed ECL (stage 3) - New Zealand

Individually assessed provisions are recognised for exposures where there is objective evidence of impairment and where the Bank determines that the impact on expected future cash flows can be reliably estimated on a case-by-case basis.

These are predominantly within the Asset Finance and older Business Relationship lending portfolios within the transport, construction, forestry and agriculture sectors.

ECL (stage 1,2 and 3) - Australia

There have been no material changes to the critical estimates and judgements for ECL in HBA during the period ended 31 December 2025.

7 Finance receivables measured at amortised cost (continued)

(a) Movement in provision for impairment

The following table details the movement from the opening balance to the closing balance of the provision for impairment losses.

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|--|-----------------------|----------------|---------------|-----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Unaudited - December 2025 | | | | | |
| Impairment allowance as at 30 June 2025 | 16,029 | 7,851 | 23,104 | 24,795 | 71,779 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (226) | (4,937) | 944 | 4,219 | – |
| New and increased provision (net of provision releases) ¹ | (1,003) | 3,432 | 3,408 | 8,645 | 14,482 |
| Credit impairment charge | (1,229) | (1,505) | 4,352 | 12,864 | 14,482 |
| Write-offs | – | – | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 61 | 29 | – | 241 | 331 |
| Impairment allowance as at 31 December 2025 | 14,861 | 6,375 | 19,021 | 30,427 | 70,684 |
| Audited - June 2025 | | | | | |
| Impairment allowance as at 30 June 2024 | 14,361 | 5,197 | 34,281 | 22,482 | 76,321 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (140) | (9,070) | 7,582 | 1,628 | – |
| New and increased provision (net of provision releases) ¹ | 1,832 | 11,724 | 36,735 | 23,102 | 73,393 |
| Credit impairment charge | 1,692 | 2,654 | 44,317 | 24,730 | 73,393 |
| Write-offs | – | – | (55,494) | (22,417) | (77,911) |
| Effect of changes in foreign exchange rate | (24) | – | – | – | (24) |
| Impairment allowance as at 30 June 2025 | 16,029 | 7,851 | 23,104 | 24,795 | 71,779 |

¹The increase in provision when a loan moves to a higher stage is included in New and increased provision (net of provision releases) in the higher stage to which the loan moved. The decrease in provision when a loan moves to a lower stage is included in New and increased provision (net of provision releases) in the higher stage from which the loan moved.

7 Finance receivables measured at amortised cost (continued)

(b) Impact of changes in gross finance receivables held at amortised cost on allowance for ECL

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|--|-----------------------|----------------|----------------|-----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Unaudited - December 2025 | | | | | |
| Gross finance receivables measured at amortised cost as at June 2025 | 3,359,596 | 236,862 | 96,957 | 91,318 | 3,784,733 |
| Transfer between stages | (67,530) | (18,141) | 29,561 | 56,110 | – |
| Additions | 591,239 | – | – | – | 591,239 |
| Deletions | (762,726) | (71,528) | (46,912) | (31,270) | (912,436) |
| Write-offs | – | – | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 18,413 | 1,705 | – | 2,969 | 23,087 |
| Gross finance receivables measured at amortised cost as at 31 December 2025 | 3,138,992 | 148,898 | 71,171 | 111,654 | 3,470,715 |
| Audited - June 2025 | | | | | |
| Gross finance receivables measured at amortised cost as at June 2024 | 3,888,443 | 241,633 | 116,723 | 96,468 | 4,343,267 |
| Transfer between stages | (216,671) | 79,265 | 103,381 | 34,025 | – |
| Additions | 1,255,780 | – | – | – | 1,255,780 |
| Deletions | (1,564,666) | (83,543) | (67,653) | (16,182) | (1,732,044) |
| Write-offs | – | – | (55,494) | (22,417) | (77,911) |
| Effect of changes in foreign exchange rate | (3,290) | (493) | – | (576) | (4,359) |
| Gross finance receivables measured at amortised cost as at 30 June 2025 | 3,359,596 | 236,862 | 96,957 | 91,318 | 3,784,733 |

8 Borrowings

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Deposits | | |
| Short-term interest bearing deposits | 1,454,848 | 1,420,664 |
| Non-interest bearing deposits | 35,921 | 38,369 |
| Term deposits | 5,421,347 | 5,073,761 |
| Total deposits | 6,912,116 | 6,532,794 |
| Other borrowings | | |
| Unsubordinated notes | 20,303 | 128,747 |
| Subordinated notes | 161,789 | 156,854 |
| Securitised borrowings | 372,557 | 520,048 |
| Certificates of deposit | — | 19,805 |
| Total other borrowings | 554,649 | 825,454 |
| Total deposits and other borrowings | 7,466,765 | 7,358,248 |

Deposits, unsubordinated notes and certificates of deposit rank equally and are unsecured.

Movement in other borrowings

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Balance as at beginning of period | 825,454 | 2,040,763 |
| Issue of debt | — | 424,614 |
| Repayment of debt | (306,277) | (1,632,394) |
| Total cash movements | (306,277) | (1,207,780) |
| Capitalised interest and fee expense | (724) | (3,354) |
| Fair value hedge adjustment | 732 | 3,470 |
| Foreign exchange and other movements | 35,464 | (7,645) |
| Total non-cash movements | 35,472 | (7,529) |
| Balances as at end of period | 554,649 | 825,454 |

Unsubordinated notes

On 7 October 2025, AU\$100 million unsubordinated medium term note (**MTN**) was fully repaid prior to its maturity on 7 October 2027. Refer to Note 4 – Other income for the loss incurred on early extinguishment of the borrowing.

Securitised borrowings

On 15 September 2025, the Class A and Class B notes of the Heartland Auto Receivables Warehouse Trust 2018-1 (**HARWT**) facility were repaid in full, with the facility remaining open for future drawdowns. Additionally, on 31 October 2025, the HARWT facility was extended to 31 October 2027, with its facility limit reduced from \$320 million to \$268 million.

On 4 December 2025, the Availability Period (being the period during which the undrawn balance is available for use) of the Seniors Warehouse Trust No. 2 (**SWT2**) facility was extended to 15 October 2027, while the maturity date remained unchanged.

9 Share capital and dividends

| | Unaudited December 2025 | Audited June 2025 |
|-----------------------------|-------------------------------|----------------------|
| 000's | Number of Shares | Number of Shares |
| Issued shares | | |
| Opening and closing balance | 1,030,260 | 1,030,260 |

Dividends paid

| | Unaudited 6 Months to December 2025 | | Audited 12 Months to June 2025 | |
|-----------------------------|--|---------------|-----------------------------------|---------------|
| | Date Declared | \$000's | Date Declared | \$000's |
| Dividend to HGH | 28 August 2025 | 28,350 | 28 August 2024 | 15,000 |
| Dividend to HGH | — | — | 26 February 2025 | 18,750 |
| Total dividends paid | | 28,350 | | 33,750 |

10 Other reserves

| \$000's | Employee Benefit Reserve | Common Control Reserve | Foreign Currency Translation Reserve (FCTR) | Fair Value Reserve | Cash Flow Hedge Reserve | Total |
|--|--------------------------------|------------------------------|---|-----------------------|-------------------------------|-----------|
| Unaudited - December 2025 | | | | | | |
| Balance as at 1 July 2025 | — | (81,918) | (8,578) | (4,907) | (9,474) | (104,877) |
| Movements attributable to net investments in foreign operations | — | — | 36,245 | — | — | 36,245 |
| Net movements attributable to changes in fair value of debt investments at FVOCI | — | — | — | (730) | — | (730) |
| Movements attributable to cash flow hedges | — | — | — | — | 1,716 | 1,716 |
| Movements attributable to changes in fair value of equity investments at FVOCI | — | — | — | (1) | — | (1) |
| Income tax effect | — | — | — | 117 | (689) | (572) |
| Total other comprehensive income/(loss) net of income tax | — | — | 36,245 | (614) | 1,027 | 36,658 |
| Share based payments | 952 | — | — | — | — | 952 |
| Recharge of share based payments due to HGH ¹ | (952) | — | — | — | — | (952) |
| Transfer on disposal of equity investments at FVOCI | — | — | — | 6,051 | — | 6,051 |
| Balance as at 31 December 2025 | — | (81,918) | 27,667 | 530 | (8,447) | (62,168) |
| Unaudited - December 2024 | | | | | | |
| Balance as at 1 July 2024 | — | (81,660) | (1,682) | (4,653) | 4,374 | (83,621) |
| Movements attributable to net investments in foreign operations | — | — | 4,824 | — | — | 4,824 |
| Net movements attributable to changes in fair value of debt investments at FVOCI | — | — | — | 201 | — | 201 |
| Movements attributable to cash flow hedges | — | — | — | — | (16,682) | (16,682) |
| Income tax effect | — | — | — | 45 | 3,522 | 3,567 |
| Total other comprehensive income/(loss) net of income tax | — | — | 4,824 | 246 | (13,160) | (8,090) |
| Other movements | — | (249) | — | — | — | (249) |
| Balance as at 31 December 2024 | — | (81,909) | 3,142 | (4,407) | (8,786) | (91,960) |

¹ Refer to Note 12 Related party transactions and balances for further details.

10 Other reserves (continued)

Employee benefit reserve

Includes amounts which arise on the recognition of the Banking Group's fair value estimate of equity instruments expected to vest under share-based compensation plan.

FCTR

Exchange differences arising on translation of the Banking Group's foreign operations are accumulated in the Foreign currency translation reserve and recognised in other comprehensive income. The cumulative amount is reclassified to profit or loss when a foreign operation is disposed of.

Fair value reserve

This includes unrealised fair value gain/(loss) on debt and equity investments measured at FVOCI and fair value hedge adjustments on certain such debt investments, net of tax.

Where a debt investment is disposed of, related fair value changes and any unamortised fair value hedge adjustments previously recorded in equity are reclassified to profit or loss.

Where an equity investment is disposed of, related fair value changes is transferred directly to retained earnings.

Cash flow hedge reserve

This includes fair value gains and losses associated with the effective portion of the designated cash flow hedging instruments, net of tax.

Where a swap that was previously subject to hedge designation is terminated early and the Banking Group continues to hold the hedge items, any unamortised effective portion of the hedge adjustment is reclassified to profit or loss over the remaining term of the related hedged item.

Common control reserve

Common control reserve represents the difference between the consideration paid for the acquisition of Australian business from HGH and the share capital of the transferred entities based on carrying amounts at the date of transfer in May 2024.

11 Intangible assets

| \$000's | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| Computer software | | |
| Software - cost | 78,947 | 77,360 |
| Software under development | 806 | 1,823 |
| Accumulated amortisation | (38,810) | (33,181) |
| Net carrying value of computer software | 40,943 | 46,002 |
| Goodwill | 217,743 | 204,819 |
| Net carrying value of goodwill | 217,743 | 204,819 |
| Total intangible assets | 258,686 | 250,821 |

Goodwill

For the purposes of impairment testing, goodwill is allocated to cash generating units. A Cash Generating Unit (CGU) is the smallest identifiable group of assets that generate independent cash inflows. The Banking Group has assessed that goodwill should be allocated to the smallest identifiable CGU or group of CGUs as follows:

| CGU | Goodwill | |
|----------------------------------|-------------------------------|----------------------|
| \$000's | Unaudited December 2025 | Audited June 2025 |
| Heartland Bank Limited | 29,799 | 29,799 |
| Heartland Bank Australia Limited | 187,944 | 175,020 |
| Total goodwill | 217,743 | 204,819 |

There was no indication of impairment and no impairment losses have been recognised against the carrying amount of goodwill for the six months ended 31 December 2025 (June 2025: nil).

12 Related party transactions and balances

(a) Transactions with related parties

The Bank has regular transactions with its ultimate parent company, fellow subsidiaries and subsidiaries (collectively known as the **Heartland Group**) on agreed terms. The transactions include the provision of administrative services and customer operations. Banking facilities are provided by HBL to other Banking Group entities on normal commercial terms as with other customers. There is no lending from the Banking Group to HGH.

The Trustees of Heartland Trust (**HT**) and certain employees of the Banking Group provided their time and skills to the oversight and operation of HT at no charge.

Related party transactions between the Banking Group members eliminate on consolidation. Related party transactions outside of the Banking Group are as follows:

| \$000's | Unaudited December 2025 | Unaudited December 2024 |
|---|-------------------------------|-------------------------------|
| Heartland Group Holdings Limited | | |
| Interest expense | (113) | (186) |
| Net deposits/(withdrawals) | 14,000 | (15,500) |
| Dividends paid to HGH ¹ | (28,350) | (15,000) |
| Management fees paid to HGH | (2,075) | (3,613) |
| Management fees received from HGH | 537 | 4,341 |
| Recharge of share based payments | 952 | — |

¹Refer to Note 9 - Share capital and dividends for further details.

| \$000's | Unaudited December 2025 | Unaudited December 2024 |
|-----------------------------|-------------------------------|-------------------------------|
| Heartland Trust (HT) | | |
| Unclaimed monies paid to HT | 104 | — |

b) Due to related parties

| \$000's | Unaudited December 2025 | Audited June 2025 |
|---------------------------------------|-------------------------------|----------------------|
| Due to | | |
| Heartland Group Holdings Limited | — | 792 |
| Total due to related parties | — | 792 |
| Due from | | |
| Heartland Group Holdings Limited | 36 | — |
| Total due from related parties | 36 | — |

(c) Other balances with related parties

| \$000's | Unaudited December 2025 | Audited June 2025 |
|---|-------------------------------|----------------------|
| Heartland Group Holdings Limited | | |
| Retail deposits owing to HGH | 16,955 | 2,841 |

13 Fair value

(a) Financial instruments measured at fair value

The following methods and assumptions were used to estimate the fair value of each class of financial asset and liability measured at fair value on a recurring basis in the statement of financial position.

The Banking Group has an established framework in performing valuations required for financial reporting purposes including Level 3 fair values. The Banking Group regularly reviews and calibrates significant unobservable inputs and valuation adjustments in accordance with market participants' views. If external valuation specialists are engaged to measure fair values, the Banking Group assesses the evidence obtained from these specialists to support the conclusion of these valuations. All significant valuations are reported to the Board Audit Committee for approval prior to its adoption in the interim financial statements.

Investments in debt securities

Investments in public sector securities and corporate bonds are stated at FVOCI or FVTPL, with the fair value being based on quoted market prices (Level 1 under the fair value hierarchy) or modelled using observable market inputs (Level 2 under the fair value hierarchy).

Investments valued under Level 2 of the fair value hierarchy are valued either based on quoted market prices or dealer quotes for similar instruments, or discounted cash flows analysis.

Investments in equity securities

Investments in equity securities where the Banking Group does not have control, joint control or significant influence are classified at FVTPL. However, where such securities are not held for trading, the Banking Group could make an irrevocable election to measure them at FVOCI. Any unrealised gain or loss on instrument under such election are recorded in other comprehensive income.

Investments in listed securities traded in liquid, active markets where prices are readily observable are measured under Level 1 of the fair value hierarchy with no modelling or assumptions used in the valuation. Investments in unlisted securities are measured under Level 3 of the fair value hierarchy with the fair value being based on unobservable inputs using market accepted valuation techniques. Where appropriate, the Banking Group may apply adjustments to the above-mentioned techniques to determine fair value of a security to reflect the underlying characteristics. These adjustments are reflective of market participant considerations in valuing the said security.

Finance receivables - reverse mortgages

The Banking Group classifies and measures the reverse mortgage portfolio at FVTPL under NZ IFRS 9 as the review of the reverse mortgage portfolio valuation determined that the terms and conditions of these loan contracts do not contain a component of significant insurance risk.

On initial recognition the Banking Group considers the transaction price to represent the fair value of the loan, on the basis that no reliable fair value can be estimated as there is no relevant active market and fair value cannot be reliably measured using other valuation techniques under NZ IFRS 13 Fair value measurement.

For subsequent measurement, and at balance date, the Banking Group considered whether the fair value can be determined by reference to a relevant active market or using a valuation technique that incorporates observable inputs but has concluded relevant support is not currently available. In the absence of such market evidence the Banking Group has used the transaction value (cash advanced plus accrued capitalised interest) for subsequent measurement. The Banking Group has used an actuarial method to determine a proxy for the fair value that incorporates changes in the portfolio risk and expectations of the portfolio performance. This includes inputs such as mortality and potential move into care, voluntary exits, house price changes, interest rate margin and the no equity guarantee. This estimate is highly subjective and a wide range of plausible values are possible. The estimate provides an indication of whether the transaction value is overstated.

The Banking Group does not consider that the actuarial estimate has moved outside of the original expectation range on initial recognition. There has been no fair value movement recognised in profit or loss during the period (December 2024: nil). Fair value is not sensitive to the above assumptions due to the nature of reverse mortgage loans. In particular, given conservative origination loan-to-value ratio and security criteria, a material deterioration in house prices combined with a material increase in interest rates over a sustained period of time would likely need to occur before any potential impact to fair value.

13 Fair value (continued)

(a) Financial instruments measured at fair value (continued)

Finance receivables - reverse mortgages (continued)

The Banking Group will continue to reassess the existence of a relevant active market and movements in expectations on an on-going basis.

Derivative financial instruments

Derivative financial instruments are recognised in the financial statements at fair value. Fair values are determined from observable market prices as at the reporting date, discounted cash flow models or option pricing models as appropriate (Level 2 under the fair value hierarchy).

The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which each fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

| \$000's | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|---------------|------------------|------------------|
| Unaudited - December 2025 | | | | |
| Assets | | | | |
| Investments | 773,237 | – | 4,950 | 778,187 |
| Derivative financial instruments | – | 5,532 | – | 5,532 |
| Finance receivables - reverse mortgages | – | – | 3,841,667 | 3,841,667 |
| Total financial assets measured at fair value | 773,237 | 5,532 | 3,846,617 | 4,625,386 |
| Liabilities | | | | |
| Derivative financial instruments | – | 19,870 | – | 19,870 |
| Total financial liabilities measured at fair value | – | 19,870 | – | 19,870 |
| Audited - June 2025 | | | | |
| Assets | | | | |
| Investments | 783,272 | – | 6,772 | 790,044 |
| Derivative financial instruments | – | 4,792 | – | 4,792 |
| Finance receivables - reverse mortgages | – | – | 3,370,949 | 3,370,949 |
| Total financial assets measured at fair value | 783,272 | 4,792 | 3,377,721 | 4,165,785 |
| Liabilities | | | | |
| Derivative financial instruments | – | 20,660 | – | 20,660 |
| Total financial liabilities measured at fair value | – | 20,660 | – | 20,660 |

There were no transfers between levels in the fair value hierarchy in the six months ended 31 December 2025 (December 2024: nil).

13 Fair value (continued)

(a) Financial instruments measured at fair value (continued)

The movement in Level 3 assets measured at fair value are below:

| \$000's | Finance Receivables - Reverse Mortgages | Investments | Total |
|---|--|--------------|------------------|
| <i>Unaudited - December 2025</i> | | | |
| As at 30 June 2025 | 3,370,949 | 6,772 | 3,377,721 |
| New loans | 424,053 | – | 424,053 |
| Repayments | (278,405) | – | (278,405) |
| Capitalised Interest and fees | 162,196 | – | 162,196 |
| Sale of investments | – | (2,222) | (2,222) |
| Fair value loss on investment | – | (16) | (16) |
| Foreign exchange gain on translation | 162,874 | 416 | 163,290 |
| As at 31 December 2025 | 3,841,667 | 4,950 | 3,846,617 |
| <i>Audited - June 2025</i> | | | |
| As at 30 June 2024 | 2,897,818 | 9,432 | 2,907,250 |
| New loans | 643,735 | – | 643,735 |
| Repayments | (424,626) | – | (424,626) |
| Capitalised Interest and fees | 283,600 | – | 283,600 |
| Purchase of investments | – | 251 | 251 |
| Fair value (loss) on investment | – | (2,805) | (2,805) |
| Foreign exchange (loss) on translation | (29,578) | (106) | (29,684) |
| As at 30 June 2025 | 3,370,949 | 6,772 | 3,377,721 |

13 Fair value (continued)

(b) Financial instruments not measured at fair value

The following assets and liabilities of the Banking Group are not measured at fair value in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost and their carrying value is considered equivalent to their fair value due to their short term nature.

Finance receivables measured at amortised cost

The fair value of the Banking Group's finance receivables is calculated using a valuation technique which assumes the Banking Group's current weighted average lending rates for loans of a similar nature and term.

Finance receivables with a floating interest rate are deemed to be at current market rates. The current amount of credit provisioning has been deducted from the fair value calculation of finance receivables as a proxy for future losses.

Borrowings

The fair value of deposits, bank borrowings and other borrowings is the present value of future cash flows and is based on the current market interest rates payable by the Banking Group for debt of similar maturities.

Other financial assets and financial liabilities

The fair value of all other financial instruments is considered equivalent to their carrying value due to their short-term nature.

The following table sets out financial instruments not measured at fair value where the carrying value does not approximate fair value, compares their carrying value against their fair value and analyses them by level in the fair value hierarchy.

| \$000's | Unaudited - December 2025 | | | Audited - June 2025 | | |
|--|---------------------------|------------------|----------------------|----------------------|------------------|----------------------|
| | Fair Value Hierarchy | Total Fair Value | Total Carrying Value | Fair Value Hierarchy | Total Fair Value | Total Carrying Value |
| Assets | | | | | | |
| Finance receivables measured at amortised cost | Level 3 | 3,531,525 | 3,398,527 | Level 3 | 3,823,238 | 3,711,450 |
| Total financial assets | | 3,531,525 | 3,398,527 | | 3,823,238 | 3,711,450 |
| Liabilities | | | | | | |
| Deposits | Level 2 | 6,930,724 | 6,912,116 | Level 2 | 6,557,613 | 6,532,794 |
| Other borrowings | Level 2 | 561,935 | 554,649 | Level 2 | 831,035 | 825,454 |
| Total financial liabilities | | 7,492,659 | 7,466,765 | | 7,388,648 | 7,358,248 |

Risk Management

14 Enterprise risk management program

There have been no material changes in the Banking Group's policies for managing risk, or material exposures to any new types of risk since the reporting of the previous Disclosure Statement for the year ended 30 June 2025.

15 Credit risk exposure

(a) Maximum exposure to credit risk at the relevant reporting dates

The following table represents the maximum credit risk exposure, without taking into account any collateral held. The exposures set out below are based on net carrying amounts as reported in the statement of financial position, where investments exclude total equity investments and finance receivables measured at amortised cost are presented gross of provision for losses on guaranteed future value products as they do not give rise to credit risk exposure.

| \$000's | Unaudited December 2025 |
|--|-------------------------------|
| On balance sheet: | |
| Cash and cash equivalents | 394,089 |
| Collateral paid | 12,867 |
| Investments | 773,237 |
| Finance receivables measured at amortised cost | 3,400,031 |
| Finance receivables - reverse mortgages | 3,841,667 |
| Derivative financial assets | 5,532 |
| Other financial assets | 6,617 |
| Total on balance sheet credit exposures | 8,434,040 |
| Off balance sheet: | |
| Letters of credit, guarantee commitments and performance bonds | 2,235 |
| Undrawn facilities available to customers | 666,824 |
| Conditional commitments to fund at future dates | 6,951 |
| Total off balance sheet credit exposures | 676,010 |
| Total credit exposures | 9,110,050 |

(b) Concentration of credit risk by geographic region

| \$000's | Unaudited December 2025 |
|--------------------------------|-------------------------------|
| New Zealand | 5,222,571 |
| Australia | 3,812,164 |
| Rest of the world ¹ | 145,999 |
| | 9,180,734 |
| Provision for impairment | (70,684) |
| Total credit exposures | 9,110,050 |

¹These overseas assets are primarily NZD-denominated investments in AA+ (Standard & Poor's) and high quality investment grade securities issued by offshore supranational agencies ("Kauri Bonds").

15 Credit risk exposure (continued)

(c) Concentration of credit risk by industry sector

The Australian and New Zealand Standard Industrial Classification (**ANZSIC**) codes have been used as the basis for categorising customer and investees across industry sectors.

| \$000's | Unaudited December 2025 |
|---|--|
| Agriculture | 1,067,353 |
| Forestry and fishing | 68,526 |
| Mining | 2,587 |
| Manufacturing | 49,598 |
| Finance and insurance | 708,462 |
| Wholesale trade | 29,788 |
| Retail trade and accommodation | 349,312 |
| Households | 5,366,680 |
| Other business services | 146,484 |
| Construction | 255,918 |
| Rental, hiring and real estate services | 178,022 |
| Transport and storage | 342,300 |
| Public administration and safety | 517,516 |
| Other | 98,188 |
| | 9,180,734 |
| Provision for impairment | (70,684) |
| Total credit exposures | 9,110,050 |

15 Credit risk exposure (continued)

(d) Credit exposure to individual counterparties

The Banking Group's aggregate concentration of credit exposure to individual counterparties is calculated based on the actual credit exposure. Credit exposures to connected persons, the central government or central bank of any country with a long term credit rating of A- or A3 or above, or its equivalent, and any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent are excluded.

The peak end-of-day aggregate concentration of credit exposure to individual counterparties has been calculated by determining the maximum end-of-day aggregate amount of credit exposure over the relevant six-month period and then dividing the amount by the Banking Group's CET1 capital at 31 December 2025.

| | Unaudited as at 31 December 2025 | Unaudited Peak End-of- day over 6 months to 31 December 2025 |
|--|--|--|
| Total number of exposures to banks | | |
| With a long-term credit rating of A- or A3 or above, or its equivalent: | | |
| 10% to less than 15% of CET1 capital | — | 1 |
| 15% to less than 20% of CET1 capital | — | — |
| 20% to less than 25% of CET1 capital | 1 | — |
| 25% to less than 30% of CET1 capital | — | — |
| 30% to less than 35% of CET1 capital | — | — |
| 35% to less than 40% of CET1 capital | — | 1 |
| With a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent that are greater than 10% CET1 capital | — | — |
| Total number of exposures to non-banks | | |
| Total number of exposures to non-banks that are greater than 10% to less than 15% of CET1 capital that have a long-term credit rating of A- or A3 or above. | — | — |
| Total number of exposures to non-banks that are greater than 10% to less than 15% of CET1 capital that do not have a long-term credit rating. | — | — |

16 Asset quality

The disclosures in this note are categorised by the following credit risk concentrations:

Corporate Business lending including rural lending.

Residential Lending secured by a first ranking mortgage over a residential property used primarily for residential purposes either by the mortgagor or a tenant of the mortgagor.

All Other This relates primarily to consumer lending to individuals.

Information is not presented in respect of other financial assets or credit related commitments as the related allowances for ECL are not material to the Banking Group.

(a) Past due but not individually impaired

| \$000's | Corporate | Residential ¹ | All Other | Total |
|---|----------------|--------------------------|---------------|----------------|
| <i>Unaudited - December 2025</i> | | | | |
| Less than 30 days past due | 40,167 | 2,330 | 38,447 | 80,944 |
| At least 30 but less than 60 days past due | 25,443 | 2,275 | 8,156 | 35,874 |
| At least 60 but less than 90 days past due | 16,524 | 83 | 2,149 | 18,756 |
| At least 90 days past due | 43,684 | 21,804 | 16,474 | 81,962 |
| Total past due but not individually impaired | 125,818 | 26,492 | 65,226 | 217,536 |

¹Residential finance receivables comprise \$24.5 million of past due finance receivables - reverse mortgages which are measured at FVTPL.

16 Asset quality (continued)

(b) Provision for impairment

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|--|-----------------------|----------------|---------------|-----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Unaudited - December 2025 | | | | | |
| Corporate | | | | | |
| Impairment allowance as at 30 June 2025 | 10,223 | 5,614 | 15,827 | 24,795 | 56,459 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (152) | (3,408) | (659) | 4,219 | – |
| New and increased provision (net of provision releases) ¹ | (77) | 2,955 | (313) | 8,645 | 11,210 |
| Credit impairment charge | (229) | (453) | (972) | 12,864 | 11,210 |
| Write-offs | – | – | (3,926) | (7,473) | (11,399) |
| Effect of changes in foreign exchange rate | 101 | 29 | – | 241 | 371 |
| Impairment allowance as at 31 December 2025 | 10,095 | 5,190 | 10,929 | 30,427 | 56,641 |
| Residential | | | | | |
| Impairment allowance as at 30 June 2025 | 179 | – | – | – | 179 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | – | – | – | – | – |
| New and increased provision (net of provision releases) ¹ | (45) | – | – | – | (45) |
| Credit impairment charge | (45) | – | – | – | (45) |
| Write-offs | – | – | – | – | – |
| Effect of changes in foreign exchange rate | (1) | – | – | – | (1) |
| Impairment allowance as at 31 December 2025 | 133 | – | – | – | 133 |
| All Other | | | | | |
| Impairment allowance as at 30 June 2025 | 5,627 | 2,237 | 7,277 | – | 15,141 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (74) | (1,529) | 1,603 | – | – |
| New and increased provision (net of provision releases) ¹ | (881) | 477 | 3,721 | – | 3,317 |
| Credit impairment charge | (955) | (1,052) | 5,324 | – | 3,317 |
| Write-offs | – | – | (4,509) | – | (4,509) |
| Effect of changes in foreign exchange rate | (39) | – | – | – | (39) |
| Impairment allowance as at 31 December 2025 | 4,633 | 1,185 | 8,092 | – | 13,910 |
| Total | | | | | |
| Impairment allowance as at 30 June 2025 | 16,029 | 7,851 | 23,104 | 24,795 | 71,779 |
| Changes in loss allowance | | | | | |
| Transfer between stages ¹ | (226) | (4,937) | 944 | 4,219 | – |
| New and increased provision (net of provision releases) ¹ | (1,003) | 3,432 | 3,408 | 8,645 | 14,482 |
| Credit impairment charge | (1,229) | (1,505) | 4,352 | 12,864 | 14,482 |
| Write-offs | – | – | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 61 | 29 | – | 241 | 331 |
| Impairment allowance as at 31 December 2025 | 14,861 | 6,375 | 19,021 | 30,427 | 70,684 |

¹ The increase in provision when a loan moves to a higher stage is included in New and increased provision (net of provision releases) in the higher stage to which the loan moved. The decrease in provision when a loan moves to a lower stage is included in New and increased provision (net of provision releases) in the higher stage from which the loan moved.

16 Asset quality (continued)

(c) Impact of changes in gross finance receivables held at amortised cost on allowance for ECL

| \$000's | Collectively Assessed | | | Individually Assessed | Total |
|---|-----------------------|----------------|---------------|-----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | | |
| <i>Unaudited - December 2025</i> | | | | | |
| Corporate | | | | | |
| Gross finance receivables as at 30 June 2025 | 2,144,693 | 220,092 | 74,173 | 90,830 | 2,529,788 |
| Transfer between stages | (61,345) | (16,302) | 21,563 | 56,084 | – |
| Additions | 352,888 | – | – | – | 352,888 |
| Deletions | (381,399) | (65,571) | (41,850) | (30,932) | (519,752) |
| Write-offs | – | – | (3,926) | (7,473) | (11,399) |
| Effect of changes in foreign exchange rate | 16,273 | 1,686 | – | 2,957 | 20,916 |
| Gross finance receivables as at 31 December 2025 | 2,071,110 | 139,905 | 49,960 | 111,466 | 2,372,441 |
| Residential | | | | | |
| Gross finance receivables as at 30 June 2025 | 216,240 | 369 | 998 | 488 | 218,095 |
| Transfer between stages | 666 | (200) | (492) | 26 | – |
| Additions | 1,108 | – | – | – | 1,108 |
| Deletions | (117,345) | – | – | (338) | (117,683) |
| Write-offs | – | – | – | – | – |
| Effect of changes in foreign exchange rate | 2,125 | 19 | – | 12 | 2,156 |
| Gross finance receivables as at 31 December 2025 | 102,794 | 188 | 506 | 188 | 103,676 |
| All Other | | | | | |
| Gross finance receivables as at 30 June 2025 | 998,663 | 16,401 | 21,786 | – | 1,036,850 |
| Transfer between stages | (6,851) | (1,639) | 8,490 | – | – |
| Additions | 237,243 | – | – | – | 237,243 |
| Deletions | (263,982) | (5,957) | (5,062) | – | (275,001) |
| Write-offs | – | – | (4,509) | – | (4,509) |
| Effect of changes in foreign exchange rate | 15 | – | – | – | 15 |
| Gross finance receivables as at 31 December 2025 | 965,088 | 8,805 | 20,705 | – | 994,598 |
| Total | | | | | |
| Gross finance receivables as at 30 June 2025 | 3,359,596 | 236,862 | 96,957 | 91,318 | 3,784,733 |
| Transfer between stages | (67,530) | (18,141) | 29,561 | 56,110 | – |
| Additions | 591,239 | – | – | – | 591,239 |
| Deletions | (762,726) | (71,528) | (46,912) | (31,270) | (912,436) |
| Write-offs | – | – | (8,435) | (7,473) | (15,908) |
| Effect of changes in foreign exchange rate | 18,413 | 1,705 | – | 2,969 | 23,087 |
| Gross finance receivables as at 31 December 2025 | 3,138,992 | 148,898 | 71,171 | 111,654 | 3,470,715 |

16 Asset quality (continued)

The Banking Group's provision for impairment has decreased by \$1.1 million for the period ended 31 December 2025, driven by the following movements:

Impact of changes in gross exposures on loss allowances - Corporate exposures

- A net decrease in collective provisions of \$5.5 million, reflecting improvements in staging mix and specifically, reductions in Stage 3 gross exposures due to recovery actions undertaken by the Banking Group and subsequent bad debt write-offs of \$3.9 million.
- A net increase in individually assessed provisions of \$5.6 million, following transfer (net of repayments) of \$25.2 million of receivables into this category. This resulted in additional provisions of \$12.9 million on loans within the secured business lending portfolio, driven by deteriorating economic conditions, and lower valuations of underlying securities. These increases were partially offset by bad-debt write-offs of \$7.5 million.

Impact of changes in gross exposures on loss allowances - Residential exposures

The Banking Group's provision for impairment for residential exposures decreased by \$0.1 million, predominantly due to lower gross exposures arising from customer repayments. There were no other significant changes in gross exposures or staging during the period.

Impact of changes in gross exposures on loss allowances - All other exposures

The Banking Group's provision for impairment has reduced by \$1.2 million, primarily due to an improvement in the staging mix and a reduction in overall exposure.

(d) Other asset quality information

As at 31 December 2025 there were \$0.1 million undrawn lending commitments available to counterparties for whom drawn balances are classified as individually impaired. As at 31 December 2025, the Banking Group had \$2.8 million assets under administration.

17 Liquidity and funding risk

The Banking Group holds the following liquid assets and committed funding sources for the purpose of managing liquidity risk:

| \$000's | Unaudited December 2025 |
|--|-------------------------------|
| Cash and cash equivalents | 394,089 |
| Investments in debt securities | 773,237 |
| Total liquid assets | 1,167,326 |
| Undrawn committed bank facilities | 333,411 |
| Total liquid assets and committed undrawn funding | 1,500,737 |

Contractual liquidity profile of financial liabilities

The following tables present the Banking Group's financial liabilities by relevant maturity groupings based upon contractual maturity date. The amounts disclosed in the tables represent undiscounted future principal and interest cash flows. As a result, the amounts in the tables below may differ to the amounts reported on the statement of financial position.

The contractual cash flows presented below may differ significantly from actual cash flows. This occurs as a result of future actions by the Banking Group and its counterparties, such as early repayments or refinancing of term loans and borrowings. Deposits and other public borrowings include customer savings deposits and transactional accounts, which are at call. These accounts provide a stable source of long term funding for the Banking Group.

| \$000's | On Demand | 0-6 Months | 6-12 Months | 1-2 Years | 2-5 Years | 5+ Years | Total |
|---|------------------|------------------|------------------|----------------|----------------|----------------|------------------|
| <i>Unaudited - December 2025</i> | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Deposits | 1,036,085 | 4,376,196 | 1,240,463 | 206,760 | 173,926 | — | 7,033,430 |
| Other borrowings | — | 20,042 | 19,353 | 269,335 | 95,326 | 366,095 | 770,151 |
| Lease liabilities | — | 1,771 | 2,236 | 4,438 | 7,194 | 1,868 | 17,507 |
| Other financial liabilities | — | 16,875 | — | — | — | — | 16,875 |
| Total non-derivative financial liabilities | 1,036,085 | 4,414,884 | 1,262,052 | 480,533 | 276,446 | 367,963 | 7,837,963 |
| Derivative financial liabilities | | | | | | | |
| Inflows from derivatives | — | 10,280 | 9,541 | 14,344 | 11,511 | 379 | 46,055 |
| Outflows from derivatives | — | 17,004 | 15,681 | 19,401 | 14,032 | 316 | 66,434 |
| Total derivative financial liabilities | — | 6,724 | 6,140 | 5,057 | 2,521 | (63) | 20,379 |
| Undrawn facilities available to customers | 666,824 | — | — | — | — | — | 666,824 |

18 Interest rate risk

Contractual repricing analysis

The interest rate risk profile of financial assets and liabilities that follows has been prepared on the basis of maturity or next repricing date, whichever is earlier.

| \$000's | 0-3 Months | 3-6 Months | 6-12 Months | 1-2 Years | 2+ Years | Non- Interest Bearing | Total |
|--|------------------|--------------------|------------------|----------------|------------------|-----------------------------|------------------|
| <i>Unaudited - December 2025</i> | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 394,089 | — | — | — | — | — | 394,089 |
| Collateral paid | 12,867 | — | — | — | — | — | 12,867 |
| Investments | 415,496 | 14,955 | 24,931 | 53,355 | 264,500 | 4,950 | 778,187 |
| Due from related parties | — | — | — | — | — | 36 | 36 |
| Derivative financial assets | — | — | — | — | — | 5,532 | 5,532 |
| Finance receivables measured at amortised cost | 1,385,830 | 263,491 | 431,934 | 547,874 | 769,398 | — | 3,398,527 |
| Finance receivables - reverse mortgages | 3,841,667 | — | — | — | — | — | 3,841,667 |
| Other financial assets | 3,417 | — | — | — | — | 3,200 | 6,617 |
| Total financial assets | 6,053,366 | 278,446 | 456,865 | 601,229 | 1,033,898 | 13,718 | 8,437,522 |
| Financial liabilities | | | | | | | |
| Deposits | 3,460,911 | 1,873,808 | 1,200,257 | 193,044 | 148,175 | 35,921 | 6,912,116 |
| Other borrowings | 393,295 | — | — | — | 161,354 | — | 554,649 |
| Derivative financial liabilities | — | — | — | — | — | 19,870 | 19,870 |
| Lease liabilities | — | — | — | — | — | 15,655 | 15,655 |
| Other financial liabilities | — | — | — | — | — | 16,875 | 16,875 |
| Total financial liabilities | 3,854,206 | 1,873,808 | 1,200,257 | 193,044 | 309,529 | 88,321 | 7,519,165 |
| Effect of derivatives held for risk management | 716,478 | 125,000 | (230,000) | (226,500) | (384,978) | — | — |
| Net financial assets/(liabilities) | 2,915,638 | (1,470,362) | (973,392) | 181,685 | 339,391 | (74,603) | 918,357 |

19 Concentrations of funding

(a) Concentration of funding by industry

ANZSIC codes have been used as the basis for categorising customer and investee industry sectors.

| \$000's | Unaudited December 2025 |
|---|--|
| Agriculture | 110,769 |
| Forestry and fishing | 14,568 |
| Manufacturing | 15,384 |
| Mining | 108 |
| Finance and insurance | 1,650,972 |
| Wholesale trade | 9,878 |
| Retail trade and accommodation | 34,738 |
| Households | 4,671,592 |
| Rental, hiring and real estate services | 50,679 |
| Construction | 27,855 |
| Other business services | 642,205 |
| Transport and storage | 6,415 |
| Public administration and safety | 156,557 |
| Other | 75,045 |
| Total funding | 7,466,765 |

(b) Concentration of funding by geographical area

| \$000's | Unaudited December 2025 |
|----------------------|--|
| New Zealand | 4,250,410 |
| Australia | 3,142,732 |
| Rest of the world | 73,623 |
| Total funding | 7,466,765 |

Other Disclosures

20 Capital adequacy and regulatory liquidity ratios - unaudited

The Reserve Bank of New Zealand (**RBNZ**) minimum regulatory capital requirements for banks have been established under the RBNZ Capital Adequacy Framework, outlined in the "Banking Prudential Requirements" (**BPRs**) documents. These documents are based on the international framework developed by the Bank for International Settlements Committee on Banking Supervision, commonly known as Basel III. These requirements define what is acceptable as capital and provide methods for measuring risks incurred by the banks in New Zealand. Basel III consists of three pillars:

- Pillar One covers the capital requirements for banks for credit, operational, and market risks;
- Pillar Two covers all other material risks not already included in Pillar One; and
- Pillar Three relates to market disclosure.

RBNZ Capital Adequacy

Heartland Bank Limited must manage the capital requirements of the Banking Group and the New Zealand Banking Group in line with the Conditions of Registration (**CoR**) issued by the RBNZ. Refer to New Zealand Banking Group disclosures - unaudited for further details.

The Banking Group has calculated its Risk Weighted Exposures (**RWEs**) and minimum regulatory capital requirements in accordance with the CoR and the BPR documents, where relevant. In doing so, the Banking Group has applied the following methodology:

- Calculated the total credit risk - Risk Weighted Assets (**RWAs**) for the New Zealand operations as per BPR 130: Credit Risk RWAs;
- Calculated the total credit risk RWAs for HBA and its subsidiaries as per Australian Prudential Standard (**APS**)112 Capital Adequacy: Standardised Approach to Credit Risk (**APS112**) and APS180 Capital Adequacy: Counterparty Credit Risk (**APS180**);
- Calculated the Banking Group's capital requirement for market risk exposure as per BPR140: Market Risk;
- Calculated the Banking Group's capital requirement for operational risk as per BPR150: Standardised Operational Risk.

Total regulatory capital is divided into Tier 1 and Tier 2 capital. Tier 1 capital comprises Common Equity Tier 1 (**CET1**) capital and Additional Tier 1 (**AT1**) capital. Tier 1 capital primarily consists of shareholder's equity and other capital instruments acceptable to the RBNZ as per BPR110: Capital Definitions (**BPR110**), less intangible assets, cash flow hedge reserves, deferred tax assets, and other prescribed deductions. Tier 2 as per BPR110 comprises eligible subordinated debt securities and revaluation reserves.

Regulatory capital adequacy ratios are calculated by expressing capital as a percentage of RWEs. As a Condition of Registration, the Bank must comply with the following minimum requirements set by the RBNZ:

- Total capital of the Banking Group and New Zealand Banking Group must not be less than 11% of RWE¹
- Tier 1 capital of the Banking Group and New Zealand Banking Group must not be less than 9% of RWE¹
- CET1 capital of the Banking Group and New Zealand Banking Group must not be less than 6.5% of RWE¹

¹Includes the RBNZ's 2% capital overlay attached to the Bank's CoR.

In addition, if the Prudential Capital Buffer (**PCB**) Ratio of the Banking Group is less than 3.5%, the Bank must limit aggregate distributions, other than discretionary payments payable to holders of AT1 capital instruments, to the limits set out within the Bank's CoR.

Including the PCB, the Banking Group's minimum total capital requirement is 14.5%. On 17 December 2025, the RBNZ released its decisions on the new capital settings applying to deposit takers. This requires Group 2 deposit takers in New Zealand to gradually transition their Total Capital ratio to 14.0% by December 2028. The Banking Group's Total Capital ratio is 17.11% as at 31 December 2025, above this minimum requirement. The RBNZ is set to release a range of information relating to these decisions in early 2026.

Subsequent to 31 December 2025, the RBNZ have issued revised CoR that, effective 1 March 2026, reducing the Banking Group and New Zealand Banking Group's regulatory capital overlay from 2.00% to 0.50%. The effect of this is reducing the Banking Group and New Zealand Banking Group's minimum capital ratios as follows:

- Total capital ratio from 11.0% to 9.5%
- Tier 1 capital ratio from 9.0% to 7.5%
- CET1 capital ratio from 6.5% to 5.0%

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

Capital management

The Board has overall responsibility for ensuring the Banking Group has adequate capital in relation to its risk profile and establishes minimum internal capital levels and limits above the regulatory minimum.

The Banking Group's objectives for the management of capital are to:

- Maintain a strong capital base to cover the inherent risks of the business in excess of that required by credit ratings agencies to maintain a strong credit rating;
- Support the future development and growth of the business; and
- Comply at all times with the regulatory capital requirements set by the RBNZ, whereas the Australian Banking Group must comply at all times with the regulatory capital requirements set by APRA.

The Bank's Capital Management Framework includes its:

- Internal Capital Adequacy Assessment Process (**ICAAP**);
- Capital Stress Testing Policy; and
- Capital Management Plan (**CMP**)

The Banking Group has an ICAAP that complies with the requirements set out in BPR100: Capital Adequacy (**BPR100**) and follows its CoR. The ICAAP identifies the capital required to be held against other material risks, such as strategic business risk, reputational risk, regulatory risk, and additional credit risk. Stress testing conducted following the Capital Stress Testing Policy assists in this process.

The Banking Group actively monitors their capital adequacy through Group Asset and Liability Committee (**GALCO**) and report this regularly to the Board. This includes forecasting capital requirements to ensure that future capital requirements can be executed on time. The Banking Group uses a mix of capital instruments to reduce single-source reliance and optimise its mix of capital. The Board reviews the ICAAP, CMP, and Capital Stress Testing Policy annually.

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

The capital adequacy tables set out on the following pages summarise the composition of regulatory capital and the capital adequacy ratios for the Banking Group as at 31 December 2025.

(a) Capital

| \$000's | Unaudited December 2025 |
|--|-------------------------------|
| Tier 1 Capital | |
| CET1 capital | |
| Paid-up ordinary shares issued by the Banking Group plus related share premium | 1,045,060 |
| Retained earnings (net of appropriations) | 268,444 |
| Accumulated other comprehensive income and other disclosed reserves ¹ | (89,835) |
| Less deductions from CET1 capital | |
| Intangible assets | (258,686) |
| Deferred tax assets | (19,535) |
| Cash flow hedge reserve | 8,447 |
| Reverse Mortgage LVR greater than 100% ² | (1,949) |
| Adjustment under the corresponding deductions approach - individual stakes exceeding 10% | (4,830) |
| Total CET1 capital | 947,116 |
| AT1 capital | – |
| Total Tier 1 capital | 947,116 |
| Tier 2 Capital | |
| NZD subordinated notes ³ | 100,000 |
| Foreign exchange translation reserve | 27,667 |
| Total Tier 2 capital | 127,667 |
| Total capital | 1,074,783 |

¹Excludes Foreign exchange translation reserve which is included within Tier 2 Capital.

²Australian reverse mortgage loan-to-value ratios (**LVRs**) for capital adequacy purposes are required to be calculated in accordance with APS112 Capital Adequacy: Standardised Approach to Credit Risk, which requires the property valuation to be the value at origination or, where relevant, on a subsequent formal revaluation. This has the effect of generally overstating LVRs in Australia as property values are not periodically updated (as compared to New Zealand) and therefore, some reverse mortgages in Australia are calculated with a LVR greater than 100% under this methodology. Had the Australian reverse mortgage property values been valued on the same basis as New Zealand reverse mortgage property values for LVR purposes, there would be no loans with LVR greater than 100%.

³Classified as a liability under NZ GAAP and excludes capitalised transaction costs.

(b) Capital structure

The following details summarise each instrument included within Total Capital. None of these instruments are subject to phase-out from eligibility as capital under the RBNZ's Basel III transitional arrangements.

Ordinary shares

In accordance with BPR110, ordinary share capital is classified as CET1 capital. The ordinary shares have no par value. Each ordinary share of the Bank carries the right to vote on a poll at meetings of shareholders, the right to an equal share in dividends authorised by the Board and the right to an equal share in the distribution of the surplus assets of the Bank in the event of liquidation.

Retained earnings

Retained earnings is the accumulated profit or loss that has been retained in the Banking Group. Retained earnings is classified as CET1 capital.

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(b) Capital structure (continued)

Reserves classified as CET1 capital

| | |
|-------------------------|--|
| Fair value reserve | The fair value reserve comprises the changes in the fair value of investments, net of tax. |
| Cash flow hedge reserve | The hedging reserve comprises the fair value gains and losses associated with the effective portion of designated cash flow hedging instruments, net of tax. Where the hedge item relating to the reserve is held against items which are not recorded at fair value on the balance sheet, the reserve is a deduction from CET1 capital. |
| Common control reserve | Common control reserve represents the difference between the consideration paid and the share capital of the transferred entities based on carrying amounts at the date of transfer. |

Tier 2 capital

Tier 2 capital comprises foreign exchange translation reserve and subordinated debt securities as per BPR110.

Subordinated notes - Tier 2 capital

NZD Subordinated notes

On 28 April 2023, HBL issued \$100 million of subordinated unsecured notes (**NZD Subordinated notes**) to New Zealand investors and certain overseas institutional investors pursuant to the terms of the Subordinated Unsecured Notes Deed Poll in accordance with the laws of New Zealand. NZD Subordinated notes are treated as Tier 2 capital under HBL regulatory capital requirements and will mature on 28 April 2033.

Interest payable

The interest rate is a fixed rate of 7.51% for a period of 5 years until 28 April 2028, after which it will reset to quarterly floating rate equal to the sum of the applicable 3-month Bank Bill Rate plus 3.2% Issue Margin. The quarterly payment of interest in respect of the subordinated notes are subject to HBL being solvent at the time of, and immediately following the interest payment.

Early Redemption

HBL may choose to repay all or some of the subordinated notes for their face value together with accrued interest (if any) on 28 April 2028 or any interest payment date thereafter. Early redemption of all the subordinated notes for certain tax or regulatory events is permitted on an interest payment date. Early redemption is subject to certain conditions, including HBL obtaining the RBNZ prior written approval and HBL being solvent at the time.

Ranking

The claims of the holders of the subordinated notes will rank:

- Behind the claims of all depositors and other creditors of HBL;
- equally with the claims of other holders of any other securities and obligations that rank equally with the subordinated notes and;
- ahead of the rights of the HBL's shareholders and holders of any other securities and obligations of HBL that rank behind the subordinated notes.

Foreign exchange translation reserve

The foreign exchange reserve arises from the translation of financial statements of foreign operations into the presentation currency of the reporting entity. This reserve includes the cumulative gains and losses resulting from the translation of assets, liabilities, income, and expenses at different exchange rates.

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(c) Credit risk for the Banking Group

On balance sheet exposures

| | Total Exposure After Credit Risk Mitigation \$000's | Risk Weight % | Risk Weighted Exposure \$000's |
|--|--|------------------|--------------------------------------|
| Unaudited - December 2025 | | | |
| Sovereigns and central banks | 408,544 | 0% | — |
| Multilateral development banks and other international organisations | 156,049 | 0% | — |
| | 9,105 | 20% | 1,821 |
| Public sector entities | 137,084 | 20% | 27,417 |
| Banks | 13,967 | 10% | 1,397 |
| | 458,785 | 20% | 91,757 |
| | — | 30% | — |
| | 14,276 | 50% | 7,138 |
| Corporate | 17,524 | 20% | 3,505 |
| | 206,867 | 85% | 175,837 |
| | 1,708,266 | 100% | 1,708,266 |
| | 8,462 | 150% | 12,693 |
| Residential mortgages not past due | | | |
| | 10,338 | 20% | 2,068 |
| | 5,815 | 25% | 1,454 |
| | 4,306 | 30% | 1,292 |
| | 78,248 | 35% | 27,387 |
| | 3,964 | 40% | 1,586 |
| | 271 | 45% | 122 |
| | — | 65% | — |
| Reverse mortgages | 660,143 | 40% | 264,057 |
| | 2,955,596 | 50% | 1,477,798 |
| | 62,293 | 80% | 49,834 |
| | 139,912 | 100% | 139,912 |
| | — | 150% | — |
| Past due residential mortgages | 2,626 | 100% | 2,626 |
| | 19,749 | 150% | 29,624 |
| Other past due assets | 123 | 20% | 25 |
| | 9,198 | 30% | 2,759 |
| | 49,816 | 100% | 49,816 |
| | 60,500 | 150% | 90,750 |
| Equity holdings in the Business Growth Fund that qualify for 250% risk weight | — | 250% | — |
| Equity holdings (not deducted from capital) included in the NZX50 or overseas equivalent index | — | 300% | — |
| All other equity holdings (not deducted from capital) | 120 | 400% | 480 |
| Other assets | 1,294,551 | 100% | 1,294,551 |
| Non risk weighted assets | 285,000 | 0% | — |
| Total on balance sheet exposures | 8,781,498 | | 5,465,972 |

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(c) Credit risk for the Banking Group (continued)

Off balance sheet exposures

| \$000's | Total Exposure \$000's | Credit Conversion Factor % | Credit Equivalent Amount \$000's | Average Risk Weight % | Risk Weighted Exposure \$000's |
|--|---------------------------|----------------------------------|--|-----------------------------|--------------------------------------|
| Unaudited - December 2025 | | | | | |
| Direct credit substitute | – | 100% | – | 0% | – |
| Commitments with certain drawdown as per APS 112 | 199,123 | 100% | 199,123 | 50% | 99,686 |
| Performance-related contingency | 2,235 | 50% | 1,117 | 100% | 1,117 |
| Other commitments where original maturity is more than one year | 317,076 | 50% | 158,538 | 78% | 124,431 |
| Other commitments where original maturity is less than or equal to one year | – | 20% | – | 0% | – |
| Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice | 35,479 | 0% | – | 0% | – |
| Other commitments as per APS 112 | 122,097 | 40% | 48,840 | 50% | 24,191 |
| Counterparty credit risk¹ | | | | | |
| Foreign exchange contracts | – | N/A | – | 0% | – |
| Interest rate contracts | 1,111,478 | N/A | 1,692 | 35% | 597 |
| Credit valuation adjustment | N/A | N/A | N/A | N/A | 528 |
| Total off balance sheet exposures | 1,787,488 | | 409,310 | | 250,550 |

¹The credit equivalent amount for market related contracts was calculated using the current exposure method.

Qualifying Central Counterparty (QCCP) exposures

As at 31 December 2025, the Banking Group does not have any exposures arising from trades settled on Qualifying Central Counterparties.

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(d) Additional mortgage information - LVR range

| \$000's | On Balance Sheet Exposures | Off Balance Sheet Exposures ¹ | Total Exposures |
|--|----------------------------|--|------------------|
| Unaudited - December 2025 | | | |
| Does not exceed 80% | 3,894,771 | 439,250 | 4,334,021 |
| Exceeds 80% and not 90% | 22,826 | 818 | 23,644 |
| Exceeds 90% | 27,613 | — | 27,613 |
| Total exposures for the Banking Group | 3,945,210 | 440,068 | 4,385,278 |

¹ Off balance sheet exposures means unutilised limits.

At 31 December 2025, there were no Welcome Home loans whose credit risk is mitigated by the Crown included in "Exceeds 90% residential mortgages". For capital adequacy calculations only the value of the first mortgages over residential property is included in the LVR calculation, in accordance with BPR131.

(e) Reconciliation of mortgage related amounts

| \$000's | Note | Unaudited December 2025 |
|---|-------|-------------------------|
| Gross finance receivables - reverse mortgages | 13 | 3,841,667 |
| Loans and advances - loans with residential mortgages | 16(c) | 100,139 |
| Loans and advances - corporate lending secured on residential mortgages | 16(c) | 3,537 |
| On balance sheet residential mortgage exposures subject to the standardised approach | | 3,945,343 |
| Less: collective provision for impairment | 16(b) | (133) |
| On balance sheet residential mortgage exposures after collective provision | 20(d) | 3,945,210 |
| Off balance sheet mortgage exposures subject to the standardised approach | 20(d) | 440,068 |
| Total residential exposures subject to the standardised approach | | 4,385,278 |

(f) Credit risk mitigation

As at 31 December 2025, the Banking Group had \$0.7 million of Welcome Home Loans (June 2025: \$0.9 million), \$6.3 million of BFGS loans (June 2025: \$16.3 million) and NIWE loans of \$21.9 million (June 2025: \$25.4 million) whose credit risk is mitigated by the Crown.

The Banking Group also has eligible collateral paid from its correspondent banks in relation to derivatives it holds on its balance sheet, however no benefit has been attributed to the risk weighted assets held against these exposures.

(g) Operational risk

The Banking Group's implied RWEs in the below table are calculated in accordance with BPR150: Standardised Operational Risk.

| \$000's | Implied Risk Weighted Exposure | Total Operational Risk Capital Requirement |
|----------------------------------|--------------------------------|--|
| Unaudited - December 2025 | | |
| Operational risk | 455,588 | 36,447 |

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(h) Market risk

Market risk is the risk that market interest rates or foreign exchange rates will change and impact on the Banking Group's earnings due to either mismatches between repricing dates of interest bearing assets and liabilities and/or differences between customer pricing and wholesale rates.

| \$000's | Implied Risk Weighted Exposure | Aggregate Capital Charge |
|--|--------------------------------------|--------------------------------|
| Unaudited - December 2025 | | |
| Market risk end-of-period capital charge | | |
| Equity risk | 120 | 10 |
| Interest rate risk | 110,281 | 8,823 |
| Foreign currency risk | — | — |
| Market risk peak end-of-day capital charge | | |
| Equity risk | 6,962 | 557 |
| Interest rate risk | 137,068 | 10,965 |
| Foreign currency risk | 39 | 3 |

The Banking Group's aggregate market exposure is derived in accordance with BPR140. Peak end-of-day capital charge disclosure is derived by taking the highest daily market exposure over the six months ended 31 December 2025. Interest rate, foreign exchange, and equity risks are calculated daily using a combination of static monthly and daily data sets.

(i) Total capital requirement

| \$000's | Total Exposure After Credit Risk Mitigation | Risk Weighted Exposure or Implied Risk Weighted Exposure | Total Capital Requirement |
|----------------------------------|---|---|------------------------------|
| Unaudited - December 2025 | | | |
| Total credit risk + equity | 10,568,986 | 5,716,522 | 628,817 |
| Operational risk | N/A | 455,588 | 50,115 |
| Market risk | N/A | 110,401 | 12,144 |
| Total | 10,568,986 | 6,282,511 | 691,076 |

Total capital requirement in the above table is based on 9.0% RBNZ minimum and includes an additional 2.0% overlay in accordance with the Bank's Conditions of Registration.

20 Capital adequacy and regulatory liquidity ratios - unaudited (continued)

(j) Capital ratios

| % | Unaudited December 2025 | Unaudited December 2024 |
|--|-------------------------------|-------------------------------|
| Capital ratios compared to minimum ratio requirements¹ | | |
| Common Equity Tier 1 capital ratio | 15.08% | 14.36% |
| Minimum Common Equity Tier 1 capital ratio | 6.50% | 6.50% |
| Tier 1 capital ratio | 15.08% | 14.36% |
| Minimum Tier 1 capital ratio | 9.00% | 9.00% |
| Total capital ratio | 17.11% | 16.01% |
| Minimum Total capital ratio | 11.00% | 11.00% |
| Prudential capital buffer ratio² | | |
| Prudential capital buffer ratio | 6.08% | 5.01% |
| Buffer trigger ratio | 3.50% | 2.50% |

¹The minimum ratios above include an additional 2.0% overlay in accordance with the Bank's Conditions of Registration.

²Effective 1 July 2025, the prudential capital buffer ratio was increased from 2.5% to 3.5%, in accordance with the Bank's Conditions of Registration.

(k) Solo capital adequacy

| % | Unaudited December 2025 | Unaudited December 2024 |
|------------------------------------|-------------------------------|-------------------------------|
| Capital ratios | | |
| Common Equity Tier 1 capital ratio | 14.67% | 12.92% |
| Tier 1 capital ratio | 14.67% | 12.92% |
| Total capital ratio | 16.97% | 15.05% |

(l) Capital for other material risks

As at 31 December 2025, the Banking Group has identified no material risks requiring additional capital allocation (June 2025: nil).

(m) Regulatory liquidity ratios

RBNZ requires banks to hold minimum amounts of liquid assets to help ensure they effectively manage their liquidity risks. The mismatch ratio is a measure of a bank's liquid assets, adjusted for contractual cash inflows and outflows during a one-month or one-week period of stress. It is expressed as a ratio over the bank's total funding. The Banking Group must maintain its one-month and one-week mismatch ratios above zero on a daily basis. The below one-month and one-week mismatch ratios are averaged over the quarter.

RBNZ requires banks to hold a minimum amount of funding from stable sources called core funding. The minimum amount of core funding is 75% of a bank's total loans. The Banking Group must maintain its core funding ratio above the regulatory minimum. The below measure of the core funding ratio is averaged over the quarter.

| | Unaudited Average for the 3 Months Ended | |
|--------------------------|---|----------------|
| | December 2025 | September 2025 |
| One-week mismatch ratio | 13.91% | 13.79% |
| One-month mismatch ratio | 13.66% | 13.41% |
| Core funding ratio | 90.23% | 90.91% |

21 Insurance business, securitisation, funds management and other fiduciary activities

Securitisation

As at 31 December 2025, the Banking Group had \$700.3 million securitised assets (June 2025: \$727.6 million).

The reduction in the Banking Group's securitised assets balance is mainly related to the repurchase of \$62.3 million of motor loan receivables from HARWT by HBL.

On 15 September 2025, the Banking Group fully repaid the Class A and B notes of HARWT, with the remaining loan balance, represented by finance receivables under the securitisation arrangement, continues to be funded through additional advances (Class C notes) by HBL.

There have been no other material changes to the Banking Group's involvement in the securitisation activities.

Insurance business

The Banking Group no longer conducts any insurance business following the cancellation of MIL's insurer license by RBNZ effective 27 June 2025.

Risk management

The Banking Group has in place policies and procedures to ensure that the fiduciary activities identified above are conducted in an appropriate manner. It is considered that these policies and procedures will ensure that any difficulties arising from these activities will not impact adversely on the Banking Group. The policies and procedures include comprehensive and prominent disclosure of information regarding products, and formal and regular review of operations and policies by management and internal auditors.

22 Contingent liabilities and commitments

The Banking Group in the ordinary course of business will be subject to claims and proceedings against it whereby the validity of the claim will only be confirmed by uncertain future events. In such circumstances the contingent liabilities are possible obligations, or present obligations if known, where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised, but are disclosed, unless they are remote. Where some loss is probable, provisions have been made on a case by case basis.

Credit related commitments arising in respect of the Banking Group's operations were:

| | Unaudited December 2025 | Audited June 2025 |
|--|-------------------------------|----------------------|
| \$000's | | |
| Letters of credit, guarantee commitments and performance bonds | 2,235 | 5,507 |
| Total | 2,235 | 5,507 |
| Undrawn facilities available to customers | 666,824 | 565,735 |
| Conditional commitments to fund at future dates | 6,951 | 11,095 |
| Total commitments | 673,775 | 576,830 |

23 Events after reporting date

The Bank resolved to pay a cash dividend to its parent company HGH of \$28 million on its ordinary shares on 25 February 2026.

Subsequent to 31 December 2025, the RBNZ have issued revised CoR that, effective 1 March 2026, reducing the Banking Group and New Zealand Banking Group's regulatory capital overlay from 2.00% to 0.50%. Please refer to Note 20 - Capital adequacy and regulatory liquidity ratios and New Zealand Banking Group disclosures section for further details.

There were no other events subsequent to the reporting period, not already disclosed within these interim financial statements, that would materially affect the Banking Group's financial position, results of its operations or its state of affairs in subsequent periods.

New Zealand Banking Group disclosures - unaudited

For the six months ended 31 December 2025

Basis of preparation

These disclosures are presented for the New Zealand Banking Group ("**NZ Banking Group**") for six months ended 31 December 2025.

In accordance with the Conditions of Registration (**CoR**) for Heartland Bank Limited, the NZ Banking Group is defined as all entities included in its Banking Group that are incorporated or otherwise established in New Zealand, but not including Marac Insurance Limited (**MIL**), which is consistent with the consolidation of subsidiaries for capital ratio calculations. As such, MIL and Heartland Bank Australia Limited (**HBA**) and its subsidiaries do not form part of the NZ Banking Group and are, therefore, excluded from consolidation for purposes of these disclosures.

The disclosures have been prepared based on the accounting policies that are consistent with the Banking Group financial statements, with the exception of principles of aggregation.

The CoR contains specific requirements applicable to the NZ Banking Group. These disclosures are mainly focused on the NZ Banking Group's enterprise risk management including market, liquidity, balance sheet structure and operational risks, and contain relevant information that is considered appropriate by the Directors and is in accordance with the CoR requirements for the NZ Banking Group applicable as at 31 December 2025.

These disclosures are presented in New Zealand dollars which is the NZ Banking Group's functional and presentation currency. Unless otherwise indicated, amounts are rounded to the nearest thousand dollars.

1 Enterprise Risk Management

There have been no material changes in the Banking Group's policies for managing risk, or material exposures to any new types of risk since the reporting of the previous Disclosure Statement for the year ended 30 June 2025.

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios

The RBNZ minimum regulatory capital requirements for banks have been established under the RBNZ Capital Adequacy Framework, outlined in the "Banking Prudential Requirements" (**BPRs**) documents. These documents are based on the international framework developed by the Bank for International Settlements Committee on Banking Supervision, commonly known as Basel III. These requirements define what is acceptable as capital and provide methods of measuring the risks incurred by the banks in New Zealand. Basel III consists of three pillars:

- Pillar One covers the capital requirements for banks for credit, operational, and market risks;
- Pillar Two covers all other material risks not already included in Pillar One; and
- Pillar Three relates to market disclosure.

RBNZ Capital Adequacy Framework

The NZ Banking Group has calculated its Risk Weighted Exposures (**RWEs**) and minimum regulatory capital requirements in accordance with the CoR and the BPR documents, where relevant. In doing so, the Banking Group has applied the following methodology:

- Calculated the total credit risk as Risk Weighted Assets (**RWAs**) for the NZ Banking Group as per BPR 130: Credit Risk RWAs;
- Calculated the NZ Banking Group's capital requirement for market risk exposure as per BPR140: Market Risk;
- Calculated the NZ Banking Group's capital requirement for operational risk as per BPR150: Standardised Operational Risk.

Total regulatory capital is divided into Tier 1 and Tier 2 capital. Tier 1 capital comprises Common Equity Tier 1 (**CET1**) capital and Additional Tier 1 (**AT1**) capital. Tier 1 capital primarily consists of shareholder's equity and other capital instruments acceptable to the RBNZ as per BPR110: Capital Definitions, less intangible assets, cash flow hedge reserves, deferred tax assets, and other prescribed deductions. Tier 2 as per BPR110: Capital Definitions comprises eligible subordinated debt securities.

Regulatory capital adequacy ratios are calculated by expressing capital as a percentage of RWEs. As a Condition of Registration (1AA), the NZ Banking Group must comply with the following minimum requirements set by the RBNZ:

- Total capital must not be less than 11% of RWE¹
- Tier 1 capital must not be less than 9% of RWE¹
- CET1 capital must not be less than 6.5% of RWE¹
- NZ Banking Group capital must not be less than NZ\$30 million

¹Includes the RBNZ's 2% capital overlay attached to the Bank's CoR.

In addition, if the Prudential Capital Buffer (**PCB**) Ratio is less than 3.5%, the NZ Banking Group must limit aggregate distributions, other than discretionary payments payable to holders of AT1 capital instruments, to the limits set out within the Bank's CoR.

Including the PCB, the Banking Group's minimum total capital requirement is 14.5%. On 17 December 2025, the RBNZ released its decisions on the new capital settings applying to deposit takers. This requires Group 2 deposit takers in New Zealand to gradually transition their Total Capital ratio to 14.0% by December 2028. The NZ Banking Group's Total Capital ratio is 16.97% as at 31 December 2025, above this minimum requirement. The RBNZ is set to release a range of information relating to these decisions in early 2026.

Subsequent to 31 December 2025, the RBNZ have issued revised CoR that, effective 1 March 2026, reducing the NZ Banking Group's regulatory capital overlay from 2.00% to 0.50%. The effect of this is reducing the NZ Banking Group's minimum capital ratios as follows:

- Total capital ratio from 11.0% to 9.5%
- Tier 1 capital ratio from 9.0% to 7.5%
- CET1 capital ratio from 6.5% to 5.0%

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

Capital management

The Board has overall responsibility for ensuring the NZ Banking Group has adequate capital in relation to its risk profile and establishes minimum internal capital levels and limits above the regulatory minimum.

The Bank's objectives for the management of capital are to:

- Maintain a strong capital base to cover the inherent risks of the business in excess of that required by credit ratings agencies to maintain a strong credit rating;
- Support the future development and growth of the business; and
- Comply at all times with the regulatory capital requirements set by the RBNZ.

The Bank's Capital Management Framework includes its:

- Internal Capital Adequacy Assessment Process (**ICAAP**);
- Capital Stress Testing Policy; and
- Capital Management Plan (**CMP**)

The Bank has an ICAAP which complies with the requirements set out in BPR100 and is in accordance with its CoR. The ICAAP identifies the capital required to be held against other material risks, being strategic business risk, reputational risk, regulatory risk and additional credit risk which is assisted through stress testing conducted in accordance with the Capital Stress Testing policy.

The Bank actively monitors its capital adequacy through ALCO and reports this on a regular basis to the Board. This includes forecasting capital requirements to ensure any future capital requirements can be executed in a timely manner. The Banking Group uses a mix of capital instruments to reduce single source reliance and to optimise the Banking Group's mix of capital. ICAAP, CMP and Capital Stress Testing Policy are reviewed annually by the Board.

The capital adequacy tables set out on the following pages summarise the composition of regulatory capital and the capital adequacy ratios for the NZ Banking Group as at 31 December 2025.

(a) Capital

| \$000's | Unaudited December 2025 |
|--|-------------------------------|
| Tier 1 Capital | |
| CET1 capital | |
| Paid-up ordinary shares issued by the Banking Group plus related share premium | 1,045,060 |
| Retained earnings (net of appropriations) | 143,041 |
| Accumulated other comprehensive income and other disclosed reserves | (8,074) |
| Less deductions from CET1 capital | |
| Intangible assets | (69,772) |
| Deferred tax assets | (19,540) |
| Cash flow hedge reserve | 8,447 |
| Adjustment under the corresponding deductions approach | |
| - Investments in unconsolidated subsidiaries | (462,123) |
| Total CET1 capital | 637,039 |
| AT1 capital | – |
| Total Tier 1 capital | 637,039 |
| Tier 2 Capital | |
| Tier 2 capital instruments ¹ | 100,000 |
| Total Tier 2 capital | 100,000 |
| Total capital | 737,039 |

¹Classified as a liability under NZ GAAP and excludes capitalised transaction costs. Refer to Note 20 - Capital adequacy and regulatory liquidity ratios - unaudited of the Banking Group's Financial statements for further details.

Refer to Note 20 - Capital adequacy and regulatory liquidity ratios - unaudited of the Banking Group's Financial statements for further details for the capital structure.

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(b) Credit risk

On balance sheet exposures

| | Total Exposure After Credit Risk Mitigation | Risk Weight | Risk Weighted Exposure |
|--|---|-------------|---------------------------|
| | \$000's | % | \$000's |
| Unaudited - December 2025 | | | |
| Sovereigns and central banks | 45,042 | 0% | — |
| Multilateral development banks and other international organisations | 156,049 | 0% | — |
| | 9,105 | 20% | 1,821 |
| Public sector entities | 137,084 | 20% | 27,417 |
| Banks | 231,296 | 20% | 46,259 |
| | 12,868 | 50% | 6,434 |
| Corporate | 17,524 | 20% | 3,505 |
| | 1,643,321 | 100% | 1,643,321 |
| Residential mortgages not past due | | | |
| | 74,260 | 35% | 25,991 |
| | 3,196 | 40% | 1,278 |
| Reverse mortgages | 660,143 | 40% | 264,057 |
| | 595,308 | 50% | 297,654 |
| | 62,293 | 80% | 49,834 |
| | 8,088 | 100% | 8,088 |
| Past due residential mortgages | 2,444 | 100% | 2,444 |
| Other past due assets | 123 | 20% | 25 |
| | 9,198 | 30% | 2,759 |
| | 49,816 | 100% | 49,816 |
| | 29,628 | 150% | 44,442 |
| Equity holdings in the Business Growth Fund that qualify for 250% risk weight | — | 250% | — |
| Equity holdings (not deducted from capital) included in the NZX50 or overseas equivalent index | — | 300% | — |
| All other equity holdings (not deducted from capital) | 120 | 400% | 480 |
| Other assets | 1,287,235 | 100% | 1,287,235 |
| Non risk weighted assets | 551,435 | 0% | — |
| Total on balance sheet exposures | 5,585,576 | | 3,762,860 |

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(b) Credit risk (continued)

Off balance sheet exposures

| | Total Exposure \$000's | Credit Conversion Factor % | Credit Equivalent Amount \$000's | Average Risk Weight % | Risk Weighted Exposure \$000's |
|--|---------------------------|-------------------------------|-------------------------------------|--------------------------|-----------------------------------|
| Unaudited - December 2025 | | | | | |
| Direct credit substitute | – | 100% | – | 0% | – |
| Performance-related contingency | 2,235 | 50% | 1,117 | 100% | 1,117 |
| Other commitments where original maturity is more than one year | 317,076 | 50% | 158,538 | 78% | 124,431 |
| Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice | 35,479 | 0% | – | 0% | – |
| Counterparty credit risk¹ | | | | | |
| Foreign exchange contracts | – | N/A | – | 0% | – |
| Interest rate contracts | 1,111,478 | N/A | 1,692 | 35% | 597 |
| Credit valuation adjustment | N/A | N/A | N/A | N/A | 528 |
| Total off balance sheet exposures | 1,466,268 | | 161,347 | | 126,673 |

¹The credit equivalent amount for market related contracts was calculated using the current exposure method.

Qualifying Central Counterparty (QCCP) exposures

As at 31 December 2025, the NZ Banking Group does not have any exposures arising from trades settled on Qualifying Central Counterparties.

(c) Additional mortgage information - LVR range

| \$000's | On Balance Sheet Exposures | Off Balance Sheet Exposures ² | Total Exposure |
|----------------------------------|----------------------------|--|------------------|
| Unaudited - December 2025 | | | |
| Does not exceed 80% | 1,397,225 | 118,848 | 1,516,073 |
| Exceeds 80% and not 90% | 6,776 | – | 6,776 |
| Exceeds 90% | 1,731 | – | 1,731 |
| Total exposures | 1,405,732 | 118,848 | 1,524,580 |

²Off balance sheet exposures means unutilised limits.

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(c) Additional mortgage information - LVR range (continued)

As at 31 December 2025, there were no Welcome Home loans whose credit risk is mitigated by the Crown included in "Exceeds 90% residential mortgages". For capital adequacy calculations only the value of the first mortgages over residential property is included in the LVR calculation, in accordance with BPR131.

(d) Reconciliation of mortgage related amounts

| \$000's | Unaudited December 2025 |
|---|-------------------------------|
| Gross finance receivables - reverse mortgages | 1,327,857 |
| Loans and advances - loans with residential mortgages | 74,468 |
| Loans and advances - corporate lending secured on residential mortgages | 3,537 |
| On balance sheet residential mortgage exposures subject to the standardised approach | 1,405,862 |
| Less: collective provision for impairment | (130) |
| On balance sheet residential mortgage exposures after collective provision | 1,405,732 |
| Off balance sheet mortgage exposures subject to the standardised approach | 118,848 |
| Total residential exposures subject to the standardised approach | 1,524,580 |

(e) Credit risk mitigation

As at 31 December 2025, the NZ Banking Group had \$0.7 million of Welcome Home Loans (June 2025: \$0.9 million), \$6.3 million of BFGS loans (June 2025: \$16.3 million) and \$21.9 million of NIWE loans (June 2025: \$25.4 million) whose credit risk is mitigated by the Crown.

The NZ Banking Group also has eligible collateral paid from its correspondent banks in relation to derivatives it holds on its balance sheet, however no benefit has been attributed to the risk weighted assets held against these exposures.

(f) Operational risk

NZ Banking Group's implied RWEs in the below table are calculated in accordance with BPR150: Standardised Operational Risk.

| \$000's | Implied Risk Weighted Exposure | Total Operational Risk Capital Requirement |
|----------------------------------|--------------------------------------|---|
| <i>Unaudited - December 2025</i> | | |
| Operational risk | 342,792 | 27,423 |

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(g) Market risk

Market risk is the risk that market interest rates or foreign exchange rates will change and impact on the NZ Banking Group's earnings due to either mismatches between repricing dates of interest-bearing assets and liabilities and/or differences between customer pricing and wholesale rates.

| \$000's | Implied Risk Weighted Exposure | Aggregate Capital Charge |
|--|--------------------------------------|--------------------------------|
| Unaudited - December 2025 | | |
| Market risk end-of-period capital charge | | |
| Equity risk | 120 | 10 |
| Interest rate risk | 110,281 | 8,823 |
| Foreign currency risk | — | — |
| Market risk peak end-of-day capital charge | | |
| Equity risk | 6,962 | 557 |
| Interest rate risk | 137,068 | 10,965 |
| Foreign currency risk | 39 | 3 |

NZ Banking Group's aggregate market exposure is derived in accordance with BPR140. Peak end-of-day capital charge disclosure is derived by taking the highest daily market exposure over the six months ended 31 December 2025. Interest rate, foreign exchange, and equity risks are calculated daily using a combination of static monthly and daily data sets.

(h) Total capital requirement

| \$000's | Total Exposure After Credit Risk Mitigation | Risk Weighted Exposure or Implied Risk Weighted Exposure | Total Capital Requirement |
|----------------------------------|---|--|------------------------------|
| Unaudited - December 2025 | | | |
| Total credit risk + equity | 7,051,844 | 3,889,533 | 427,849 |
| Operational risk | N/A | 342,792 | 37,707 |
| Market risk | N/A | 110,401 | 12,144 |
| Total | 7,051,844 | 4,342,726 | 477,700 |

Total capital requirement in the above table is based on 9.0% RBNZ minimum and includes an additional 2.0% overlay in accordance with the Bank's Conditions of Registration.

(i) Capital for other material risks

As at 31 December 2025, the NZ Banking Group has identified no material risks requiring additional capital allocation (December 2024: nil).

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(j) Capital ratios

| % | Unaudited December 2025 | Unaudited December 2024 |
|---|-------------------------------|-------------------------------|
| <i>Capital ratios compared to minimum ratio requirements¹</i> | | |
| Common Equity Tier 1 capital ratio | 14.67% | 12.92% |
| Minimum Common Equity Tier 1 capital ratio | 6.50% | 6.50% |
| Tier 1 capital ratio | 14.67% | 12.92% |
| Minimum Tier 1 capital ratio | 9.00% | 9.00% |
| Total capital ratio | 16.97% | 15.05% |
| Minimum Total capital ratio | 11.00% | 11.00% |
| <i>Prudential capital buffer ratio²</i> | | |
| Prudential capital buffer ratio | 5.67% | 3.92% |
| Buffer trigger ratio | 3.50% | 2.50% |

¹The minimum ratios above include an additional 2.0% overlay in accordance with the Bank's Conditions of Registration.

²Effective 1 July 2025, the prudential capital buffer ratio was increased from 2.5% to 3.5%, in accordance with the Bank's Conditions of Registration.

New Zealand Banking Group disclosures - unaudited (continued)

2 Capital adequacy and regulatory liquidity ratios (continued)

(k) Regulatory liquidity ratios

RBNZ requires banks to hold minimum amounts of liquid assets to help ensure they effectively manage their liquidity risks. The mismatch ratio is a measure of a bank's liquid assets, adjusted for contractual cash inflows and outflows during a 1-month or 1-week period of stress. It is expressed as a ratio over the bank's total funding. The NZ Banking Group must maintain its 1-month and 1-week mismatch ratios above zero on a daily basis. The below 1-month and 1-week mismatch ratios are averaged over the quarter.

RBNZ requires banks to hold a minimum amount of funding from stable sources called core funding. The minimum amount of core funding is 75% of a bank's total loans. The NZ Banking Group must maintain its core funding ratio above the regulatory minimum on a daily basis. The below measure of the core funding ratio is averaged over the quarter.

Refer to section 11B of the Conditions of Registration for further details.

| | Unaudited Average for the 3 Months Ended | |
|--------------------------|---|----------------|
| | December 2025 | September 2025 |
| One-week mismatch ratio | 11.95% | 10.49% |
| One-month mismatch ratio | 11.90% | 10.27% |
| Core funding ratio | 91.14% | 91.44% |

3 Credit exposures to individual counterparties

The NZ Banking Group's aggregate concentration of credit exposure to individual counterparties is calculated based on the actual credit exposure. Credit exposures to connected persons, the central government or central bank of any country with a long term credit rating of A- or A3 or above, or its equivalent, and any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent are excluded.

The peak end-of-day aggregate concentration of credit exposure to individual counterparties has been calculated by determining the maximum end-of-day aggregate amount of credit exposure over the relevant six month period and then dividing the amount by the NZ Banking Group's CET1 capital as at 31 December 2025.

New Zealand Banking Group disclosures - unaudited (continued)

3 Credit exposures to individual counterparties (continued)

Credit exposure to individual counterparties (continued)

| | Unaudited as at 31 December 2025 | Peak End-of- day over 6 months to 31 December 2025 |
|---|--|---|
| <i>Total number of exposures to banks</i> | | |
| With a long-term credit rating of A- or A3 or above, or its equivalent: | | |
| 10% to less than 15% of CET1 capital | — | 1 |
| 15% to less than 20% of CET1 capital | — | — |
| 20% to less than 25% of CET1 capital | — | — |
| 25% to less than 30% of CET1 capital | — | — |
| 30% to less than 35% of CET1 capital | 1 | — |
| 35% to less than 40% of CET1 capital | — | 1 |
| With a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent | — | — |
| <i>Total number of exposures to non-banks</i> | | |
| Total number of exposures to non-banks that are greater than 10% to less than 15% of CET1 capital that do not have a long-term credit rating. | — | — |

Related party transactions and balances

Transactions with related parties

The NZ Banking Group's ultimate parent company is HGH.

The Bank has regular transactions with its ultimate parent company, fellow subsidiaries and subsidiaries (collectively known as the Heartland Group) on agreed terms. The transactions include the provision of administrative services and customer operations. Banking facilities are provided by HBL to other NZ Banking Group entities on normal commercial terms as with other customers. There is no lending from the NZ Banking Group to HGH.

Amendments to Conditions of Registration

Changes in Conditions of Registration

Effective from 1 July 2025, the Reserve Bank of New Zealand (**RBNZ**) amended the Bank's Conditions of Registration (**CoR**) as follows:

| Condition | Change Summary |
|-----------|---|
| 1B | <p>Raising the threshold for the Prudential Capital Buffer (PCB) ratio for the Banking Group and the NZ Banking Group from 2.5% to 3.5%, which affects how HBL can distribute earnings (other than discretionary payments payable to holders of Additional Tier 1 capital instruments).</p> <p>If the PCB thresholds are below the limits, HBL must limit shareholder distributions according to the table below and follow the Capital Buffer Response Framework in Part D of BPR120: Capital Adequacy Process Requirements.</p> |

| PCB Ratio Range (New) | PCB Ratio Range (Previous) | Distribution Limit | Response Framework |
|-----------------------|----------------------------|--------------------|--------------------|
| 0% - 0.5% | 0% - 0.5% | —% | Stage 3 |
| >0.5% - 2% | >0.5% - 1% | 30% | Stage 2 |
| >2.0% - 3.0% | >1% - 2% | 60% | Stage 1 |
| >3%- 3.5% | >2% - 2.5% | No limit | None |

Effective from 1 December 2025, the Reserve Bank of New Zealand (**RBNZ**) amended the Bank's Conditions of Registration (**CoR**) as follows:

| | |
|----|---|
| 19 | For qualifying new mortgage lending in respect of property-investment residential mortgage loans, the cap for loans with a loan-to-valuation (LVR) more than 70%, increased from 5%, effective for LVR measurement period ending on or after 31 December 2024, to 10%, effective for LVR measurement period ending on or after 31 May 2026. |
| 20 | For qualifying new mortgage lending in respect of non-property-investment residential mortgage loans, the cap for loans with a LVR more than 80%, increased from 20%, effective for LVR measurement period ending on or after 31 December 2024, to 25%, effective for LVR measurement period ending on or after 31 May 2026. |

As at 31 December 2025, there have been no other changes to the Conditions of Registration.

Credit Ratings

As at the date of signing this Disclosure Statement, the Bank's credit rating issued by Fitch Australia Pty Ltd (**Fitch Ratings**) was BBB stable. This BBB credit rating was issued on 14 October 2015 and is applicable to long term unsecured obligations payable in New Zealand, in New Zealand dollars. This BBB stable credit rating was affirmed by Fitch Ratings for the Bank and HBA on 20 October 2025.

The following is a summary of the descriptions of the ratings categories for rating agencies for the rating of long-term senior unsecured obligations:

| Fitch Ratings | Standard & Poor's | Moody's Investors Service | Description of Grade |
|---------------|-------------------|---------------------------|---|
| AAA | AAA | Aaa | Ability to repay principal and interest is extremely strong. This is the highest investment category. |
| AA | AA | Aa | Very strong ability to repay principal and interest in a timely manner. |
| A | A | A | Strong ability to repay principal and interest although somewhat susceptible to adverse changes in economic, business, or financial conditions. |
| BBB | BBB | Baa | Adequate ability to repay principal and interest. More vulnerable to adverse changes. |
| BB | BB | Ba | Significant uncertainties exist which could affect the payment of principal and interest on a timely basis. |
| B | B | B | Greater vulnerability and therefore greater likelihood of default. |
| CCC | CCC | Caa | Likelihood of default considered high. Timely repayment of principal and interest is dependent on favourable financial conditions. |
| CC-C | CC-C | Ca-C | Highest risk of default. |
| RD to D | D | - | Obligations currently in default. |

Credit ratings from Fitch Ratings and Standard & Poor's may be modified by the addition of a plus or minus sign to show relative status within the major rating categories. Moody's Investors Service apply numerical modifiers 1, 2, and 3 to show relative standing within the major rating categories, with 1 indicating the higher end and 3 the lower end of the rating category.

Other Material Matters

There are no material matters relating to the business or affairs of the Bank or the Banking Group that are not already contained elsewhere in this Disclosure Statement which would, if disclosed in this Disclosure Statement, materially affect the decision of a person to subscribe for debt securities of which the Bank or any member of the Banking Group is the issuer.



Independent auditor's review report

To the shareholder of Heartland Bank Limited

Report on the Interim Financial Statements and the Supplementary Information (excluding the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9)

Our conclusion

We have reviewed the interim financial statements (the Financial Statements) for the six month period ended 31 December 2025 of Heartland Bank Limited (the Bank) and the entities it controlled at 31 December 2025 or from time to time during the period (together, the Banking Group) as required by clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order) and the supplementary information disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order (the Supplementary Information), excluding the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order, contained in the half year disclosure statement (the Disclosure Statement).

The Financial Statements comprise the statement of financial position as at 31 December 2025, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying:

- Financial Statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34 Interim Financial Reporting (IAS 34); and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules.

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information* section of our report.

We are independent of the Banking Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1), as applicable to audits and reviews of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1.

In our capacity as auditor and assurance practitioner, our firm provides audit, review and other assurance services. In addition, certain partners and employees of our firm may deal with the Banking Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Banking Group.

Responsibilities of the Directors for the Disclosure Statement

The Directors are responsible, on behalf of the Bank, for the preparation and fair presentation of the Financial Statements in accordance with clause 25 of the Order, NZ IAS 34 and IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the Financial Statements and the Supplementary Information that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible on behalf of the Bank for the preparation and fair presentation of the Disclosure Statement which includes:

- all of the information prescribed in Schedule 3 of the Order; and
- the information prescribed in Schedules 5, 7, 9, 13, 16 and 18 of the Order.

Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information

Our responsibility is to express a conclusion on the Financial Statements and the Supplementary Information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules; or
 - if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the Financial Statements and the Supplementary Information.

Who we report to

This report is made solely to the Bank's shareholder. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholder for our review procedures, for this report, or for the conclusions we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Karen Shires.

For and on behalf of



PricewaterhouseCoopers
25 February 2026

Auckland



Independent Assurance Report

To the shareholder of Heartland Bank Limited

Limited assurance report on compliance with the information required on capital adequacy and regulatory liquidity requirements

Our conclusion

We have undertaken a limited assurance engagement on Heartland Bank Limited's (the Bank) compliance, in all material respects, with clause 22 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order) which requires information prescribed in Schedule 9 of the Order relating to capital adequacy and regulatory liquidity requirements to be disclosed in its half year Disclosure Statement for the six month period ended 31 December 2025 (the Disclosure Statement). The Disclosure Statement containing the information prescribed in Schedule 9 of the Order relating to capital adequacy and regulatory liquidity requirements will accompany our report, for the purpose of reporting to the Bank's shareholder.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order and disclosed in note 20 of the interim financial statements, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for conclusion

We have conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* (SAE 3100 (Revised)) issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The Directors are responsible on behalf of the Bank for compliance with the Order, including clause 22 of the Order which requires information relating to capital adequacy and regulatory liquidity requirements prescribed in Schedule 9 of the Order to be included in the Disclosure Statement, for the identification of risks that may threaten compliance with that clause, controls that would mitigate those risks and monitoring ongoing compliance.

Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In our capacity as auditor and assurance practitioner, our firm provides audit, review and other assurance services. In addition, certain partners and employees of our firm may deal with the Banking Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Banking Group.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with clause 22 of the Order in respect of the information relating to capital adequacy and regulatory liquidity requirements is likely to arise.

Given the circumstances of the engagement we:

- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to capital adequacy and regulatory liquidity requirements;
- obtained an understanding of the Bank's compliance framework and internal control environment to ensure the information relating to capital adequacy and regulatory liquidity requirements is in compliance with the Reserve Bank of New Zealand's (the RBNZ) prudential requirements for banks;
- obtained an understanding and assessed the impact of any matters of non-compliance with the RBNZ's prudential requirements for banks that relate to capital adequacy and regulatory liquidity requirements and inspected relevant correspondence with the RBNZ;
- performed analytical and other procedures on the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order, and considered its consistency with the interim financial statements; and
- agreed the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order to information extracted from the Bank's models, accounting records or other supporting documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable

assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the compliance requirements.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the compliance requirements may occur and not be detected.

A limited assurance engagement on the Bank's information relating to capital adequacy and regulatory liquidity requirements prescribed in Schedule 9 of the Order to be included in the Disclosure Statement in compliance with clause 22 of the Order does not provide assurance on whether compliance will continue in the future.

Use of report

This report has been prepared for use by the Bank's shareholder for the purpose of establishing that these compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Bank and the Bank's shareholder, or for any purpose other than that for which it was prepared.

The engagement partner on the engagement resulting in this independent assurance report is Karen Shires.



PricewaterhouseCoopers
25 February 2026

Auckland

| Results for announcement to the market | | |
|--|---|--------------------------------|
| Name of issuer | Heartland Group Holdings Limited | |
| Reporting Period | 6 months to 31 December 2025 | |
| Previous Reporting Period | 6 months to 31 December 2024 | |
| Currency | NZD | |
| | Amount (000s) | Percentage change |
| Revenue from continuing operations | \$175,330 | 13.0% |
| Total Revenue | \$175,330 | 13.0% |
| Net profit/(loss) from continuing operations | \$48,844 | 1,252.3% |
| Total net profit/(loss) | \$48,844 | 1,252.3% |
| Interim/Final Dividend | | |
| Amount per Quoted Equity Security | \$ 0.03500000 | |
| Imputed amount per Quoted Equity Security | \$ 0.01361111 | |
| Record Date | 06/03/2026 | |
| Dividend Payment Date | 20/03/2026 | |
| | Current period | Prior comparable period |
| Net tangible assets per Quoted Equity Security | \$1.06 | \$0.99 |
| A brief explanation of any of the figures above necessary to enable the figures to be understood | Please refer to the financial statements that accompany this announcement for a further explanation of these figures. | |
| Authority for this announcement | | |
| Name of person authorised to make this announcement | Andrew Dixson, Chief Executive Officer | |
| Contact person for this announcement | Nicola Foley, Head of Corporate Communications & Investor Relations | |
| Contact phone number | +64 27 345 6809 | |
| Contact email address | nicola.foley@heartland.co.nz | |
| Date of release through MAP | 26/02/2026 | |

Unaudited financial statements accompany this announcement.