HEARTLAND GROUP

Investor Presentation

FY2026 Full Year Results

For the 12 months ended 30 June 2026

Disclaimer and non-GAAP measures

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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.

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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.

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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.

FY2026 underlying results exclude transaction costs, the impact of the Heartland Bank Australia Reverse Mortgage commissions accounting methodology update, fair value changes on equity investments held and other one-off 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.

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 FY2026 and FY2025 reported results to underlying results is set out on page 7 of this presentation. Refer to page 6 for a detailed comparison between FY2026 and FY2025 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 30 June 2026. Any other financial information provided as at a date after 30 June 2026 has not been audited or reviewed by any independent registered public accounting firm.

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HEARTLAND GROUP

01 Executive summary

Andrew Dixson Chief Executive Officer, Heartland Group

FY2026 summary

Heartland met all underlying FY2026 guidance metrics, delivering an improved ROE and turnaround in profitability, driven by margin expansion and strengthened asset quality – establishing a strong foundation to support its next phase of growth.

Overview

- NPAT of $93.2m. **Underlying NPAT of $90.4m**, up from $46.9m.
- ROE of 7.3%. **Underlying ROE up** 286 bps to 7.1%.
- Average NIM of 3.95%. **Average underlying NIM expanded** 36 bps to 3.98%.
- OPEX of $196.0m, and CTI ratio of 54.1%. Despite underlying OPEX increasing $12.2m (6.7%) to $193.5m, the **underlying CTI ratio improved** 155 bps to 54.6%.
- **Impairment expense ratio decreased** 55 bps to 0.45% as Heartland Bank significantly strengthened its asset quality, including clearing all Motor Finance arrears >180 DPD.
- **Reverse Mortgages for both Heartland Bank and Heartland Bank Australia** continued to perform well, with Receivables up 16.8% and 19.7% respectively.
- **Heartland Bank's Rural portfolio** delivered strong Receivables growth of 10.8% .
- **NSA realisation programme has successfully concluded**.
- **Technology transformation programmes reached key milestones** with the launch of Reverse Mortgages onto the new platforms.
- In June 2026, Heartland announced the **proposed merger of Heartland Bank and TSB** to create a New Zealander challenger bank of scale, with a regional focus.
- **Final dividend** of 3.5 cps.

FY2026 underlying financial metrics	Heartland	
	Guidance	Result
NPAT	**≥$85.0m**	**$90.4m**
ROE	**≥7.0%**	**7.1%**
Average NIM	>3.90%	3.98%
Exit NIM	>3.95%	4.08%
OPEX	<$195.0m	$193.5m
CTI ratio	<56.0%	54.6%
Impairment expense ratio	<0.45%	0.45%

Note: See page 2 for a definition of underlying financial metrics. Refer to page 7 for details about FY2026 and FY2025 one-offs. All comparative figures and percentage increases or decreases are against FY2025, unless explicitly stated otherwise.

Group financial results

		Reported					Underlying					Reported v Underlying	
		FY26	FY25	Movement			FY26	FY25	Movement			FY26	FY25
Financial performance	NII	$337.9m	$307.3m	↑	$30.6m	10.0%	$340.3m	$307.3m	↑	$33.0m	10.7%	($2.4m)	-
	OOI[1]	$24.0m	$15.6m	↑	$8.4m	54.1%	$14.0m	$15.5m	↓	($1.5m)	(9.8%)	$10.0m	$0.1m
	NOI	**$361.9m**	**$322.9m**	↑	**$39.0m**	**12.1%**	**$354.3m**	**$322.8m**	↑	**$31.5m**	**9.8%**	**$7.6m**	**$0.1m**
	OPEX	$196.0m	$192.5m	↑	$3.4m	1.8%	$193.5m	$181.3m	↑	$12.2m	6.7%	($2.4m)	$11.2m
	Impairment expense	$33.5m	$71.6m	↓	($38.1m)	(53.2%)	$33.5m	$71.6m	↓	($38.1m)	(53.2%)	-	-
	GFV provision	-	$1.5m	↓	($1.5m)	(100.0%)	-	$1.5m	↓	($1.5m)	(100.0%)	-	-
	Tax expense	$39.2m	$18.4m	↑	$20.8m	113.0%	$36.9m	$21.5m	↑	$15.4m	71.9%	($2.3m)	($3.1m)
	NPAT[2]	**$93.2m**	**$38.8m**	↑	**$54.4m**	**140.3%**	**$90.4m**	**$46.9m**	↑	**$43.5m**	**92.7%**	**$2.8m**	**($8.1m)**
	NIM[3]	3.95%	3.61%	↑	34 bps		3.98%	3.61%	↑	36 bps		(3 bps)	(0 bps)
	CTI ratio	54.1%	59.6%	↓	(548 bps)		54.6%	56.2%	↓	(155 bps)		45 bps	340 bps
	Impairment expense ratio[4]	0.45%	1.00%	↓	(55 bps)		0.45%	1.00%	↓	(55 bps)		0 bps	0 bps
	ROE	7.3%	3.2%	↑	411 bps		7.1%	4.2%	↑	286 bps		19 bps	(100 bps)
	EPS	9.9 cps	4.1 cps	↑	5.8 cps		9.6 cps	5.0 cps	↑	4.6 cps		(0.3 cps)	(0.9 cps)

		Jun 26	Jun 25	Movement		
Financial position	Liquid assets	$1,200m	$1,135m	↑	$65m	5.7%
	Receivables[5]	$7,804m	$7,156m	↑	$648m[6]	9.1%
	Borrowings	$7,947m	$7,355m	↑	$592m	8.0%
	Equity	$1,337m	$1,219m	↑	$118m	9.7%
	Equity/total assets	14.3%	14.1%	↑	17 bps	

- Movements in FX rates contributed $2.6m to NPAT relative to FY2025.
- Excluding the impact of changes in FX, Receivables grew 3.9% from FY2025.

Note: See page 2 for a definition of underlying financial metrics. Refer to page 7 for details about FY2026 and FY2025 one-offs.

1. Reported OOI includes fair value gains/losses on investments and the change in accounting methodology for Heartland Bank Australia Reverse Mortgage commissions.
2. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.
3. NIM is calculated using monthly average interest earning assets, a change from prior periods which used a spot-to-spot June average.
4. Impairment expense as a percentage of average Receivables.
5. Receivables also includes Reverse Mortgages.
6. Including the impact of changes in FX rates.

Reported vs. underlying results

The difference between reported and underlying results in FY2026 was $2.8m.

	FY2026	FY2025	Comments
Reported NPAT	**$93.2m**	**$38.8m**	
– De-designation of derivatives	-	$1.1m	
– Fair value changes on equity investments held	($3.1m)	($1.6m)	Benefit from Harmoney (equity investment sold in Sep 2025)
– Reverse Mortgage commission accounting methodology update (HBAL only)	($4.5m)	-	Refer to page 33
– Other non-recurring income	-	$0.5m	
Net operating income (NOI)	**($7.6m)**	**$0.1m**	
– Transaction costs related to the proposed merger of Heartland Bank and TSB	$5.5m	-	Refer to page 10
– Reverse Mortgage commission accounting methodology update (HBAL only)	($3.5m)	-	Refer to page 33
– One-off regulatory assurance costs arising in relation to the acquisition of (now) Heartland Bank Australia	-	$1.5m	
– One-off staff exit costs	-	$7.3m	
– Other non-recurring costs	$0.4m	$2.3m	
Operating expenses (OPEX)	**$2.4m**	**$11.2m**	
Tax impact	**$2.3m**	**($3.1m)**	
Underlying NPAT[1]	**$90.4m**	**$46.9m**	

- Going forward, Heartland intends to present its financial results on a reported basis only. Any exceptional items will be disclosed where applicable.

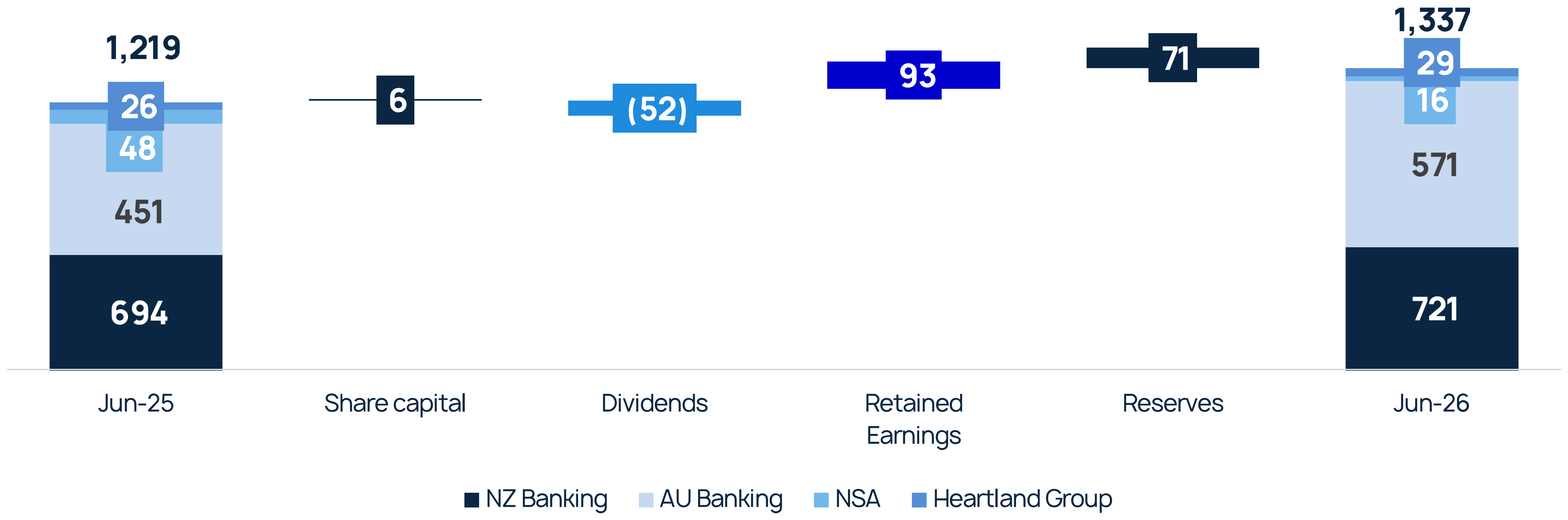
1. See page 2 for a definition of underlying financial measures. Refer to page 6 for a detailed comparison between reported and underlying financial information.

Capital

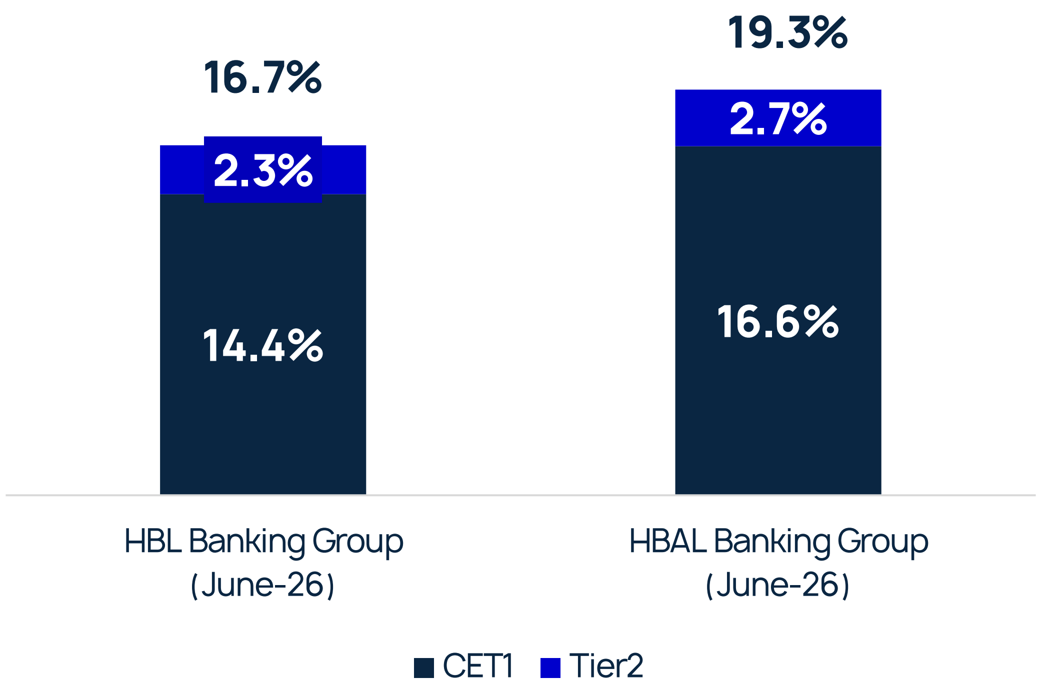
Heartland remains well placed to cater for organic growth with excess capital held across the group.

- The RBNZ's final capital settings announced in December 2025 are expected to have several benefits to Heartland Bank. Separately, effective 1 March 2026, the RBNZ reduced Heartland Bank's transitional capital overlay from 2.0% to 0.5%. See page 22 for more detail.
- In FY2026, the NSA realisation programme released $31.7m of capital, which has been reallocated to fund growth.
- As at 30 June 2026, the Banking Group[1] holds approximately $110m of regulatory capital in excess of expected regulatory requirements. Applying Heartland Bank's expected risk weight changes[2] to the 30 June 2026 balance sheet, the excess is approximately $160m.[3]
- Once the expected risk weight changes are embedded and the proposed merger of Heartland Bank and TSB is completed (subject to satisfaction of all MIA conditions), Heartland intends to allocate excess capital towards opportunities that support scale, growth and improved shareholder returns.

Heartland capital movement $m



Capital ratio



Note: Retained earnings include current reported NPAT.

1. The Banking Group includes all of Heartland Bank's subsidiaries, including Heartland Bank Australia and Marac Insurance.
2. The RBNZ has confirmed that banks may apply any of the new standardised credit risk weights from 1 October 2026. The first annual step change in capital ratios is also taking place on 1 October 2026.
3. Including ordinary internal buffers.

NSA realisation progress

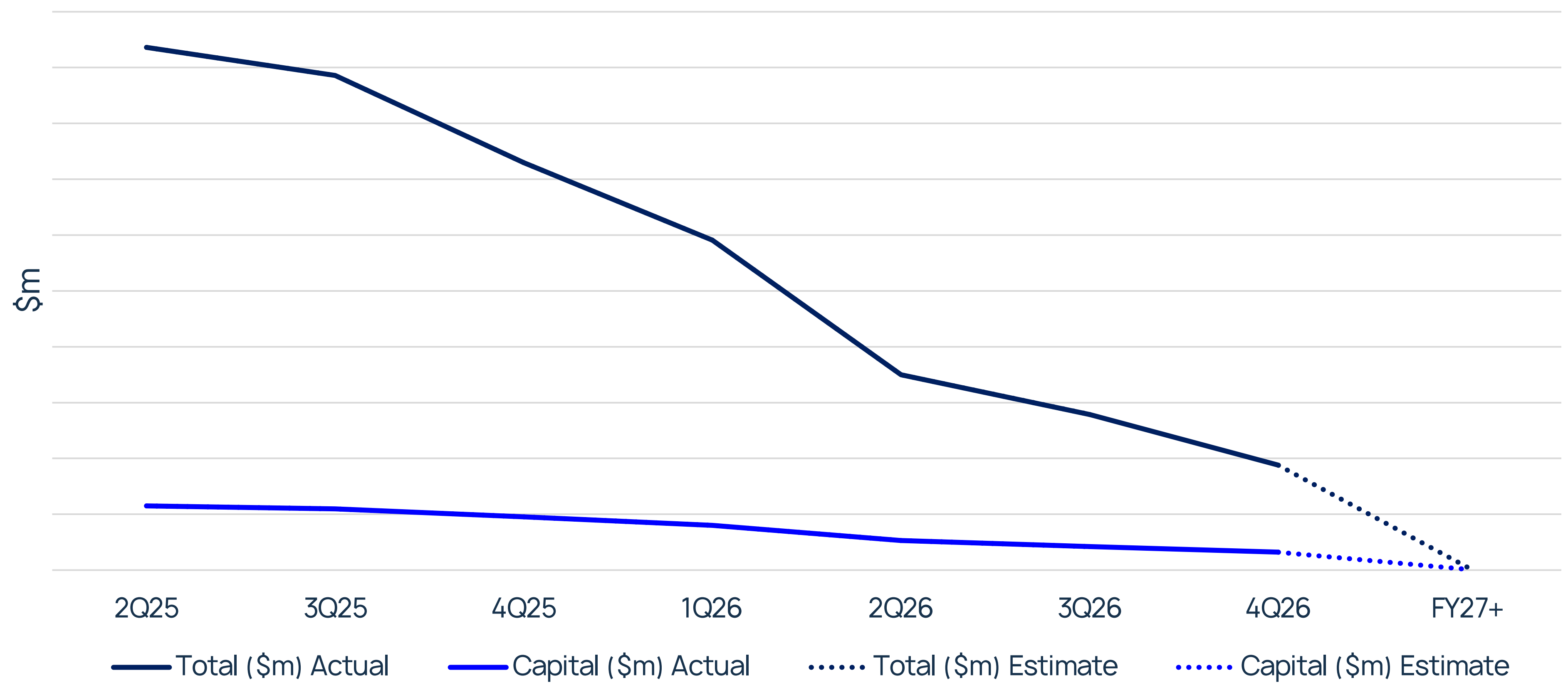
Heartland's NSA realisation programme has successfully concluded, with a 94% recovery rate.

- As at 30 June 2026, the residual $94.0m NSA portfolio included:
  - $38.1m of Home Loans scheduled to run down
  - $39.2m of Rural and Business Receivables, all on exit plans and well provided for
  - $16.7m in property and equity investments, with realisation efforts continuing.

Asset	NZ ($m)	Outstanding balance 30 June 2025	Outstanding balance 30 June 2026
Rural Relationship	Total ($m)	112.0	25.2
	Capital ($m)	17.1	4.2
Business Relationship	Total ($m)	47.8	14.0
	Capital ($m)	6.9	1.9
Home Loans[1]	Total ($m)	171.7	38.1
	Capital ($m)	10.2	2.9
Properties	Total ($m)	16.2	7.5
	Capital ($m)	2.6	1.2
Investment Properties	Total ($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	5.1
	Capital ($m)	5.7	5.1
Total NSAs	**Total ($m)**	**364.8**	**94.0**
	Capital ($m)	**47.6**	**15.9**

- Since 30 June 2026, the Properties NSA has been successfully realised.
- From 31 December 2024, when Heartland began NSA reporting, to 30 June 2026, the total value of NSAs reduced by $374.2m, creating $41.6m of available capital.
- Heartland no longer intends to report on the NSA realisation programme as the residual portfolio is no longer considered material and has returned to business-as-usual management.

NSA realisation progress



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.

Proposed merger of Heartland Bank and TSB

The proposed merger will create a New Zealand challenger bank of scale with a regional focus.

- On 2 June 2026, Heartland announced it had entered into a conditional merger implementation agreement with Toi Foundation Holdings Limited and Toi Foundation to acquire from Toi Foundation all TSB shares on issue for an aggregate consideration of $620m.
- Immediately following the acquisition, Heartland Bank and TSB will merge.[1]
- Recognising each bank's long history and deep connection to regional New Zealand, the merged bank will be called TSB Heartland Bank.
- The expanded Heartland Group will retain its existing specialist product focus across New Zealand and Australia, enhanced by full-service banking capabilities in New Zealand.

Diversified and differentiated product set
Creation of a full-service capable bank with a cost-effective funding base and lower risk-weighted product portfolio, differentiated by its specialist product offerings.

Scale drives efficiency opportunities
Greater scale and product diversification are expected to improve financial efficiency and resilience by providing the ability to leverage a higher fixed cost base across a larger portfolio, particularly in relation to the cost of technology and compliance.

Significant shareholder value creation
Expected through increased scale, improved operating leverage and estimated ongoing cost synergies of approximately $34m per annum before tax once fully realised.[2]

Continued regional focus and nationwide presence
It is intended that Taranaki will remain a key operational hub for customer-based banking services, including maintaining a local branch network and customer-facing roles. TSB Heartland Bank also intends to retain Heartland Bank's existing nationwide presence.

1 Heartland Bank will be the surviving entity following completion of the Proposed Transaction.
2 Estimated synergies are management estimates prepared for transaction evaluation purposes and are forward-looking. Cost synergies (~$34m p.a.) represent expected annual pre-tax run-rate benefits anticipated to be progressively realised within three years post-completion, subject to execution risk, regulatory requirements, market conditions and final integration design. Synergy estimates have not been audited and may differ materially from actual outcomes.

Proposed merger of Heartland Bank and TSB

With a materially increased scale and diversified product set, TSB Heartland Bank will have an enhanced ability to serve customers throughout their financial lifecycle.

	New Zealand[5] HEARTLAND BANK	New Zealand[5] TSB	Australia HEARTLAND BANK	Heartland Group[5] HEARTLAND GROUP	Receivables %
Core lending products[1]					
Home Loans		✓		✓	*44%*
Reverse Mortgages	✓		✓	✓	*25%*
Motor Finance	✓			✓	*11%*
Commercial Property		✓		✓	*7%*
Rural	✓		✓	✓	*7%*
Business Finance[2]	✓			✓	*5%*
Personal[3]		✓		✓	*1%[6]*
Receivables[4]	NZ$12.3b		A$2.5b	NZ$15.1b	
Total assets[4]	NZ$15.1b		A$3.1b	NZ$18.3b	
Funding[4]	NZ$13.0b		A$2.7b	NZ$16.1b	
Regulatory capital[4]	NZ$1.5b		A$0.3b	n.a.	

The acquisition of TSB provides requisite scale in New Zealand home loans which Heartland has been unable to achieve organically

- The table above uses financial reporting for both Heartland Bank and TSB as at 31 December 2025, being the most recent date to which publicly available financial information is available for both banks on a comparable basis.

1 Heartland Bank's lending portfolio also includes Home Loans and Unsecured Lending portfolios in addition to core product portfolios. Home Loans and Unsecured Lending are winding down.
2 Business Finance includes Asset Finance and Business Relationship.
3 Includes credit card balances and other retail lending (including personal lending which is no longer accepting new applications).
4 As at 31 December 2025 for Heartland and TSB per the RBNZ Banking Dashboard. Heartland Bank's Receivables include NSAs.
5 Pro forma combination.
6 Including Heartland Bank's Unsecured Lending portfolio which is winding down.

Proposed merger of Heartland Bank and TSB timetable

The Proposed Transaction remains subject to various approvals. Subject to satisfaction of the Toi Foundation trustee approval condition, Heartland's shareholder meeting to vote on the Proposed Transaction will be held on 30 September 2026.

Key event	Indicative timing
Confirmatory due diligence completed and conditions satisfied	Completed
Warranties and indemnities insurance obtained	Completed
TSB FY2026 financial results	Completed
Toi Foundation community consultation period with Taranaki residents[1]	Completed
Heartland FY2026 financial results	Completed
Outcome of Toi Foundation trustee decision due	August 2026
RBNZ application submitted[2]	August 2026
Notice of Meeting dispatched to Heartland shareholders[2]	August 2026
Heartland shareholder meeting to vote on proposed transaction[2]	30 September 2026
Targeted merger implementation date[2, 3]	December 2026

1 Residents are defined as any people residing in the Taranaki region.
2 Subject to Toi Foundation trustee approval.
3 Prior to 1 December 2026, TSB is permitted to pay to Toi Foundation dividends of an equivalent amount to those declared or paid by Heartland in the same period, based on the relative values of TSB and Heartland and, if the merger implementation date is delayed beyond the 1 December 2026 target, TSB is permitted to pay to Toi Foundation a dividend of up to $2.4m per full calendar month (pro-rated for any partial month) from 1 December 2026 to completion, in each case funded solely from TSB's NPAT generated during the relevant period.

Shareholder return

7.1%

Underlying ROE
2H2026 6.8% vs 1H2026 7.3%

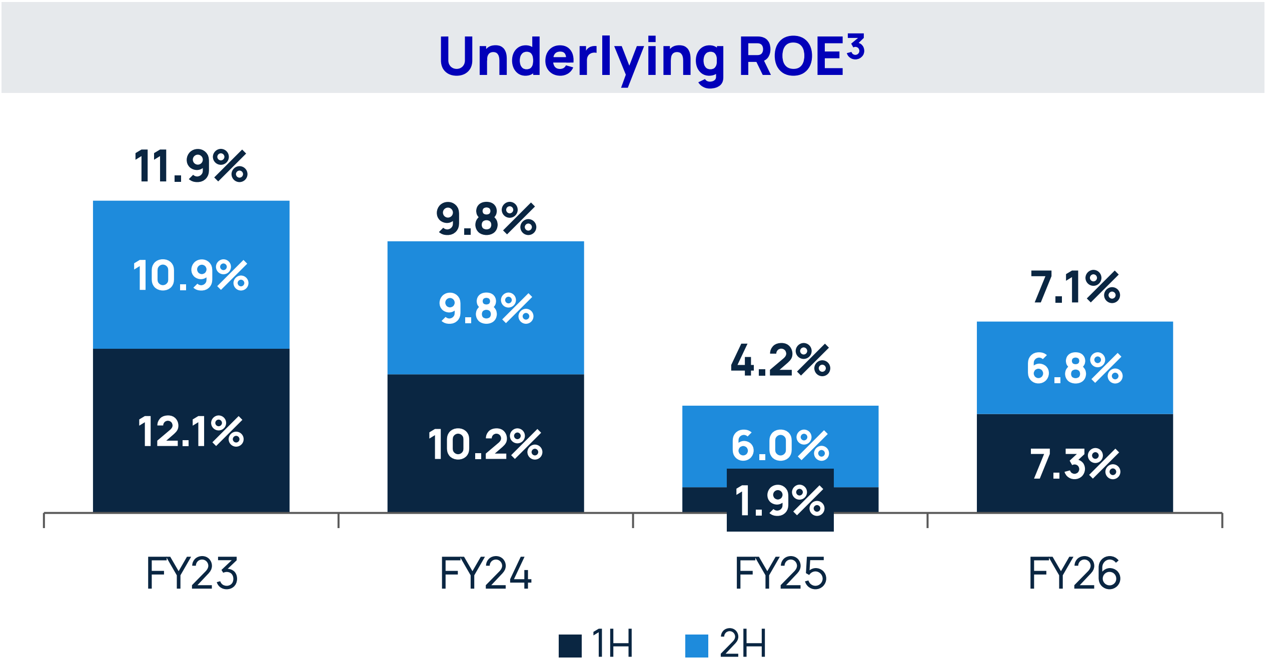
3.5 cps

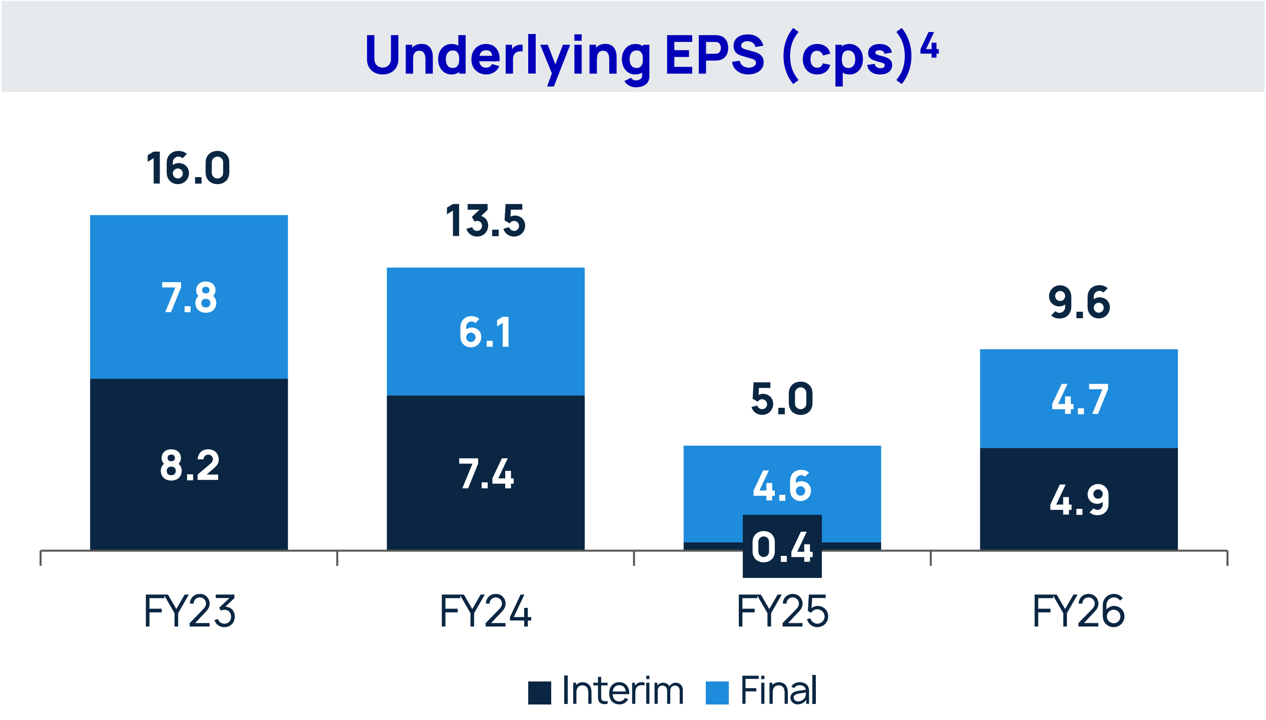
Final dividend
up 1.5 cps vs FY2025

8.0%[1]

Dividend yield

- Heartland has declared a FY2026 final dividend of 3.5 cps, taking the total FY2026 dividend to 7.0 cps.
- Due to Heartland's strong capital position:
  - the payout ratio for FY2026 of 73% is in excess of Heartland's target dividend payout ratio of at least 50% of underlying NPAT
  - the DRP will not apply to the final dividend. Shareholders who have previously elected to participate in the DRP will receive their FY2026 final dividend payment in cash.[2]





1. Total fully imputed dividends divided by the closing share price as at 19 August 2026 of $1.22.
2. Information about the DRP is available on Heartland's website at heartlandgroup.info/investor-information/dividends.
3. Underlying ROE refers to ROE calculated using underlying results.
4. Underlying EPS refers to EPS calculated using underlying results.

HEARTLAND
GROUP

02
New Zealand banking

Leanne Lazarus Chief Executive Officer, Heartland Bank
Kerry Conway Chief Financial Officer, Heartland Bank

NZ banking: FY2026 summary

Heartland Bank materially met its underlying guidance for all key financial metrics. NIM expanded on FY2025, asset quality materially improved and Heartland Bank saw strong Reverse Mortgage and Rural lending performance.

FY2026 summary

Growth

- Momentum in Reverse Mortgages saw growth of 16.8%, supported by the launch of a new marketing campaign, regional presence and product process improvements.
- Strong Rural growth of 10.8% was supported by Livestock Finance partnerships and an expanded regional footprint.

Quality

- NPL ratio improved 129 bps to 1.92% through targeted Motor Finance activity and NSA realisation.
- Motor Finance arrears are at historical lows for Heartland Bank as it met its commitment to clear all NPLs >180 DPD.
- The NSA portfolio reduced by $270.7m in FY2026, releasing $31.7m of capital and contributing to overall asset quality improvement.

Efficiency

- Commenced the technology programme to improve operational efficiency and enhance customer experiences. Launched the first phase of Reverse Mortgages on the platform in June 2026.
- The 1.5% transitional capital overlay reduction reflected the completion of integration activities in relation to Heartland Bank Australia, stronger trans-Tasman oversight arrangements and an improvement in the overall risk profile of the Banking Group. See page 22.

FY2026 underlying financial metrics	NZ Banking	
	Guidance	Result
NPAT	**>$45.0m**	**$47.0m**
ROE	**>6.0%**	**6.4%**
Average NIM	>4.10%	4.08%
Exit NIM	>4.20%	4.15%
OPEX	<$127.0m	$126.9m
CTI ratio	<56.0%	55.6%
Impairment expense ratio	<0.70%	0.67%

Financial results

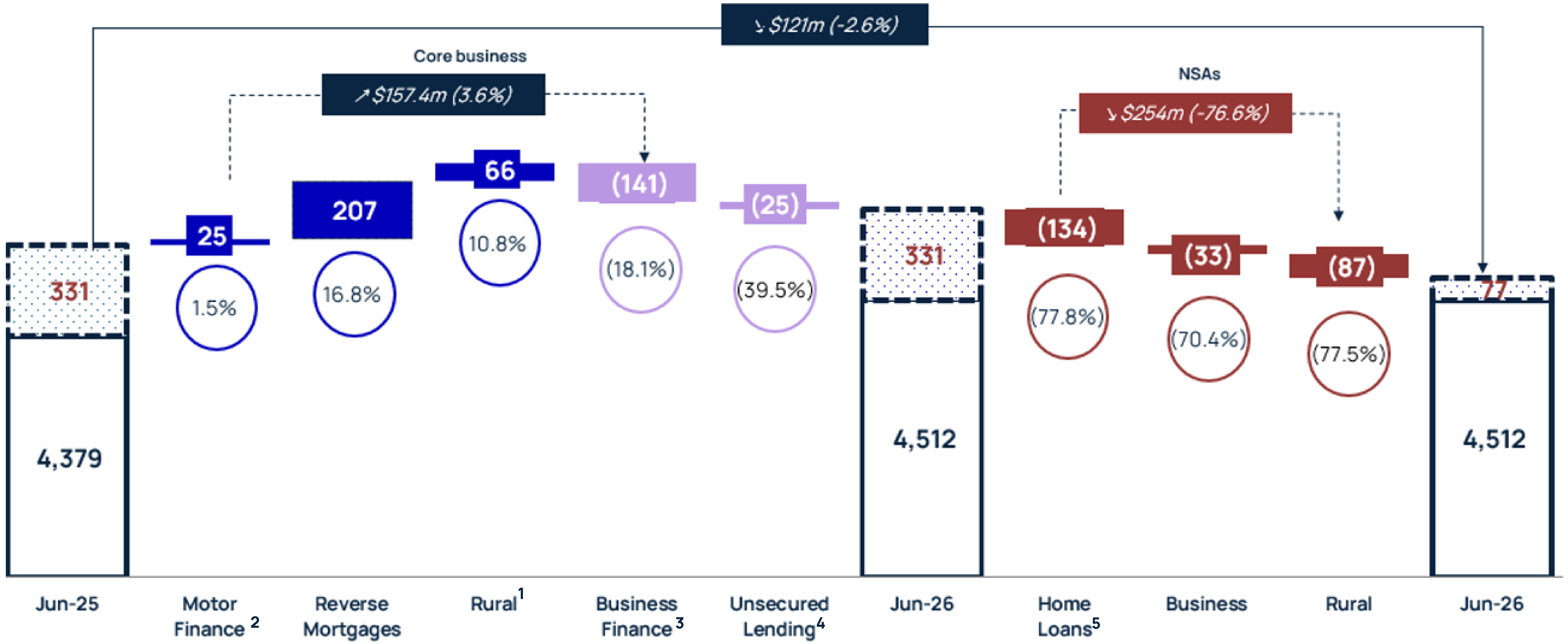
		Reported					Underlying				
		FY26	FY25	Movement			FY26	FY25	Movement		
Financial performance	NII	$206.8m	$212.4m	↓	($5.6m)	(2.6%)	$206.8m	$212.4m	↓	($5.6m)	(2.6%)
	OOI[1]	$19.0m	$21.3m	↓	($2.4m)	(11.1%)	$15.8m	$21.3m	↓	($5.4m)	(25.2%)
	NOI	**$225.8m**	**$233.7m**	↓	**($7.9m)**	**(3.4%)**	**$222.7m**	**$233.7m**	↓	**($10.9m)**	**(4.7%)**
	OPEX	$127.4m	$131.8m	↓	($4.5m)	(3.4%)	$126.9m	$128.1m	↓	($1.2m)	(0.9%)
	Impairment expense	$30.4m	$68.8m	↓	($38.3m)	(55.7%)	$30.4m	$68.8m	↓	(38.3m)	(55.7%)
	GFV provision	-	$1.5m	↓	($1.5m)	(100.0%)	-	$1.5m	↓	($1.5m)	(100.0%)
	Tax expense	$18.2m	$9.7m	↑	$8.5m	87.1%	$18.3m	$10.7m	↑	$7.6m	71.4%
	NPAT[2]	**$49.8m**	**$21.9m**	↑	**$27.9m**	**127.4%**	**$47.0m**	**$24.6m**	↑	**$22.4m**	**91.3%**
	NIM[3]	4.08%	3.91%	↑	17 bps		4.08%	3.91%	↑	17 bps	
	CTI ratio	55.1%	56.4%	↓	(134 bps)		55.6%	54.8%	↑	79 bps	
	Impairment expense ratio[4]	0.67%	1.40%	↓	(73 bps)		0.67%	1.40%	↓	(73 bps)	
	ROE	6.8%	3.0%	↑	379 bps		6.4%	3.4%	↑	302 bps	

		Jun 26	Jun 25	Movement		
Financial position	Liquid assets	$472m	$570m	↓	($98m)	(17.2%)
	Receivables[5]	$4,589m	$4,710m	↓	($121m)	(2.6%)
	Borrowings	$4,402m	$4,660m	↓	($258m)	(5.5%)
	Equity[6]	$735m	$737m	↓	($2m)	(0.3%)
	Equity/total assets[7]	14.2%	13.6%	↑	61 bps	

Note: See page 2 for a definition of underlying financial metrics. Refer to page 7 for details about FY2026 and FY2025 one-offs.
1. Reported OOI includes fair value gains/losses on investments.
2. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.
3. NIM is calculated using monthly average interest earning assets, a change from prior periods which used a spot-to-spot June average.
4. Impairment expense as a percentage of average Receivables.
5. Receivables also includes Reverse Mortgages.
6. Equity excluding investment in subsidiaries. ROE is calculated as NPAT/average equity (excl. investment in subsidiaries).
7. Total Assets excluding investment in subsidiaries.

Receivables

Reverse Mortgages and Rural[1] delivered strong Receivables growth, while Motor Finance[2] and Business Finance[3] focused on asset quality and pricing for risk.

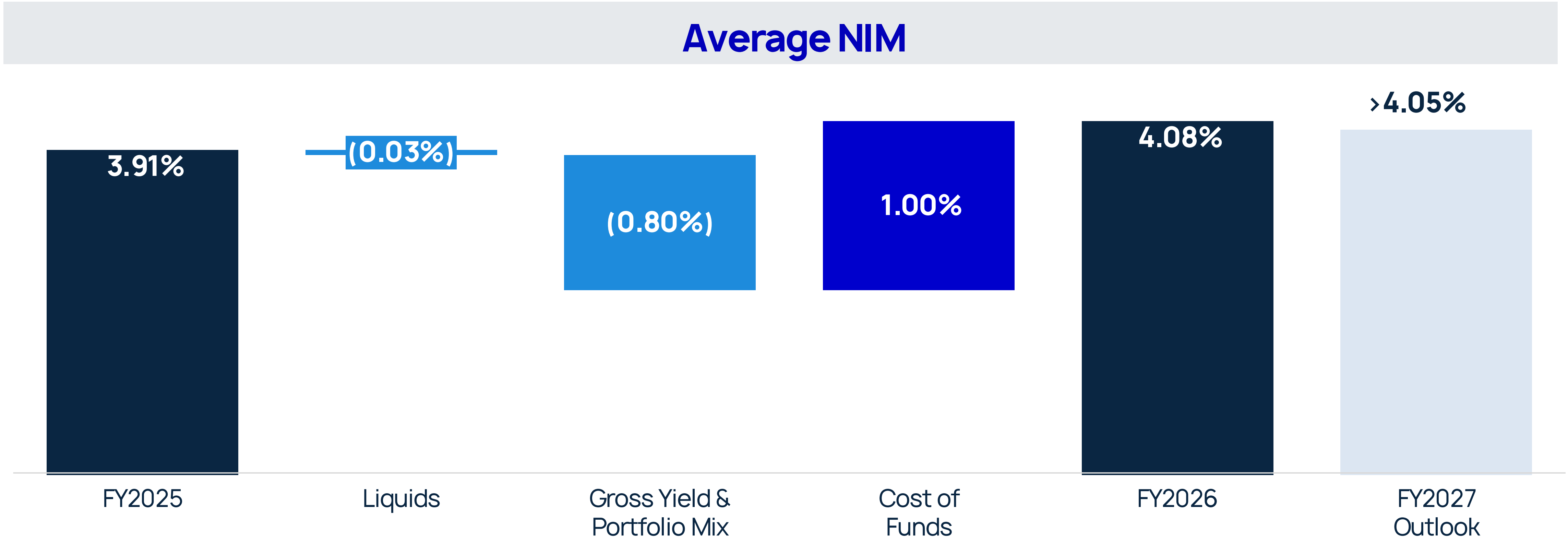


Receivables $m	4,710	1,720	1,441	675	639	38	4,512	38	14	25	4,589

Note: FY2026 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. Rural includes Rural Relationship, Rural Direct and Livestock Finance loans. Excludes NSAs.
2. Motor Finance includes Wholesale Lending.
3. Business Finance includes Asset Finance and Business Relationship. Excludes NSAs.
4. Unsecured Lending includes Personal Lending and Open for Business which are winding down.
5. Home Loans includes Online Home Loans and Heartland Bank's old residential mortgages portfolio that is in run down.

Underlying NIM[1]



FY2026 summary

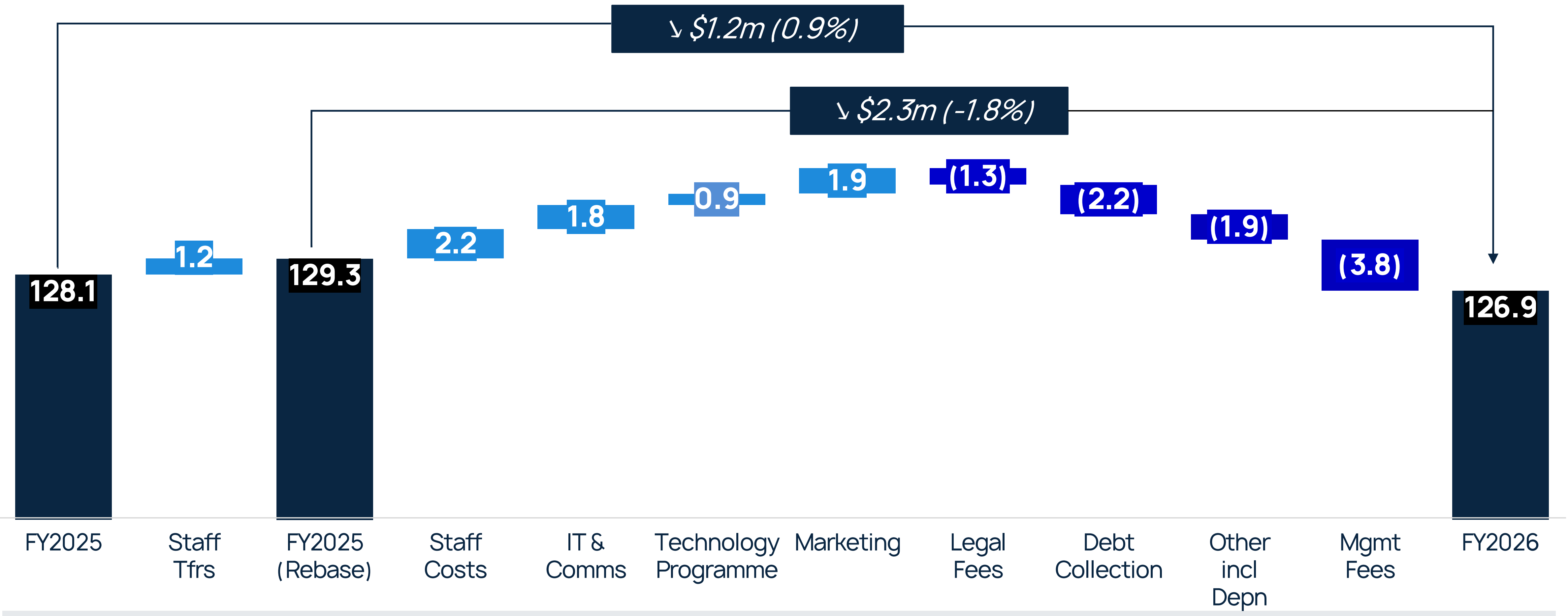
- NIM benefitted from a low cost of funds throughout FY2026 due to lower funding requirements.
- Average NIM increased 17 bps to 4.08% despite challenging competitive conditions in Motor Finance and Business Finance.
- The FY2026 exit NIM increased 2 bps to 4.15%.

FY2027 outlook

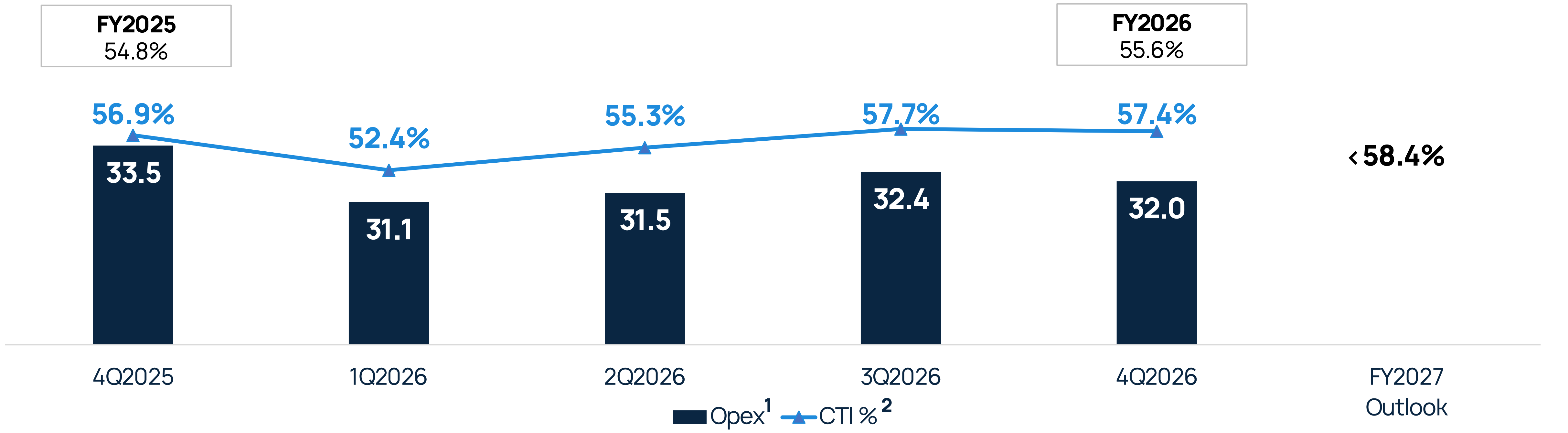
- NIM is expected to remain stable through FY2027. The average NIM outlook for Heartland Bank is >4.05%.

Note: NIM is calculated as NII/average gross interest earning assets.
1. NIM is calculated using monthly average interest earning assets, a change from prior periods which used a spot-to-spot June average.

Underlying OPEX



Underlying OPEX & CTI ratio ($m)



FY2026 summary

- Total underlying OPEX of $126.9m, down $1.2m (0.9%).
- Increased staff costs were primarily due to restructuring costs and the re-introduction of a LTI Scheme ($0.6m).
- Increased investment in technology and Reverse Mortgage marketing was offset by a reduction in legal fees and debt collection costs.
- Despite cost reduction, Heartland Bank's underlying CTI ratio increased from 54.8% in FY2025 to 55.6% in FY2026 due to the income impact of NSA realisation, amplified by lower growth in Motor Finance and Business Finance.

FY2027 outlook

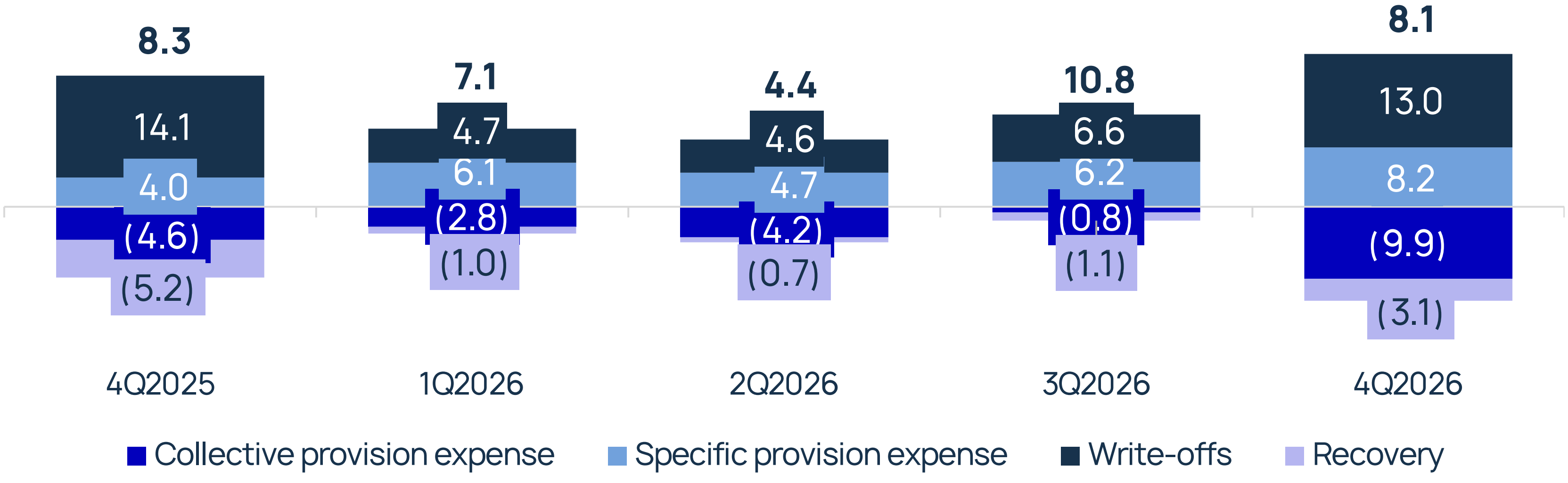
- OPEX is expected to be <$135m, with a CTI ratio of <58.4%.
- OPEX is expected to increase in FY2027 due to investment in committed technology and compliance projects.

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.

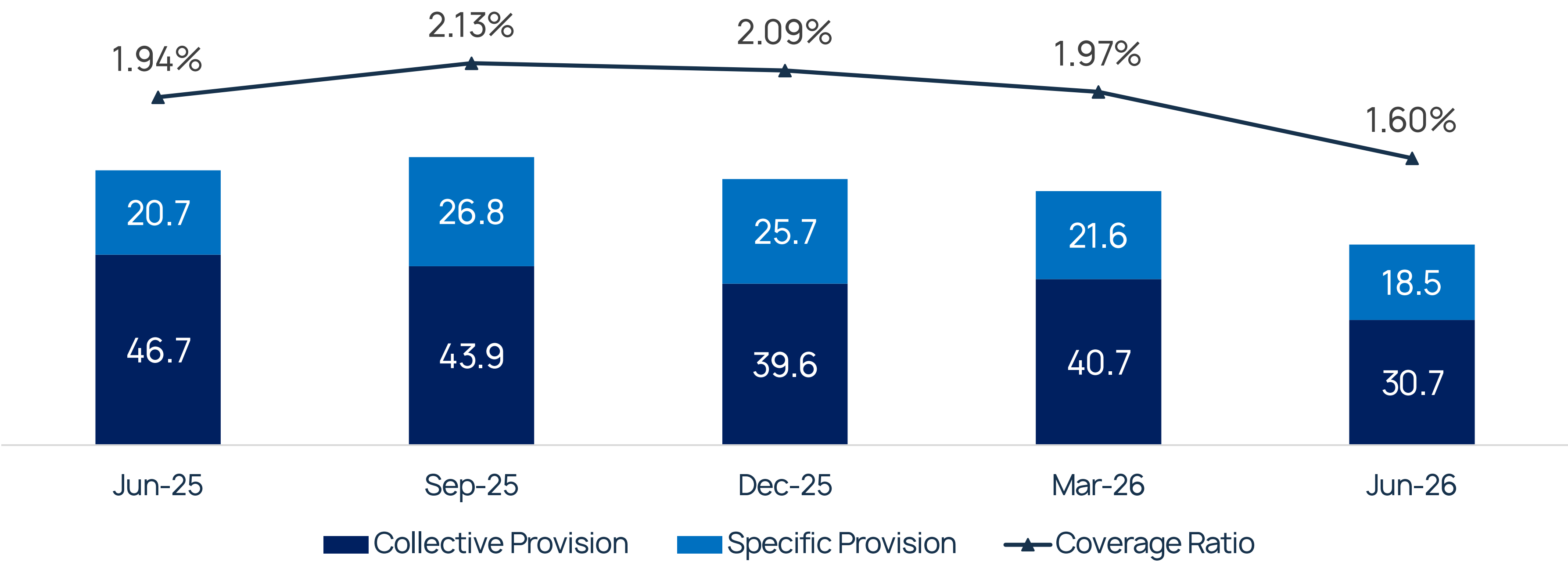
1. Including intercompany group charges.
2. Excluding intercompany group charges.

Impairment and provisioning

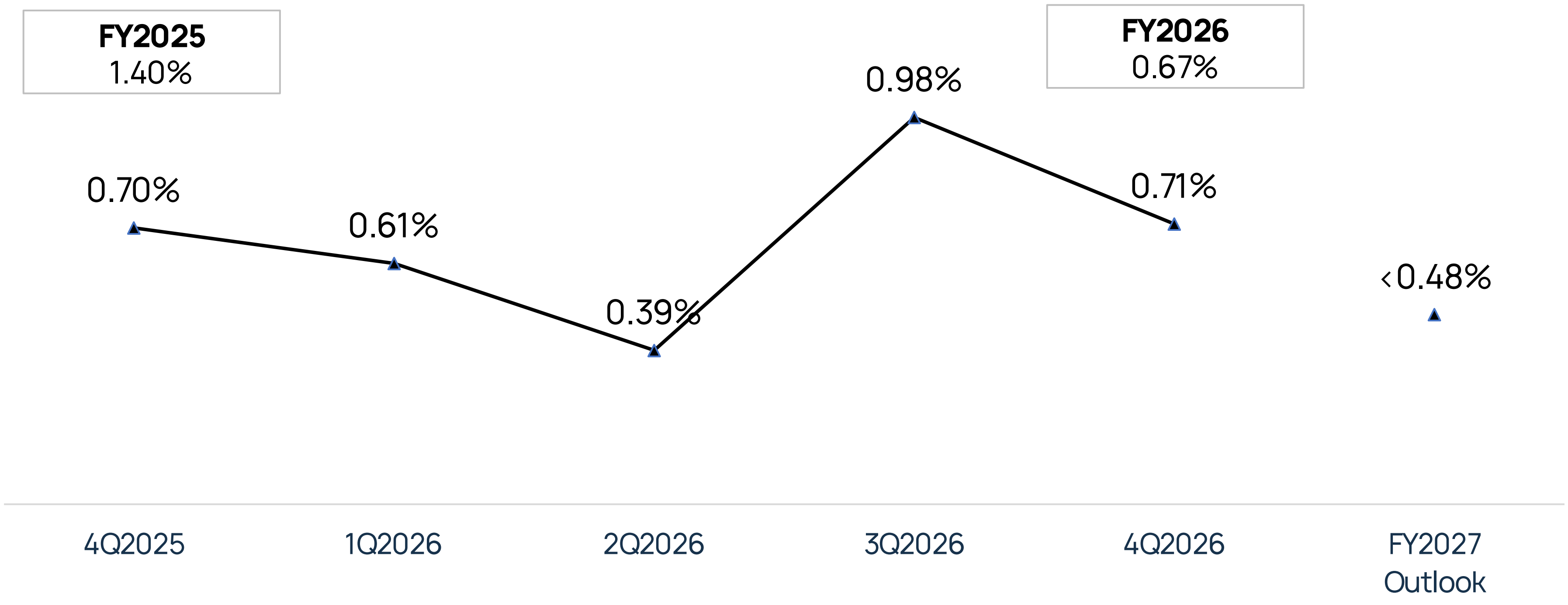
Impairment expense ($m)



Total provisions and coverage ($m)



Impairment expense ratio



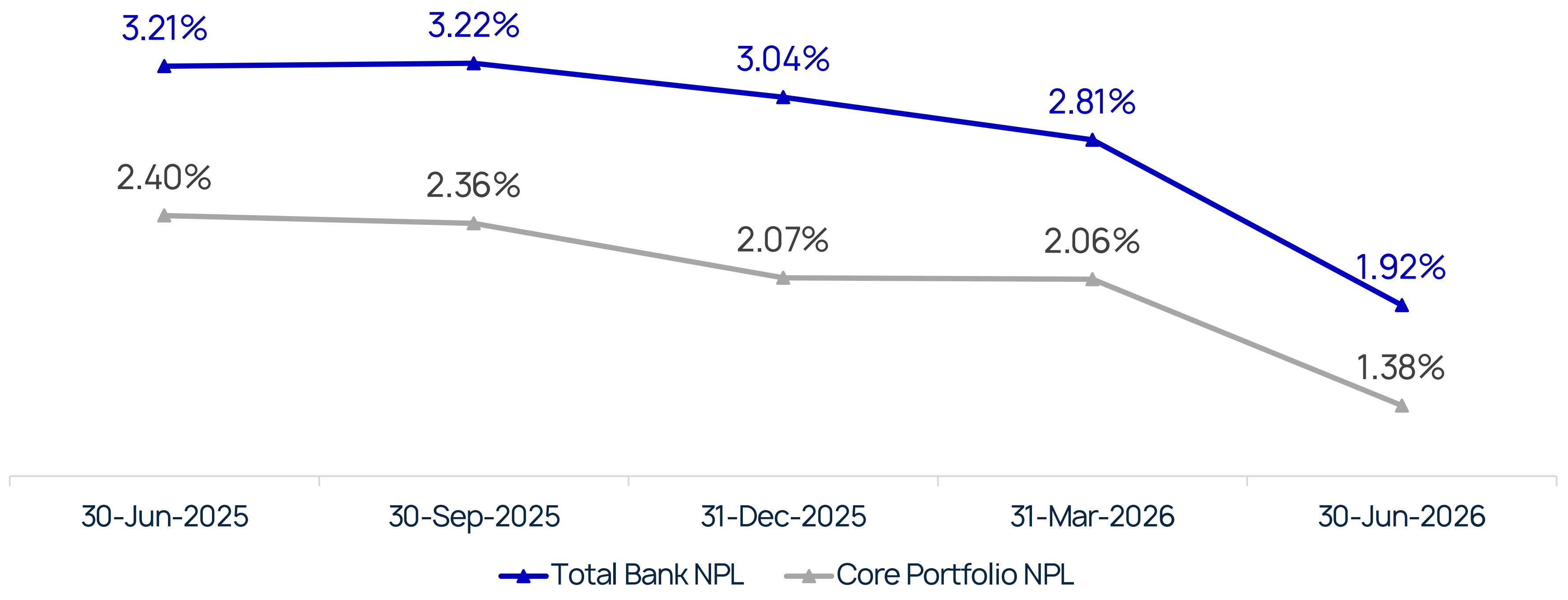
Overall asset quality materially improved in FY2026, supported by the reduction of Motor Finance arrears and the realisation of NSAs.

- Motor Finance arrears improved across all NPL cohorts, with all NPLs >180 DPD now cleared. The portfolio's arrears continue to outperform the industry average of 5.2%[1] and are at historical lows for Heartland Bank.
- The FY2027 impairment expense ratio outlook is expected to be <0.48%. This reflects continued stabilisation in impairment expenses through FY2027 and the conclusion of the NSA realisation programme.

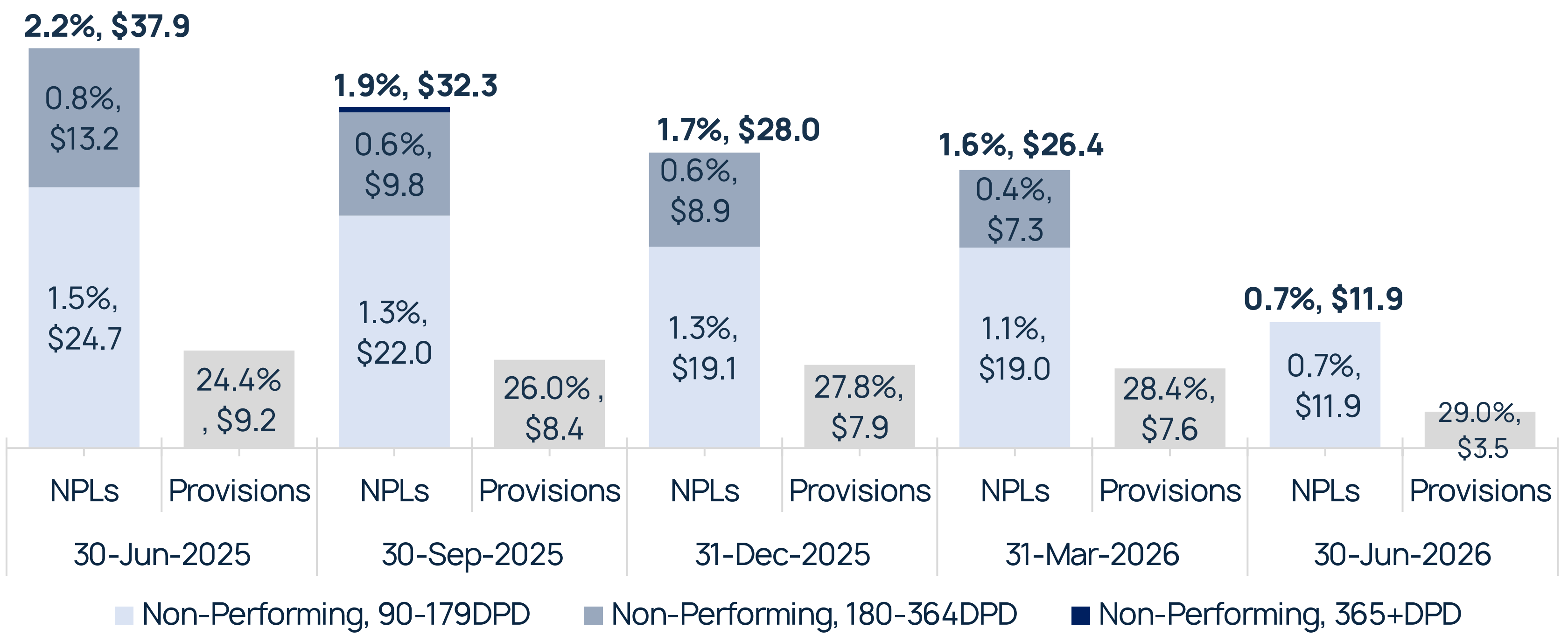
1. Industry average arrears are based on auto arrears as at June 2026, reported by Centrix in its Credit Insights Report, July 2026. See page 46.

Asset quality

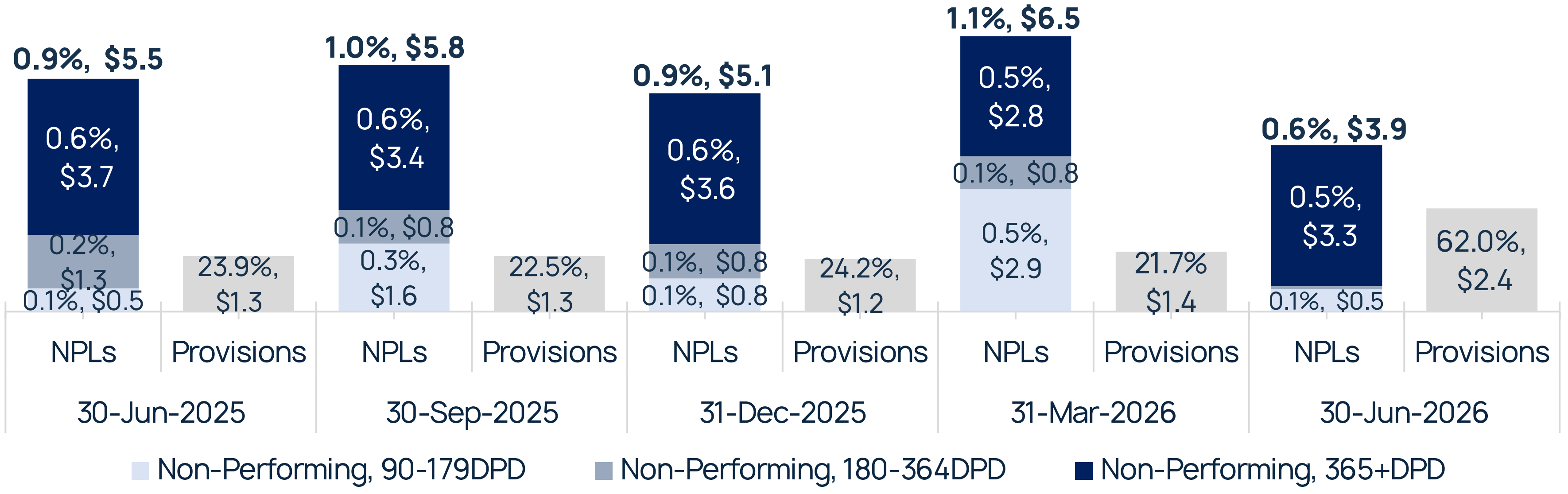
NPL ratios[1]



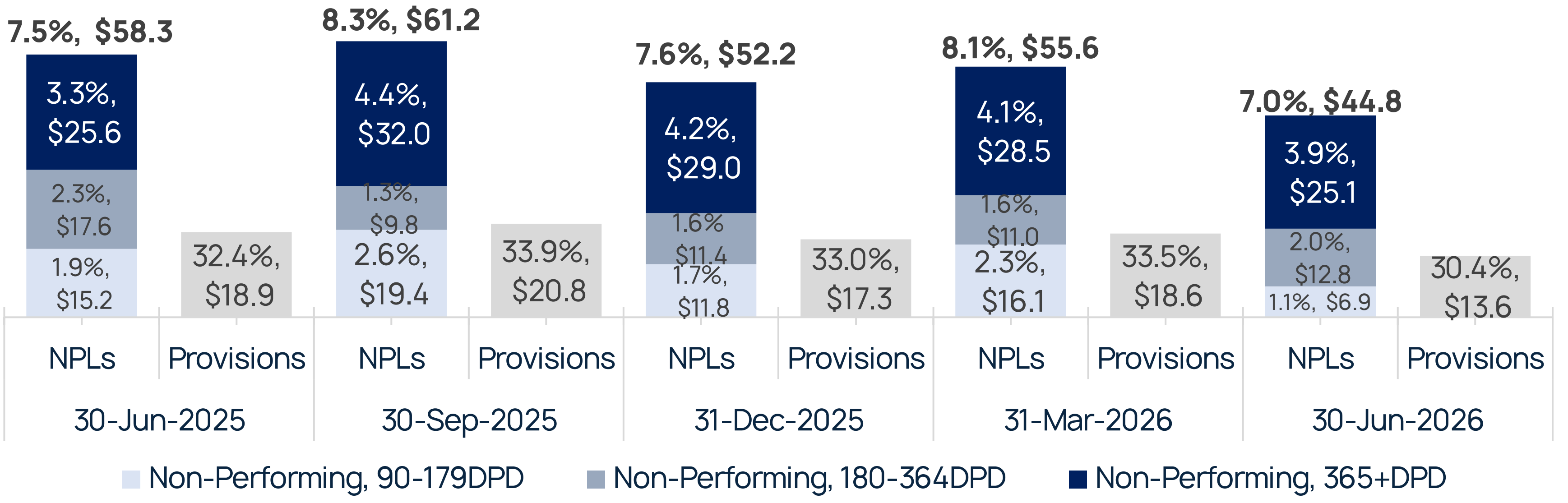
Motor Finance[2] ($m)



Rural[3] ($m)



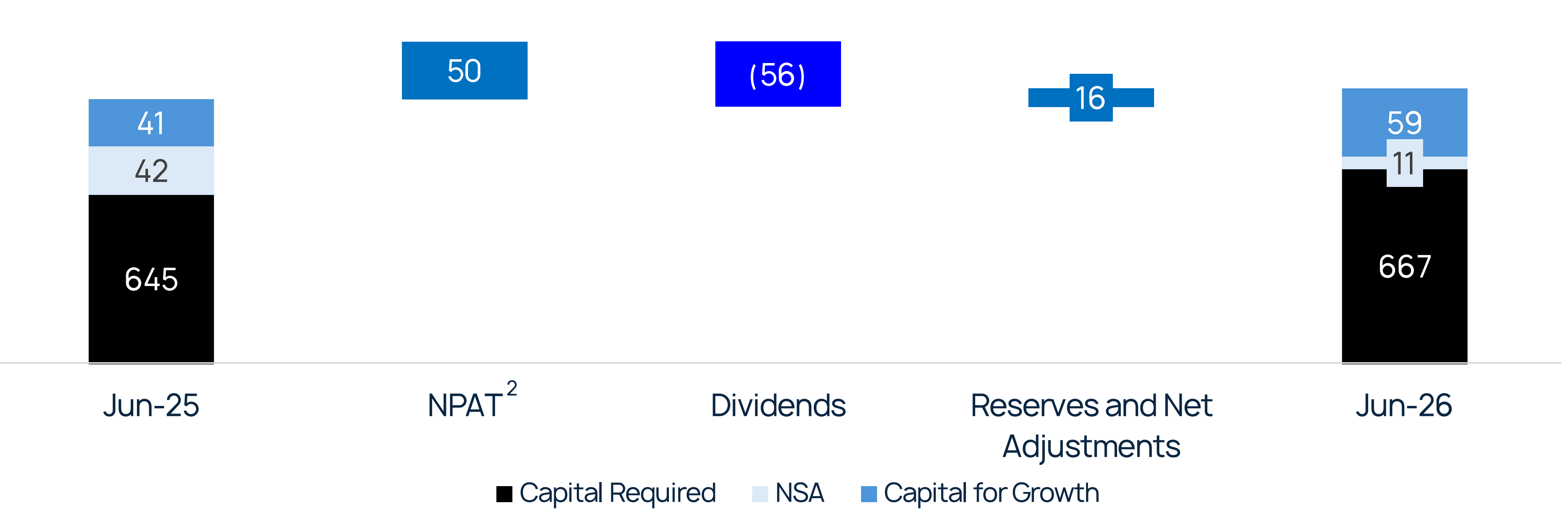
Business Finance[4] ($m)



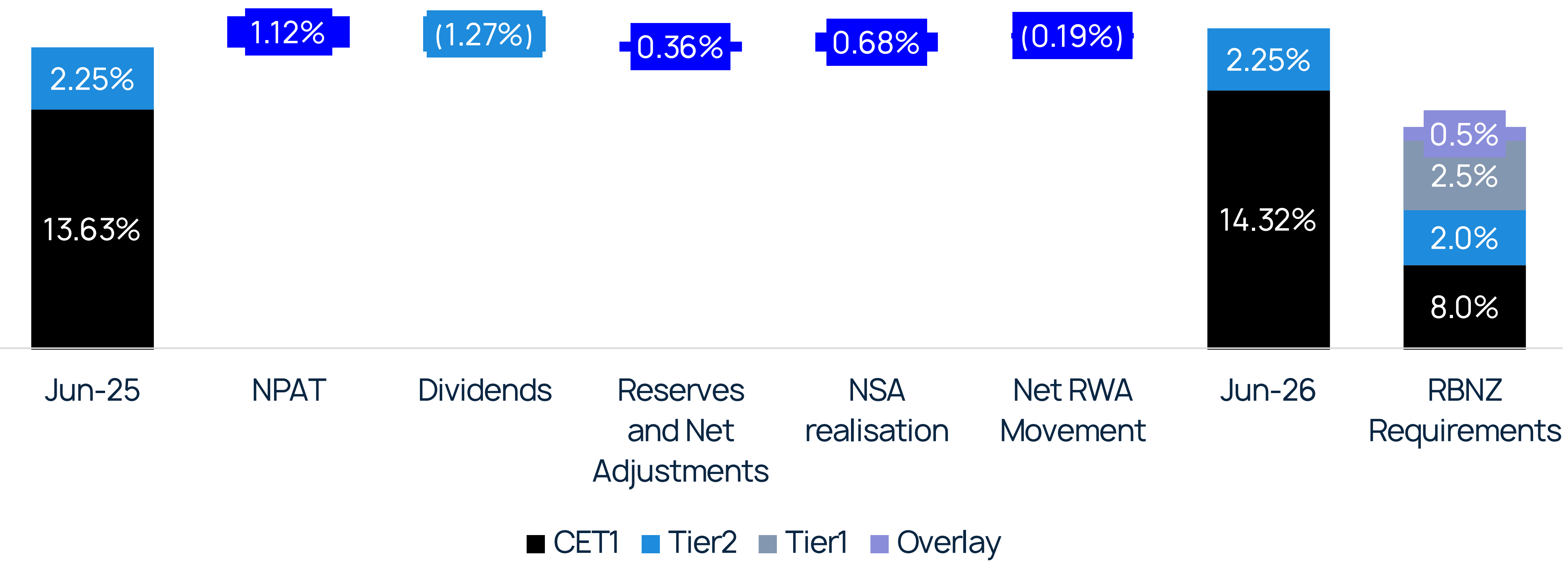
1. Total Bank NPL includes NSAs and Unsecured Lending (which includes Personal Lending and Open for Business which are winding down). Core Portfolio NPL includes Reverse Mortgages, Motor Finance, Rural, and Business Finance.
2. Motor Finance includes Wholesale Lending.
3. Rural includes Rural Relationship,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

Regulatory capital

New Zealand Banking Group[1] – Total Capital movement $m



New Zealand Banking Group - Capital ratio and RBNZ requirements



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

- During FY2026, the NSA realisation programme released $31.7m of capital, which has been redirected to fund growth.

RBNZ capital review

- 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.
- The RBNZ is expected to review reverse mortgage risk weights in the second half of calendar year 2026, and Heartland Bank intends to participate in this review.[3]
- Effective 1 March 2026, the RBNZ 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 30 June 2026, the Banking Group holds approximately $110m of regulatory capital in excess of expected regulatory requirements. Applying Heartland Bank's expected risk weight changes[4] to the 30 June 2026 balance sheet, the excess is approximately $160m.[5]

Note:
- RBNZ imposed a transitional capital overlay on Heartland Bank after the acquisition of what is now Heartland Bank Australia.
- Heartland Bank's regulatory capital ratio increased to 16.68% as of 30 June 2026 (30 June 2025: 16.46%), due to capital released from NSAs. The total capital ratio for the NZBG increased to 16.57% from 15.88% during the same period.

1. The New Zealand Banking Group consists of the NZ bank and its NZ subsidiaries, excluding Marac Insurance Limited.
2. Current reported NPAT for the NZ Banking Group.
3. The exact timing of the RBNZ's review of reverse mortgage risk weights has not yet been confirmed.
4. The RBNZ has confirmed that banks may apply any of the new standardised credit risk weights from 1 October 2026. The first annual step change in capital ratios is also taking place on 1 October 2026.
5. Including ordinary internal buffers.

NZ lending performance: Motor Finance[1]

$1,720m

Receivables as at 30 Jun 2026
+$25m, 1.5%[2] since 30 Jun 2025

Includes **$1,511m Motor Lending**[2] and **$209m Wholesale Lending**

$73.7m

NOI as at 30 Jun 2026
-2.0% vs FY2025

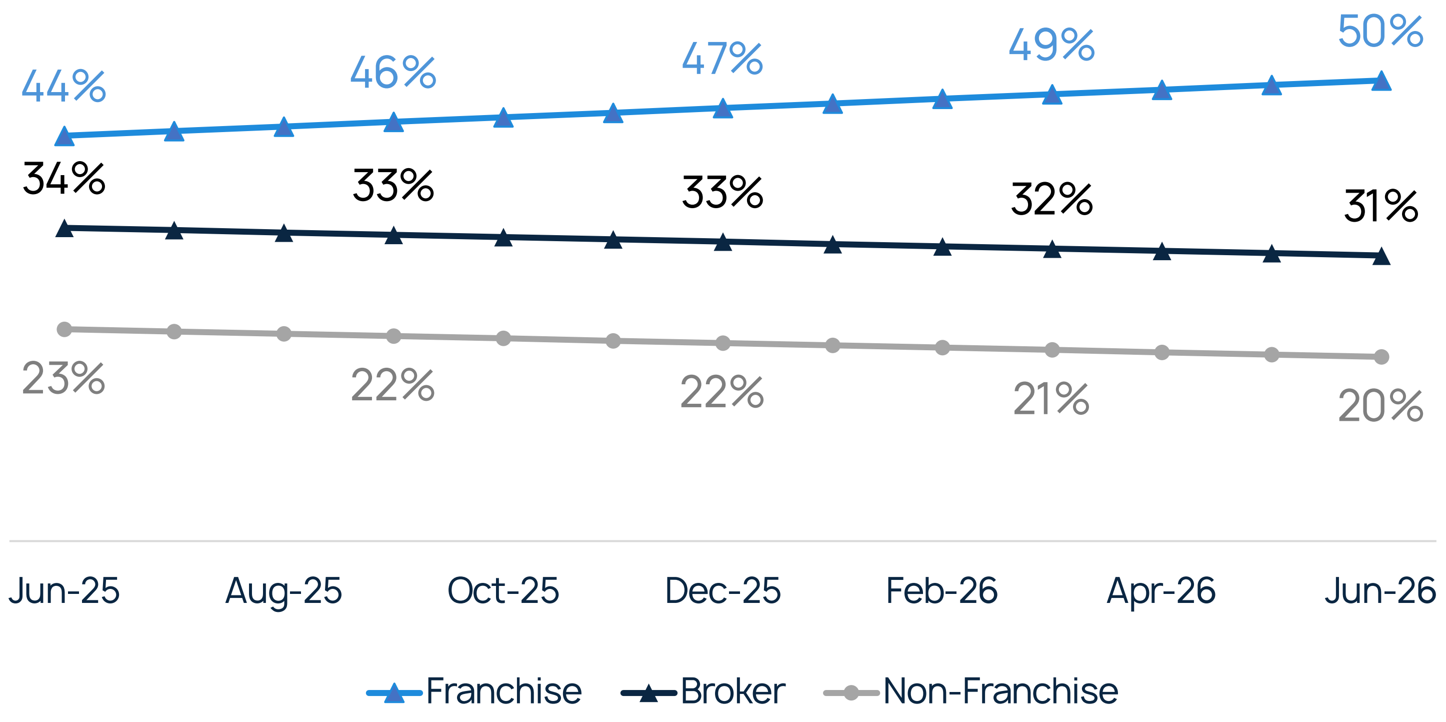
Includes **$70.1m Motor Lending**[2] and **$3.6m Wholesale Lending**

- Dealer retracted 5.1%, reflecting Heartland Bank's deliberate shift from lower quality broker and non-franchise lending towards higher quality franchise lending.
- Jaguar Land Rover global production disruption from late 1H2026 into early 2H2026 also elevated demand volatility.
- New business volumes improved in 2H2026 as vehicle supply levels returned (up 3.6% from 1H2026 to $399.4m in 2H2026), supported by record EV lending volumes in March 2026 and an expanded wholesale funding partnership with key branded partner Kia.
- Direct-to-consumer lending increased by 25.7% in FY2026.

Outlook

- **FY2027 growth**: >3.5%

Dealer Receivables mix



1. Motor Finance includes Motor Wholesale lending.
2. Motor Lending includes Intermediary and Direct distribution channels.

NZ lending performance: Reverse Mortgages

$1,441m

Receivables as at 30 Jun 2026
+$207m, 16.8% since 30 Jun 2025

$65.9m

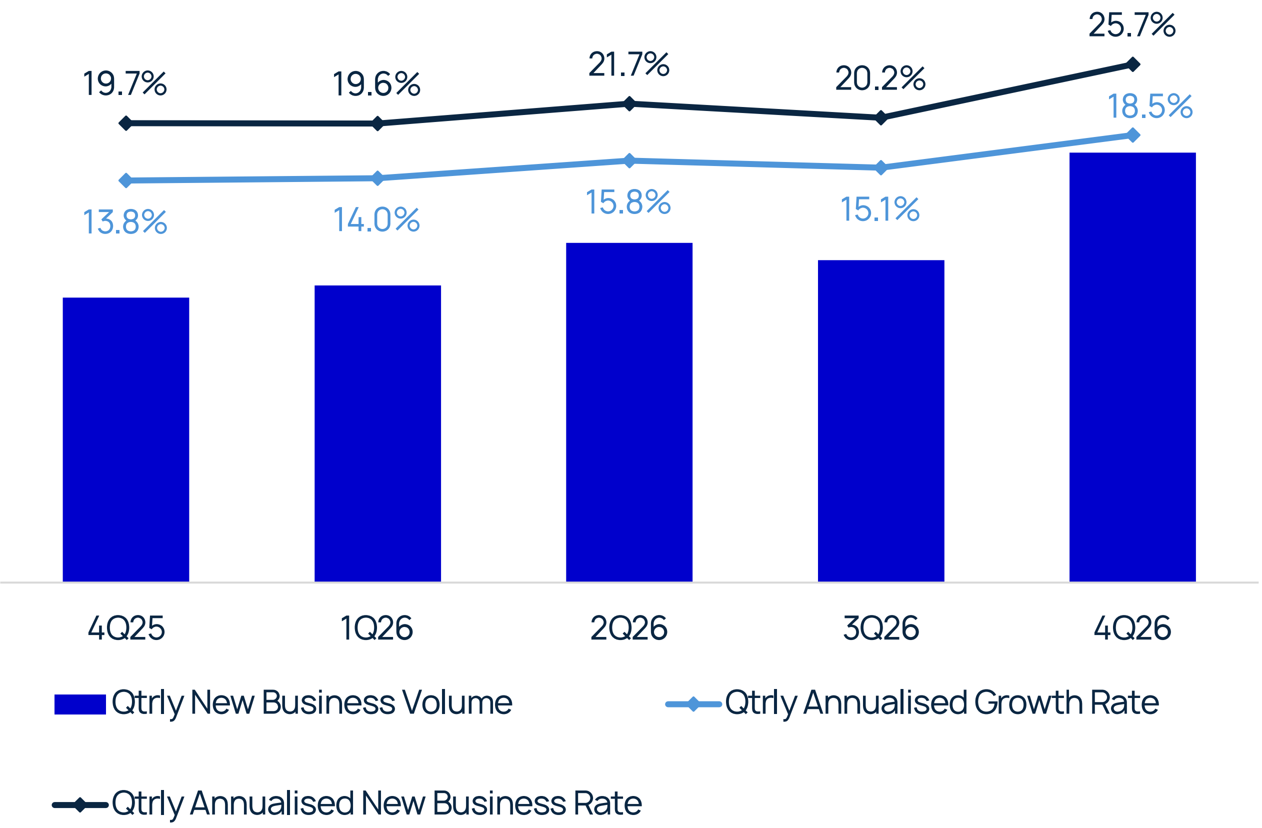
NOI as at 30 Jun 2026
+13.0% vs FY2025

- Reverse Mortgage Receivables growth was supported by increased investment in market awareness, regional presence and product process improvements.
- Annualised growth increased from 14.0% in the first quarter to 18.5% in the fourth quarter.
- Asset quality within Reverse Mortgages remains strong with an NPL ratio of 0.06%[1], average current loan size of $163k and weighted average current LVR of 27.5%.

Outlook

- **FY2027 growth**: > 18.0%

Receivables growth



1. 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 30 June 2026, this included 5 loans with a total value of $0.9m and a weighted average LVR (using indexed valuation) of 40.3%.

NZ lending performance: Rural[1]

$675m

Receivables as at 30 Jun 2026
+$66m, 10.8%[2] since 30 Jun 2025

Includes **$390m Rural Lending**[2] and **$285m Livestock Finance**

$29.7m

NOI as at 30 Jun 2026
-3.3% vs FY2025

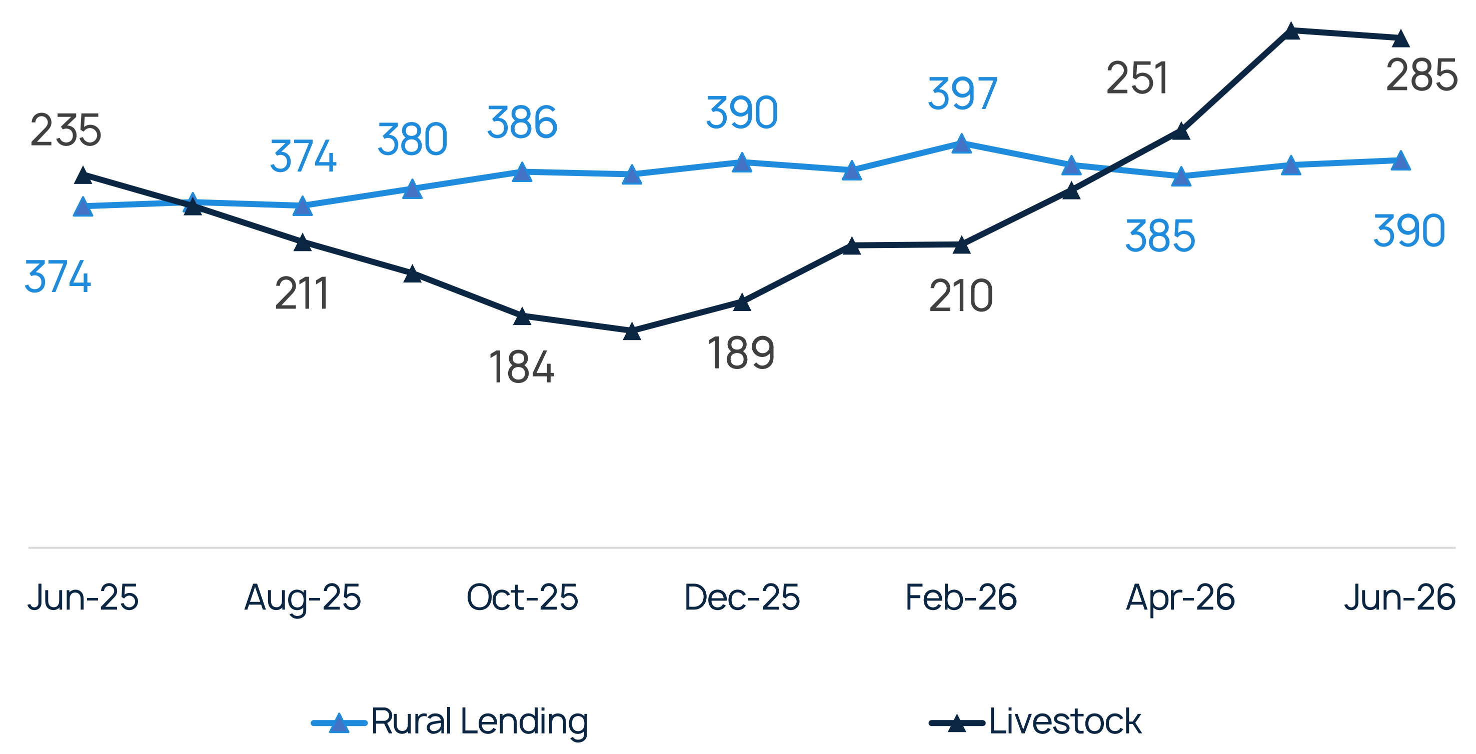
Includes **$19.3m Rural Lending**[2] and **$10.5m Livestock Finance**

- Rural growth exceeded Heartland Bank's guidance and was ahead of sector growth of 1.8%.[3]
- Growth was supported by strengthened Livestock Finance intermediary partnerships and improved market optimism.
- Through FY2026, to address demand and strengthen its commitment to specialist rural lending, Heartland Bank expanded its regional presence.

Outlook

- **FY2027 growth**: > 5.0%

Rural[1] Receivables ($m)



1. Rural includes Rural Relationship, Rural Direct and Livestock Finance. Excludes NSAs.
2. Rural Lending includes Rural Relationship and Rural Direct excluding NSAs.
3. As reported by RBNZ, the annual sector growth rate for agricultural lending increased from 0.5% to 1.8% in June 2026.

NZ lending performance: Business Finance[1]

$639m

Receivables as at 30 Jun 2026
-$141m, -18.1% since 30 Jun 2025

Includes **$519m Asset Finance** and **$120m Business Relationship**

$36.2m

NOI as at 30 Jun 2026
-18.4% vs FY2025

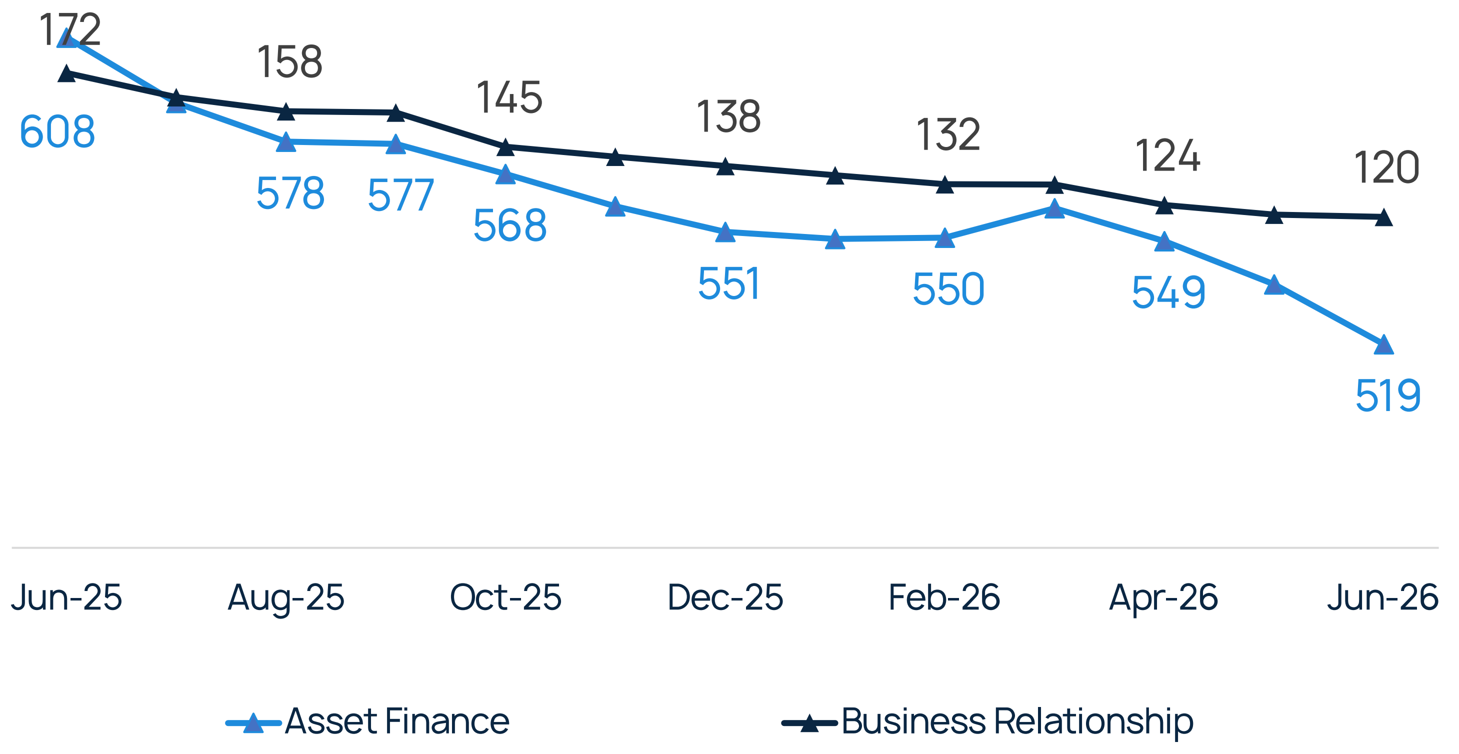
Includes **$27.0m Asset Finance** and **$9.2m Business Relationship**

- Business Finance includes Asset Finance which helps small-to-medium businesses purchase assets such as trucks, trailers, machinery and other equipment used in day-to-day operations, rather than refinance existing assets.
- The Business Finance retraction is within guidance and reflects Heartland Bank's continued focus on asset quality and pricing for risk amid subdued demand and ongoing economic challenges, particularly in construction and transport which are key lending industries for Heartland Bank.

Outlook

- **FY2027 growth**: < -7.5%

Business Finance[1] Receivables ($m)



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

NZ technology programme

Building on prior investment in its modern technology foundations, Heartland Bank is adding an AI-enabled automation and integration layer with Pega – creating simpler, faster, fully digital journeys.

FY23 – FY25

Modern foundations

Resilient, secure, scalable platforms

Core banking
Modern, scalable, Oracle core banking platform
ORACLE

Customer channels
Voice and secure messaging
GENESYS

Common Group platforms

Data & Analytics
Trusted data, insights and AI
snowflake

Finance
Modern financial management
workday

People
Empowered people and culture
workday

FY26 – FY28

AI-enabled automation and integration platform

Automate, orchestrate and make smarter decisions

- AI & Decisioning
- Workflow Automation
- Straight-Through Processing
- Insights & Analytics
- PEGA

Simple, digital and seamless experiences across every channel

Programme benefits over time

- **Better experiences:** Fully digital, end-to-end journeys with simpler, faster outcomes for customers, intermediaries and employees.
- **Increased agility and speed:** Faster approvals, product changes and easier customer servicing.
- **Greater operational efficiency:** Automated workflows and streamlined work for employees.
- **Simplified technology landscape:** Reduce complexity, cost and risk with a modern, integrated platform.
- **Lower long-term cost:** Retire legacy systems and reduce software licensing.
- **Drive sustainable growth:** Improved conversion and capacity to serve more customers.

NZ technology programme: Progress report

FY2026 progress

Programme delivery

Overall status	• On track. • No change to delivery timetable. • Commenced Motor Finance discovery phase.
Milestones achieved	• Completed initial production deployment of the Pega platform. • Launched the first phase of Reverse Mortgages on the platform in June 2026.
Outcomes	✓ Partial retirement of legacy Reverse Mortgage origination systems. ✓ Automated Reverse Mortgage loan approvals, reducing turnaround from 10 days to 48 hours for straight-through processing. ✓ 100% of new Reverse Mortgage applications are being initiated on the platform.
Implementation investment	• $3.3m invested in external implementation costs in FY2026. • Within implementation budget expectations (estimated to be ≤ $11m over a three-year period).

Indicative implementation timeline

FY2026 | FY2027 | FY2028

Planning — Reverse Mortgages — Motor Finance — Savings & Deposits — Rural, Asset Finance, Collections

FY2027 focus

Deliverables and objectives

- Complete Reverse Mortgage back-book migration and bring loan settlement and servicing inhouse.
- Improved Reverse Mortgage customer self-service experience, including mobile app access.
- Deploy Motor Finance on the platform, with benefits expected to include:
  - loan conversion improvement
  - handling efficiencies
  - savings through decommissioning legacy systems
  - automation of loan approvals.
- Reverse Mortgage benefits begin to realise, including:
  - faster application times
  - higher conversion leading to growth.

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

HEARTLAND GROUP

03 Australian banking

Michelle Winzer Chief Executive Officer, Heartland Bank Australia
Kerry Conway Chief Financial Officer, Heartland Bank

AU banking: FY2026 summary

Heartland Bank Australia materially met its underlying guidance for all key financial metrics. Continued strong Reverse Mortgage growth lifted profitability and contributed to NIM expansion and CTI ratio improvement.

FY2026 summary

Business growth

- Delivered 19.7% Reverse Mortgage growth while simultaneously executing the transformation programme.
- Retained >40% total reverse mortgage market share and approximately 55% new business market share, reinforcing market leadership despite increased competitor activity.

Service excellence

- Achieved an 85% Customer Satisfaction Score and a Net Promoter Score of +49 in Reverse Mortgages.
- Commenced a strategic transformation programme to simplify the bank's technology infrastructure and strengthen operational scalability. Reverse Mortgage origination launched on the platform in July 2026.
- Maintained high customer service standards despite a 46% increase in annual call volume, increasing answered calls by an average of 11.9% month-on-month.

Diversify distribution

- Accelerated distribution by strengthening strategic partner networks and broker engagement across the reverse mortgage market. Broker relationships expanded more than 20%, contributing to increased Reverse Mortgage origination volumes and improving visibility with key aggregator and referral partners.
- Signed 13 new livestock service providers, deepening key industry partnerships across regional markets.

FY2026 underlying financial metrics	AU Banking	
	Guidance	Result
NPAT	**>A$37.0m**	**A$38.4m**
ROE	**>8.0%**	**8.7%**
Average NIM	>3.70%	3.81%
Exit NIM	>3.75%	3.95%
OPEX	<A$58.0m	A$57.6m
CTI ratio	<50.0%	48.6%
Impairment expense ratio	<0.10%	0.11%

Financial results

		Reported					Underlying				
		FY26	FY25	Movement			FY26	FY25	Movement		
Financial performance	NII	$112.5m	$86.5m	↑	$26.1m	30.1%	$114.5m	$86.5m	↑	$28.1m	32.4%
	OOI[1]	$6.3m	$2.7m	↑	$3.7m	137.5%	$0.6m	$2.7m	↓	($2.0m)	(76.5%)
	NOI	**$118.9m**	**$89.1m**	↑	**$29.7m**	**33.3%**	**$115.2m**	**$89.1m**	↑	**$26.0m**	**29.2%**
	OPEX	$54.8m	$47.7m	↑	$7.1m	14.9%	$57.6m	$46.4m	↑	$11.2m	24.2%
	Impairment expense	$2.6m	$2.7m	↓	($0.1m)	(0.7%)	$2.6m	$2.7m	↓	($0.1m)	(0.7%)
	Tax expense	$18.5m	$11.6m	↑	$6.8m	58.6%	$16.5m	$12.0m	↑	$4.5m	37.3%
	NPAT[2]	**$43.0m**	**$27.2m**	↑	**$15.8m**	**58.2%**	**$38.4m**	**$28.1m**	↑	**$10.3m**	**36.7%**
	NIM[3]	3.74%	3.08%	↑	66 bps		3.81%	3.08%	↑	73 bps	
	CTI ratio	44.7%	53.5%	↓	(877 bps)		48.6%	52.0%	↓	(342 bps)	
	Impairment expense ratio[4]	0.11%	0.13%	↓	(2 bps)		0.11%	0.13%	↓	(2 bps)	
	ROE	9.7%	6.6%	↑	311 bps		8.7%	6.8%	↑	185 bps	

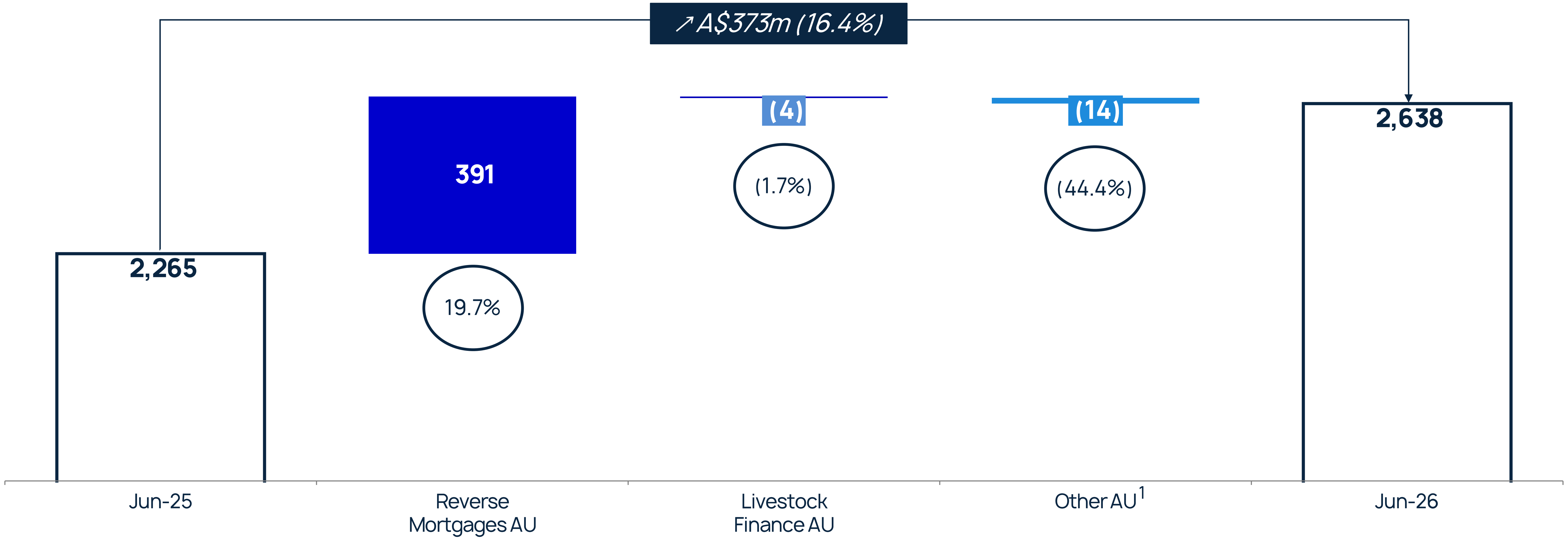
		Jun 26	Jun 25	Movement		
Financial position	Liquid assets	$596m	$517m	↑	$79m	15.3%
	Receivables[5]	$2,638m	$2,265m	↑	$373m	16.4%
	Borrowings	$2,919m	$2,499m	↑	$420m	16.8%
	Equity	$462m	$424m	↑	$39m	9.1%
	Equity/total assets	13.5%	14.4%	↓	(86 bps)	

Note: All figures are in AUD$m. See page 2 for a definition of underlying financial metrics. Refer to page 7 for details about FY2026 and FY2025 one-offs.

1. Reported OOI includes the impact of the change in accounting methodology for Heartland Bank Australia Reverse Mortgage commissions. See page 33 for more information.
2. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.
3. NIM is calculated using monthly average interest earning assets, a change from prior periods which used a spot-to-spot June average.
4. Impairment expense as a percentage of average Receivables.
5. Receivables also includes Reverse Mortgages.

Receivables

Continued strength in Reverse Mortgage growth underpinned Heartland Bank Australia's 16.4% lift in Receivables.



	Jun-25	Reverse Mortgages AU	Livestock Finance AU	Other AU[1]	Jun-26
Receivables (AUD $m)	**2,265**	2,371	250	17	**2,638**

Note: All figures in AUD$m.

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

Reverse Mortgage commission accounting methodology update

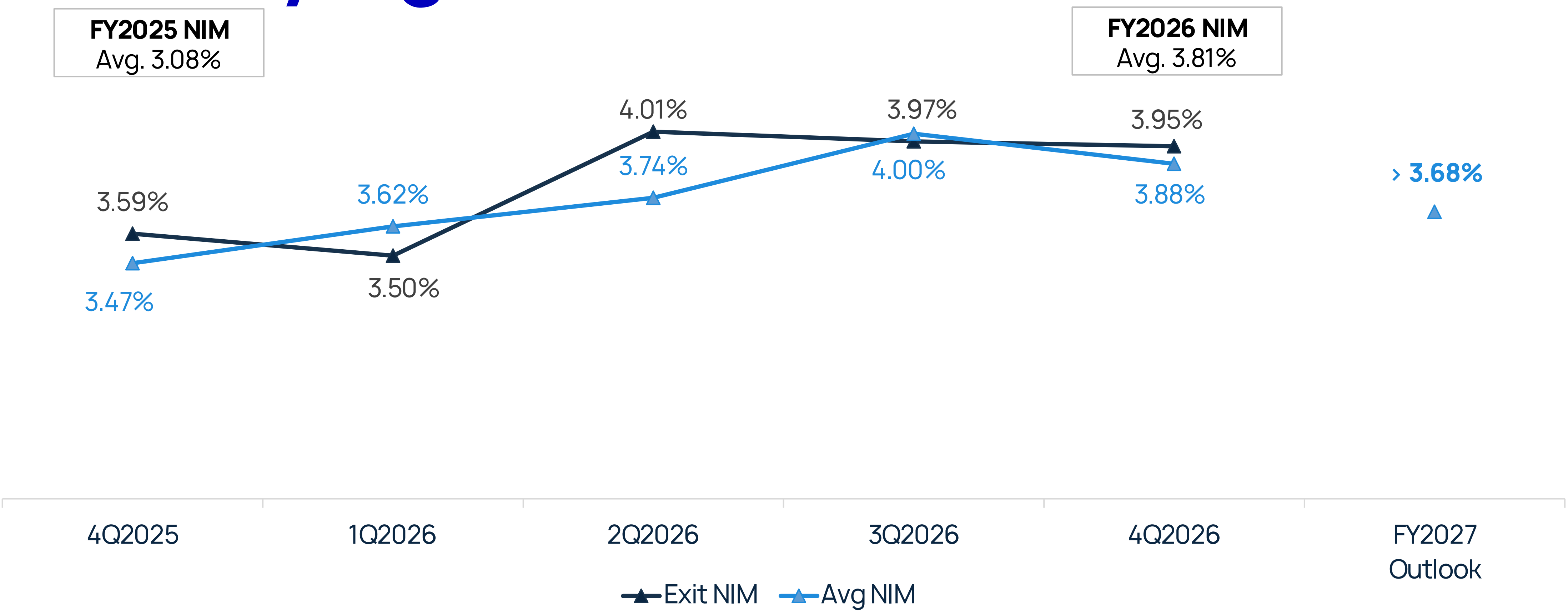
Heartland Bank Australia has refined the accounting methodology used for Reverse Mortgage commissions.[1]

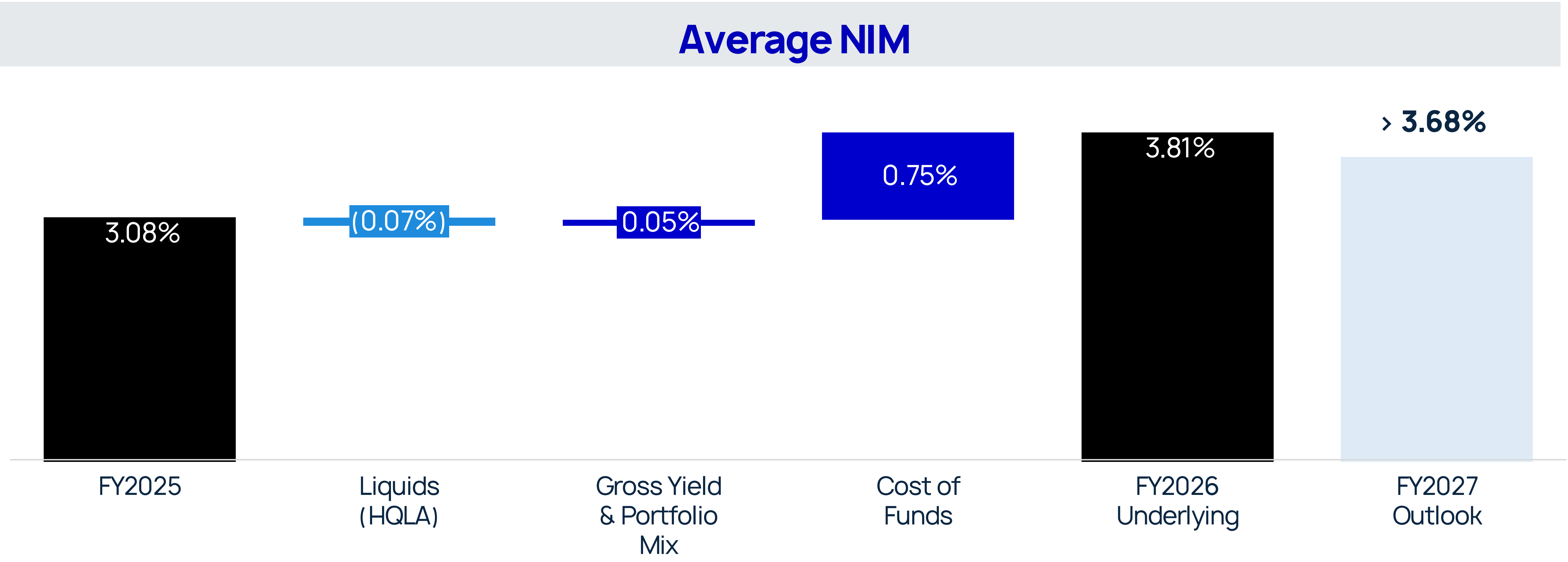
- Heartland Bank Australia's accredited Reverse Mortgage brokers and intermediaries are remunerated through upfront and ongoing trail commissions for the duration of a Reverse Mortgage loan.
- Commission costs previously recognised upfront are now recognised progressively over the expected life of the loan, better aligning cost recognition with expected loan cash flows and customer behaviour.
- The FY2026 reported result includes both the ongoing impact of the revised methodology and a life-to-date revaluation of the existing portfolio of A$5.7m.
- The impact of this change has been removed from Heartland Bank Australia's underlying performance for FY2026.
- The change affects the timing of earnings recognition only and has no impact on Heartland Bank Australia's cash flows, regulatory capital position or portfolio economics.

	Underlying	Accounting change	Reported	Comments
NII	A$114.5m	(A$2.0m)	A$112.5m	Commission expense unwind through the duration of the loan.
OOI	A$0.6m	A$5.7m	A$6.3m	Fair value benefit from applying the revised commission methodology to existing loans.
NOI	**A$115.2m**	**A$3.7m**	**A$118.9m**	
OPEX	A$57.6m	(A$2.9m)	A$54.8m	Commission expense no longer accounted for within operating expenses.
Impairment expense	A$2.6m	-	A$2.6m	
Tax expense	A$16.5m	A$2.0m	A$18.5m	
NPAT	**A$38.4m**	**A$4.6m**	**A$43.0m**	
NIM	3.81%	(7 bps)	3.74%	
CTI ratio	48.6%	(392 bps)	44.7%	Improved due to lower reported operating expenses under revised methodology.

1. Refer to "Changes in accounting estimates" in Note 20 – Fair Value of Heartland's Financial Statements for the year ended 30 June 2026.

Underlying NIM[1]





FY2026 summary

- NIM reflected the full year benefit of the deposit funding strategy, with legacy wholesale funding arrangements replaced by lower-cost deposits.
- The one-off Reverse Mortgage accounting methodology change resulted in an adjustment in fair value and recognition of commissions through NII (previously OPEX) – see page 33.

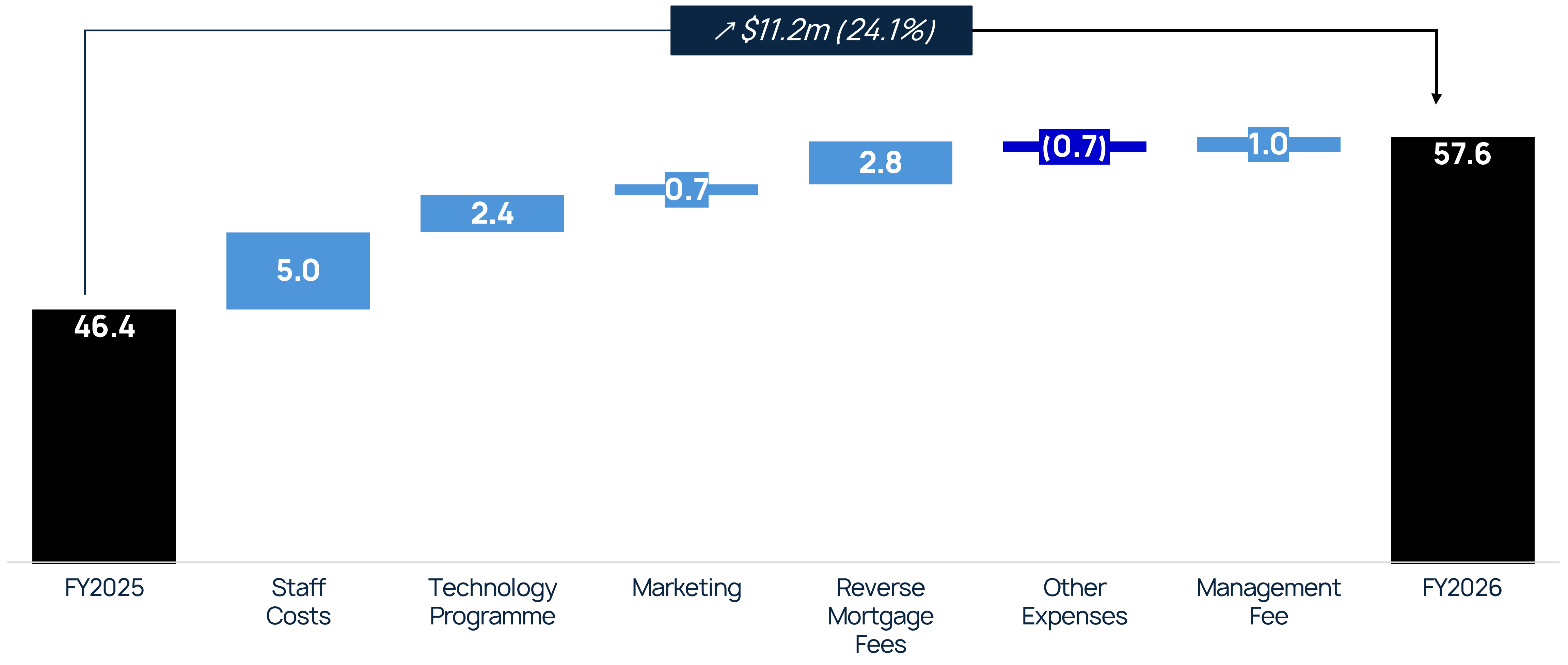
FY2027 outlook

- Some NIM compression is expected from competitive lending pressures within Reverse Mortgages, offset marginally by diversification of funding mix with NCDs, deposit channel diversification and improved liquids management.
- The FY2027 average NIM is expected to be ›3.68% compared to 3.74% in FY2026 on a like-for-like basis.

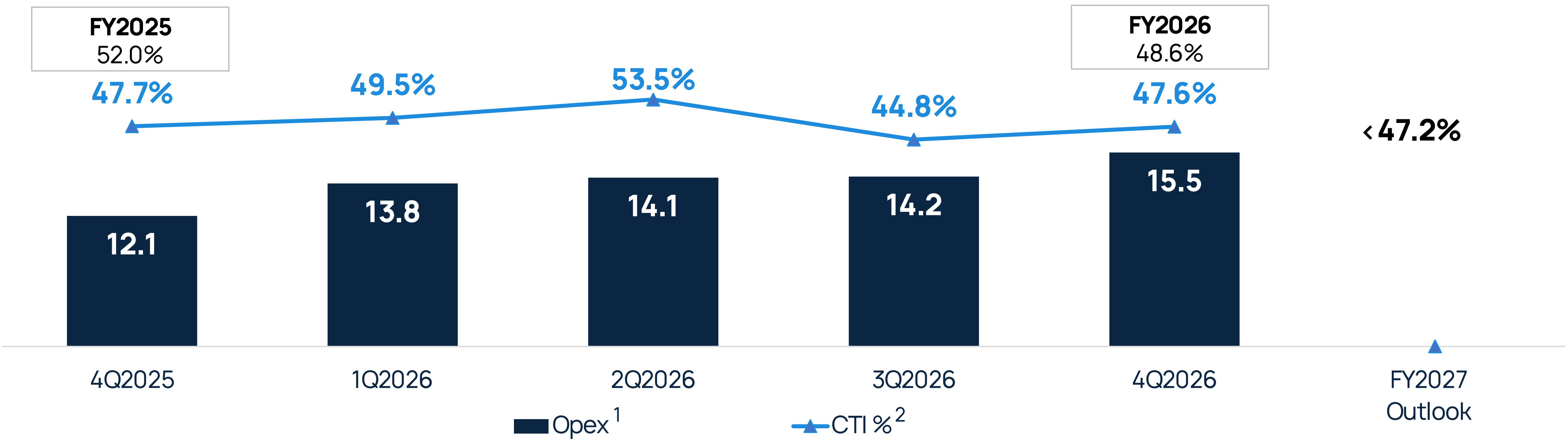
Note: NIM is calculated as NII/average gross interest earning assets in $AUD.

1. NIM is calculated using monthly average interest earning assets, a change from prior periods which used a spot-to-spot June average.

Underlying OPEX



Underlying OPEX & CTI ratio (A$m)



FY2026 summary

- Underlying OPEX was up A$11.2m on FY2025 primarily due to increased staff costs driven by the full-year impact of FTE hired in FY2025, and additional FTE in FY2026 to support Reverse Mortgage volume growth, the transformation programme, and to ensure customer experience was not impacted while implementing the new platform.
- Reverse Mortgage earnings momentum contributed to an improvement in the underlying CTI ratio.

FY2027 outlook

- OPEX is expected to be <A$65m, with a CTI ratio of <47.2%.
- OPEX is expected to increase in FY2027, reflecting duplicate platform and operating costs as the bank implements its transformation programme (see page 40).

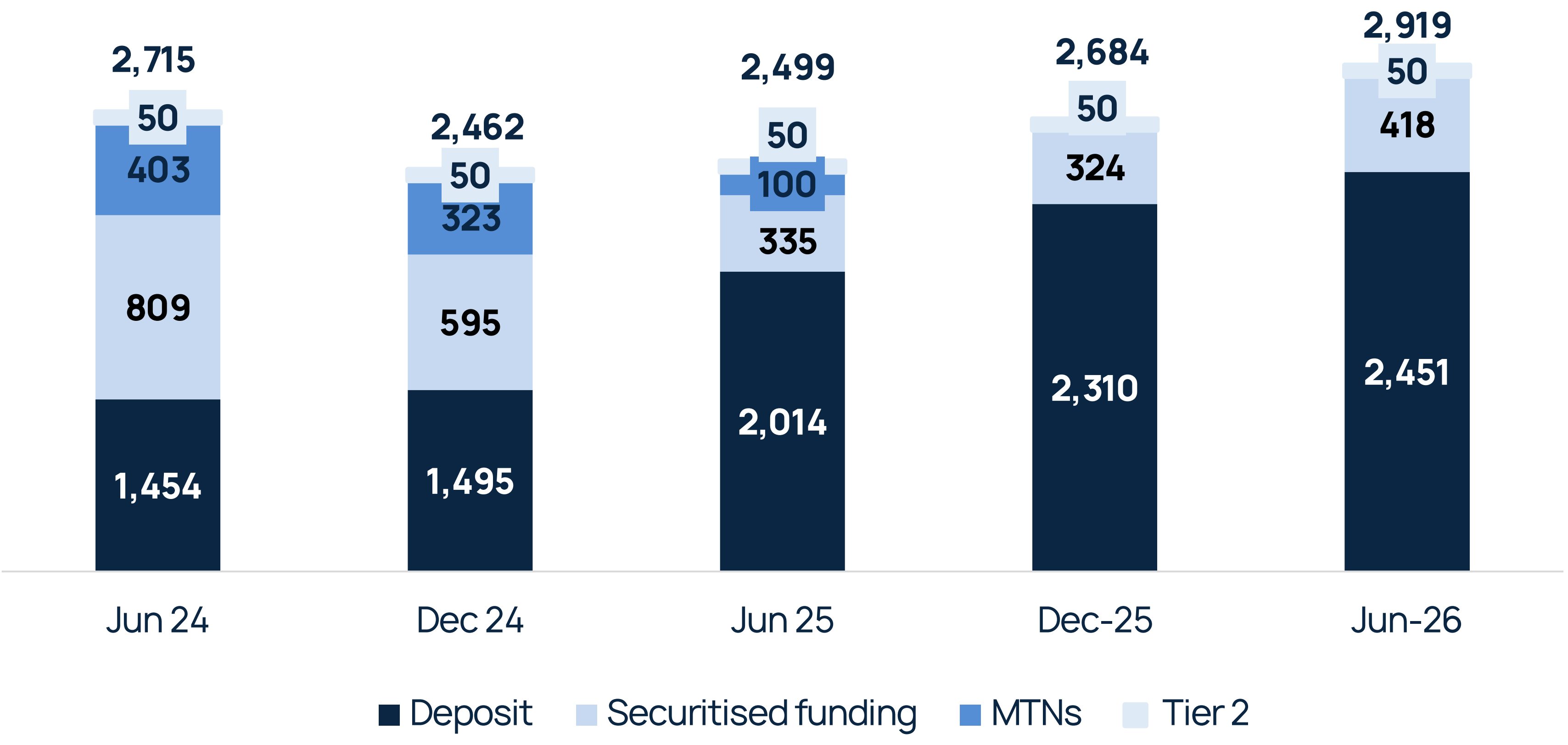
Note: All figures in AUD$m. CTI ratio is calculated as OPEX/NOI. Underlying CTI ratio excludes one-off impacts . See page 2 for definition of underlying financial measures. Refer to page 7 for details about one-offs in the periods covered in this investor presentation.
1. Including intercompany group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

Funding & liquidity

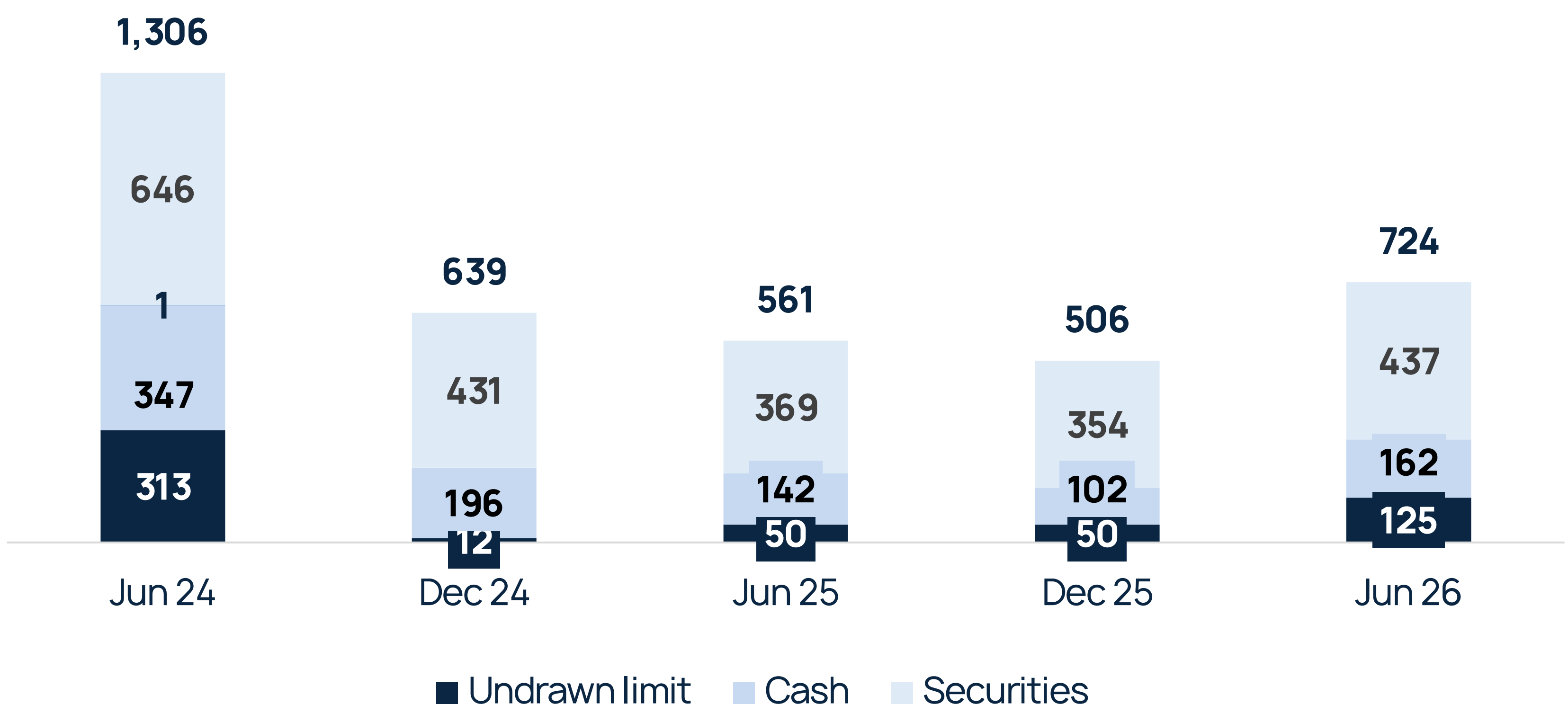
- Deposits increased to A$2.45b, representing 84% of total funding (June 2025: 81%), further strengthening the funding mix and reducing reliance on wholesale funding.
- Heartland Bank Australia completed the early repayment of its final A$100m MTN, using deposit funding.
- Liquidity increased to A$724m, with the MLH ratio maintained at 19.3%.

	30-Jun-25 MLH[1]	30-Jun-26 MLH[1]
Heartland Bank Australia	19.4%	19.3%

Funding composition A$m



Liquidity composition A$m

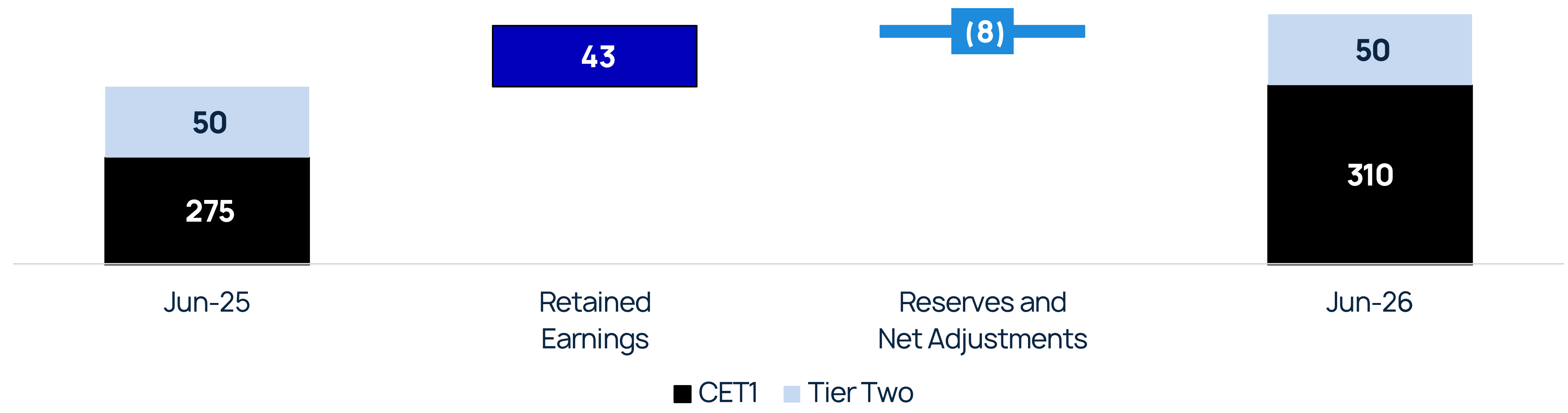


Note: All figures in AUD$m. Heartland Bank acquired what is now Heartland Bank Australia on 30 April 2024. Prior to that, Heartland's Australian businesses operated as Heartland Australia Group, which did not have an ADI licence or access to deposit funding in Australia.
Liquid assets (securities) are HQLA APRA eligible securities.

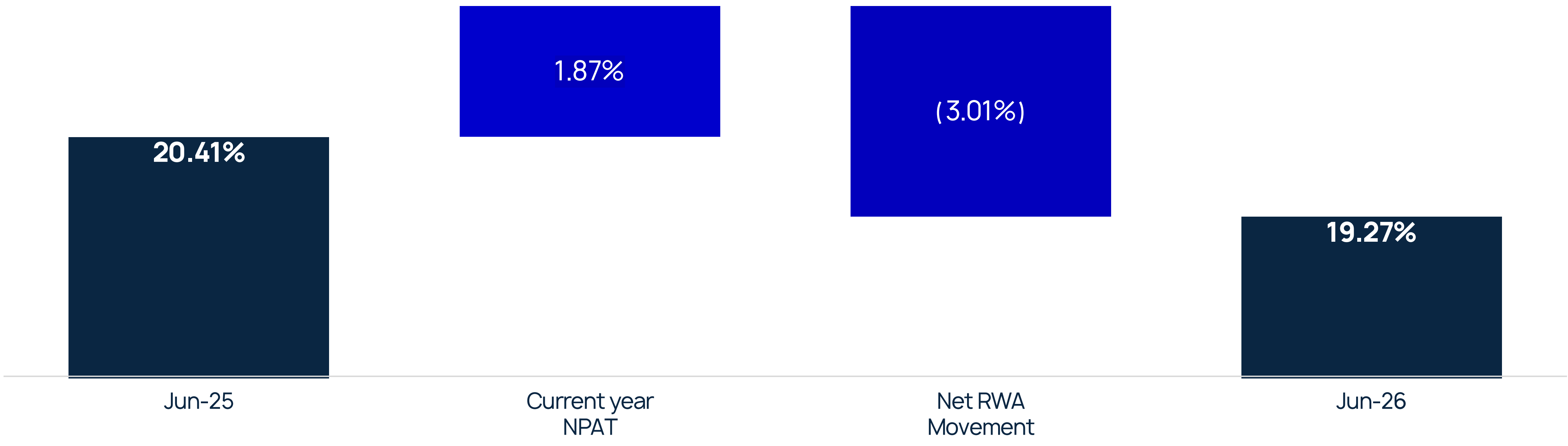
1. Minimum Liquidity Holdings (MLH) for Heartland Bank Australia has been measured on an APRA level 2 consolidated basis, i.e. including Heartland Australia Bank and its' subsidiaries.

Regulatory capital

Heartland Bank Australia - Capital movement A$m



Heartland Bank Australia – Total capital ratio



Heartland Bank Australia maintains a strong capital position while supporting portfolio growth.

- Total capital increased to A$360m, driven by retained earnings of A$43m.
- The total capital ratio was 19.3% at FY2026. Capital generated during the year was reinvested to support continued growth in Reverse Mortgages and associated risk-weighted assets, while maintaining capital strength.

Note: All figures in AUD$m.

AU lending performance: Reverse Mortgages

A$2,371m

Receivables as at 30 Jun 2026
+A$391m, 19.7% since 30 Jun 2025

A$79.8m

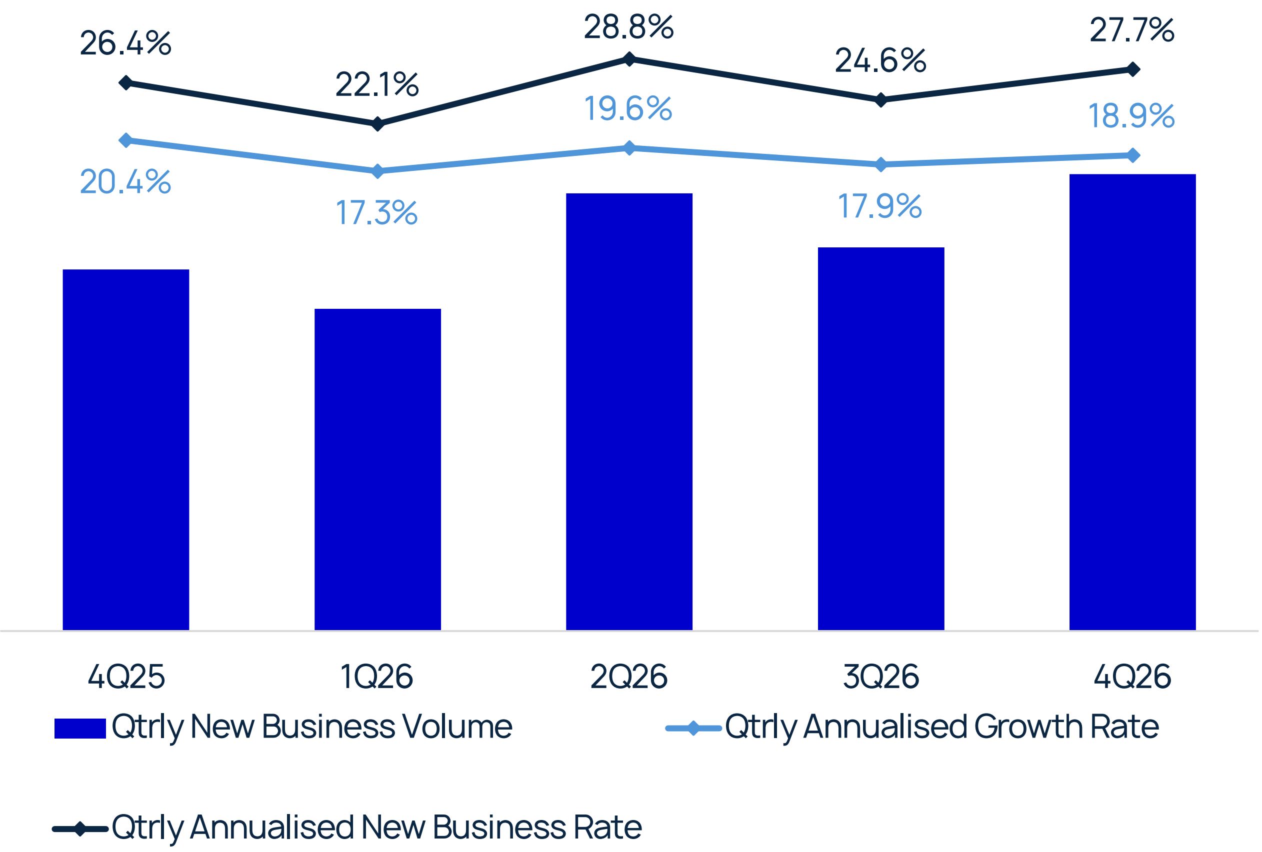
NOI as at 30 Jun 2026
A$63.8m 30 Jun 2025

- Reverse Mortgages continued to deliver strong growth, supported by ongoing customer demand and continued momentum across both direct and intermediary channels.
- Heartland Bank Australia maintained its leading position in the Australian reverse mortgage market, with market share of more than 40%, supported by a diversified broker network and marketing activity.
- Asset quality remains strong with an NPL ratio of 0.74%[1], average current loan size of A$223k and weighted average current LVR of 24.8%.

Outlook

- **FY2027 growth**: >20.0%

Receivables growth



1. 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 30 June 2026, this included 63 loans with a total value of A$19.97m and a weighted average LVR (using indexed valuation) of 28.15%.

AU lending performance: Livestock Finance

A$250m

Receivables as at 30 Jun 2026
-A$4.3m, -1.7% since 30 Jun 2025

A$15.1m

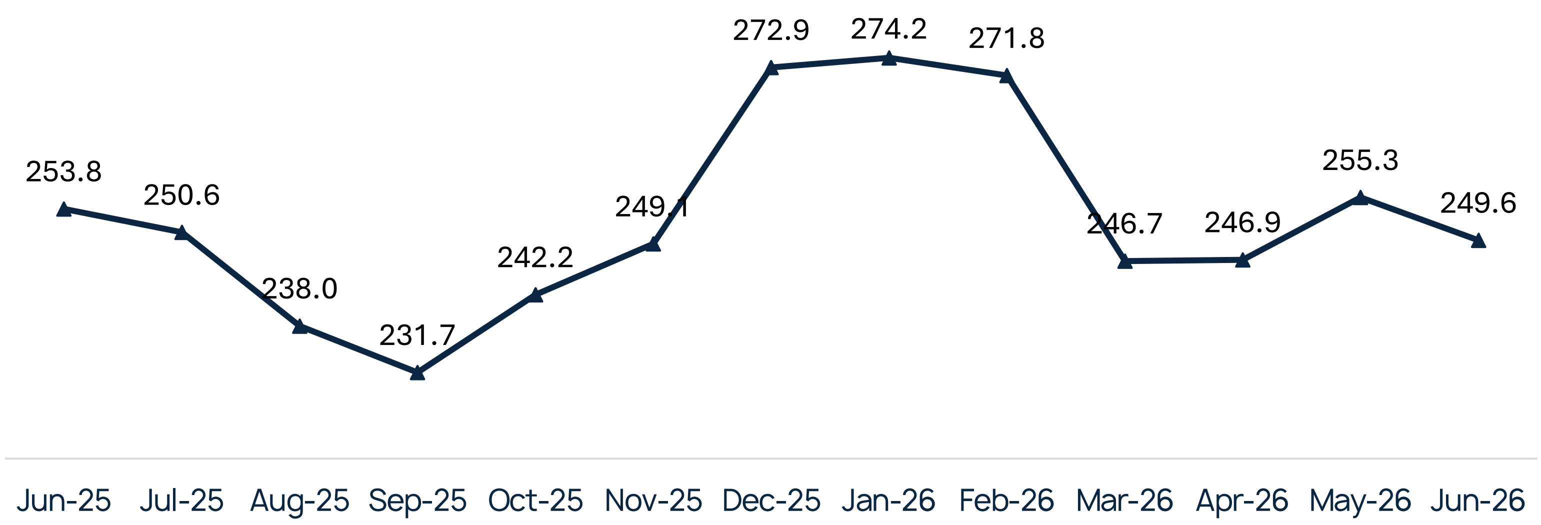
NOI as at 30 Jun 2026
A$12.6m at 30 Jun 2025

- Livestock Finance saw good customer trading activity through FY2026, funding a high volume of livestock purchases and sales across the portfolio.
- Receivables were down 1.7% with livestock sales exceeding purchases over the year despite generally supportive industry conditions, particularly across cattle markets.
- NOI increased 20% to A$15.1m (from A$12.6m in FY2025), reflecting improved funding costs and portfolio quality, with average Receivables remaining stable.
- Active portfolio management and customer support strategies reduced NPLs by A$10.4m, from A$36.9m as at 30 June 2025 to A$26.5m as at 30 June 2026.

Outlook

- **FY2027 growth**: >10.0%

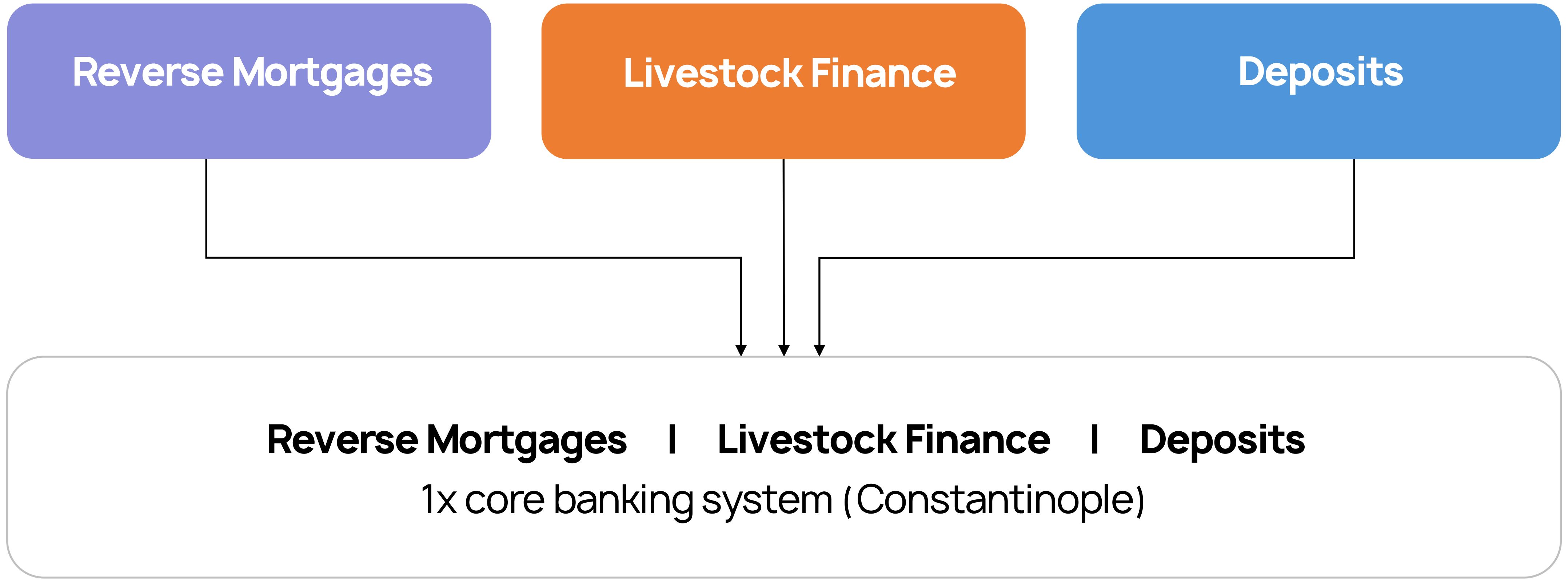
Receivables (A$m)



AU transformation programme

Heartland Bank Australia has partnered with Constantinople to consolidate multiple platforms into a single core banking system, simplifying operations and enabling scalable growth.

- The programme will simplify Heartland Bank Australia's technology infrastructure, reducing platform complexity, manual processes and operational risk.
- Once fully operational, the platform and improved operating model will enable scalable growth through greater automation, faster decisioning and a lower cost to serve.



Programme benefits over time

- **Improved customer, broker and employee experience** through faster decisioning, streamlined digital workflows and greater automation.
- **Reduced operational risk** through the retirement of manual processes, stronger embedded controls and enhanced compliance capability.
- **Greater scalability**, with higher Reverse Mortgage volumes and future product growth supported without a corresponding increase in FTE.
- **Efficiency benefits** over time from a simplified cloud-based technology architecture, reduced vendor complexity, legacy system decommissioning and lower cost to serve.
- **Improved operating leverage and CTI ratio** following migration completion and full adoption of the target operating model.

AU transformation programme: Progress report

FY2026 progress

Programme delivery

Overall status	• On track. • No change to delivery timetable.
Milestones achieved	• Completed initial production deployment of the Constantinople platform. • Launched the first phase of the Reverse Mortgage platform in July 2026.
Outcomes	✓ Established the foundation for increased automation, enhanced digital workflows and future migration from legacy systems. ✓ Approximately 40% of new Reverse Mortgage origination volumes are now being processed on the platform. ✓ Improved customer, broker and employee experience as manual and fragmented processes begin to transition to digital workflows.
Implementation investment	• A$2.4m invested in external implementation costs in FY2026. • Within budget expectations (estimated to be ≤A$5m over a three-year period).

Indicative implementation timeline

FY2026 FY2027 FY2028

Planning Reverse Mortgages Savings & Deposits Livestock Finance

FY2027 focus

Deliverables and objectives

- Transition existing Reverse Mortgage broker channels to the platform.
- 100% of new Reverse Mortgage originations are processed on the platform.
- Retire legacy Reverse Mortgage systems.
- Complete Reverse Mortgage back-book migration.
- Deploy additional functionality and digital capability to further streamline Reverse Mortgage processes and improve decisioning.
- Introduce new and migrate existing Savings and Deposit products.

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

HEARTLAND
GROUP

04
Outlook

Andrew Dixson Chief Executive Officer, Heartland Group

FY2027 strategic focus

Continue to improve shareholder return by growing ROE to at least 7.5% and lifting profitability to at least $102m.

Through FY2026, Heartland reset its core strategic foundation. This included restoring NIM and asset quality to target levels as Heartland Bank's enhanced collections, recoveries and write-off strategies were embedded as business-as-usual, and the NSA realisation programme successfully concluded.

FY2027 will use this foundation to focus on building and acquiring scale through:

Accelerating growth in core portfolios, with Reverse Mortgage growth targets >18% in both countries.

Successfully completing the Proposed Transaction (subject to satisfaction of all MIA conditions).

This will be supported by:

Executing the next phase of Heartland Bank and Heartland Bank Australia's technology transformation programmes to enhance operating leverage and unlock future growth.

Commencing merger integration (subject to completion of the Proposed Transaction).

These activities provide the opportunity for Heartland to optimise capital held within the business.

FY2027 guidance

Heartland expects FY2027 NPAT to be at least $102m, excluding any costs related to the Proposed Transaction.

It is expected that transaction costs relating to the Proposed Transaction of approximately $9.5m will be expensed and reflected in Heartland's NPAT for FY2027 (subject to the Proposed Transaction completing in FY2027).

Subject to satisfaction of all MIA conditions, as the proposed merger nears completion, guidance will be updated to reflect the impact of TSB merging with Heartland Bank.

	FY2027 guidance[1]		
Financial metrics	**Heartland**	**NZ Banking**	**AU Banking**
NPAT	≥$102m	>$48m	>A$46m
ROE	≥7.5%	>6.3%	>9.3%
Average NIM	>3.88%	>4.05%	>3.68%
OPEX	<$212m	<$135m	<A$65m
CTI ratio	<55.7%	<58.4%	<47.2%
Impairment expense ratio	<0.32%	<0.48%	<0.10%

Note: Heartland's FY2027 guidance has been set using a FX rate of 1.2055.[3]

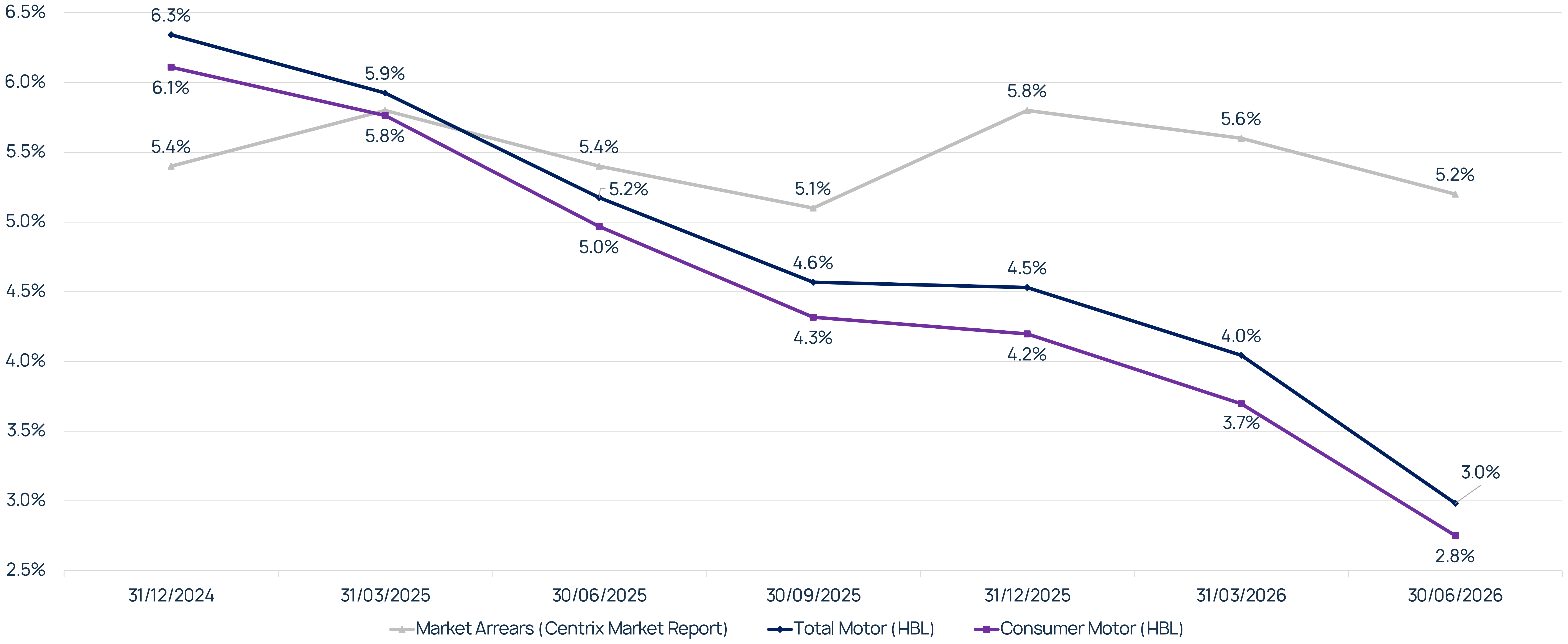
The Board continues to target a total dividend payout ratio of at least 50% of NPAT in FY2027.[2]

1. FY2027 guidance is provided by Heartland on a reported basis, not an underlying basis. Heartland intends to take this approach to guidance and the presentation of its financial results going forward, with any exceptional items disclosed where applicable.
2. The dividend payout ratio will be determined based on reported NPAT excluding any exceptional items disclosed where applicable, and is subject to the Board considering Heartland's capital needs, ROE accretive growth opportunities, balance sheet flexibility and financial performance.
3. The FX rate of 1.2055 is based on a published forecast from a New Zealand economist.

HEARTLAND GROUP

Appendix
Additional information

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, 31/12/2025, 31/03/2026 and 30/06/2026 uses the January, April, July, October 2025, and January, April and July 2026 Insights Reports, respectively.
- Consumer Motor are Motor Finance loans to individuals rather than businesses.

NZ Reverse Mortgage portfolio analytics

$1.44b NZ Reverse Mortgages +$207m (+16.8%) vs June 2025	**$285m** (+$74.4 vs FY2025) FY2026 origination[2]	**73** Average age of youngest borrower (new customers)[3]	**17.1%** Compound annual growth rate[4]	
$162,963 Average current loan size[2]	**$88,173** Average initial loan amount	**9.1%** Weighted average initial LVR[3]	**27.5%** Weighted average current LVR (indexed valuation)[1,5]	
$182m (+$24.9m vs FY2025) Total repayments in FY2026[2]	**13.6%** (vs 14.8% in FY2025) FY2026 repayment rate[2]	**6.40 years** Average term at repayment	**80%** Voluntary repayment	**20%** Involuntary repayment[6]

Note: All figures are in $NZD unless otherwise stated.
1. Across all time on whole book.
2. As at 30 June 2026.
3. Rolling 12 months as at 30 June 2026.
4. Compound annual growth rate for the period 1 July 2020 – 30 June 2026.
5. Indexed valuation.
6. Due to death or moving to aged care.

AU Reverse Mortgage portfolio analytics

A$2.37b AU Reverse Mortgages +A$390.9m (+19.7%) vs June 2025	**A$548.2m** (+A$144.5m vs FY2025) Total originations in FY2026	**72** Average age of youngest borrower (new customers)[3]	**18.2%** Compound annual growth rate[1]	
A$222,843 Average current loan size[2]	**A$161,557** Average initial loan amount[3]	**14.0%** Weighted average initial LVR[4]	**24.8%** Weighted average current LVR (indexed valuation)[4,5]	
A$353m (+A$92m vs FY2025) Total repayments in FY2026	**16.2%** (vs 15.6% in FY2025) FY2026 repayment rate	**5.3 years** Average term at repayment	**76%** Voluntary Repayments	**24%** Involuntary Repayments[6]

Note: All figures are in $AUD unless otherwise stated.
1. Compound annual growth rate for the period 1 July 2020 – 30 June 2026.
2. As at 30 June 2026.
3. New drawdowns in rolling 12 months as at 30 June 2026.
4. Indexed valuation.
5. Across all time on whole book.
6. Due to death or moving to aged care.

Glossary

ADI	Authorised deposit-taking institution	**NPL**	Non-performing loan
APRA	Australian Prudential Regulation Authority	**NSA**	Non-strategic assets
Banking Group	The Banking Group includes all of the NZ bank's subsidiaries, including the AU bank and Marac Insurance.	**NZ Banking Group, NZBG**	The New Zealand Banking Group consists of the NZ Bank and its NZ subsidiaries, excluding Marac Insurance.
bps	Basis points	**OOI**	Other Operating Income
CET1	Common Equity Tier 1	**OPEX**	Operating expenses
cps	Cents per share	**Proposed Transaction**	The proposed acquisition by Heartland of all TSB shares on issue from Toi Foundation, and subsequent merger of Heartland Bank and TSB
CTI ratio	Cost-to-income ratio	**RBNZ**	Reserve Bank of New Zealand
DPD	Days past due	**Receivables**	Gross Finance Receivables (includes Reverse Mortgages)
DRP	Dividend Reinvestment Plan	**ROE**	Return on Equity
EPS	Earnings per share	**RWA**	Risk weighted assets
Exit NIM	NIM for the last month of the reporting period.	**TSB**	TSB Bank Limited
FTE	Full-time employee	**FY2028**	Financial year ending 30 June 2028 (1 July 2027 to 30 June 2028)
FX	Foreign currency exchange	**FY27+**	FY2027 and onwards
GFV	Guaranteed Future Value	**FY2027**	Financial year ending 30 June 2027 (1 July 2026 to 30 June 2027)
Heartland, Heartland Group, HGH	Heartland Group Holdings Limited or the **Company**	**4Q2026, 4Q26**	Fourth quarter of FY2026 (1 April to 30 June 2026)
Heartland Bank, HBL, NZ Bank, NZ Banking	Heartland Bank Limited	**3Q2026, 3Q26**	Third quarter of FY2026 (1 January to 31 March 2026)
Heartland Bank Australia, HBAL, AU Bank, AU banking	Heartland Bank Australia Limited	**2Q2026, 2Q26**	Second quarter of FY2026 (1 October to 31 December 2025)
LTI Scheme	Long-term incentive scheme	**1Q2026, 1Q26**	First quarter of FY2026 (1 July to 30 September 2025)
LVR	Loan-to-value ratio	**FY2026, FY26**	Financial year ended 30 June 2026 (1 July 2025 to 30 June 2026)
MIA	Merger implementation agreement	**4Q2025, 4Q25**	Fourth quarter of FY2025 (1 April to 30 June 2025)
MLH	Minimum Liquidity Holdings	**3Q2025, 3Q25**	Third quarter of FY2025 (1 January to 31 March 2025)
NCDs	Negotiable Certificates of Deposit	**2Q2025, 2Q25**	Second quarter of FY2025 (1 October to 31 December 2024)
NII	Net interest income	**FY2025, FY25**	Financial year ended 30 June 2025 (1 July 2024 to 30 June 2025)
NIM	Net interest margin	**FY2024, FY24**	Financial year ended 30 June 2024 (1 July 2023 to 30 June 2024)
NOI	Net operating income	**FY2023, FY23**	Financial year ended 30 June 2023 (1 July 2022 to 30 June 2023)
NPAT	Net profit after tax		

Thank you

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