NZX/ASX release
21 August 2025

Heartland announces FY2025 result and outlook for FY2026

Addresses long-term ambitions, with further detail to be provided at a 2025 Investor Day

Following a year of significant reset, change and integration, Heartland Group Holdings Limited's (**Heartland**) (**NZX/ASX: HGH**) net profit after tax (**NPAT**) for the financial year ended 30 June 2025 (**FY2025**) was $38.8 million. On an underlying basis[1], FY2025 NPAT was $46.9 million, meeting underlying NPAT guidance of at least $45 million. Heartland prioritised capital efficiency during FY2025, restoring a superior margin and actively derisking its lending portfolios to strengthen its foundations for the future.

Overview: FY2025 performance[2]

- After a reset of some of its New Zealand lending portfolios in the first half of FY2025 (**1H2025**), Heartland substantially met the financial performance expectations set in its interim financial results announcement (**Outlooks**) for the second half of FY2025 (**2H2025**).
- Superior margin restored, with net interest margin (**NIM**) up 17 basis points (**bps**) to 3.56% and each bank ending FY2025 with a strong exit margin[3] (4.13% in New Zealand and 3.59% in Australia).
- Operating expenses (**OPEX**) were up $53.2 million (38.1%) primarily due to non-repeating benefits in the financial year ended 30 June 2024 (**FY2024**), the cost base of the authorised deposit-taking institution (**ADI**) and subsequent costs related to regulatory requirements following the ADI acquisition, hiring for growth, and software related costs. Cost growth is stabilising.
- Impairment expense was up $25.2 million (54.3%) due to a significant increase for Heartland Bank Limited (**Heartland Bank**) in 1H2025 in response to the impact of the ongoing deterioration in economic conditions on some lending portfolios and to derisk and reposition some of its lending portfolios (as previously announced on 18 February 2025).
- The introduction of more prescriptive collections and recoveries policies in 2H2025 has had a positive effect on asset quality and recovery outcomes, exceeding Heartland's initial expectations. Overall asset quality is improving and Motor Finance arrears are now performing better than the industry average.[4]
- An increased focus on capital optimisation through several key initiatives by Heartland Bank and accelerated non-strategic asset (**NSA**) realisation is enabling capital to be redeployed to high-return core lending portfolios.
- Heartland's existing Australian businesses have now been integrated into the acquired ADI to form a new and unique Australian bank.
- The Australian funding transition has been successful, with deposits forming 81% of the bank's funding. Heartland Bank Australia Limited (**Heartland Bank Australia**) now has a deep, stable and diverse platform to efficiently fund future lending growth.
- Strong growth continued in Reverse Mortgages in both countries (Receivables up 15.5% in New Zealand and 18.5% in Australia), demonstrating growing market demand for this product.
- Good momentum achieved in Livestock Finance in New Zealand (Receivables up 18.4%) and a return to growth in Australia (Receivables up 1.5%, arresting the FY2024 decline of 27.5%).
- Growth has remained challenged in Heartland Bank's other core lending portfolios of Motor Finance and Asset Finance due to subdued economic conditions and a focus on higher quality lending.
- Final dividend of 2 cents per share (**cps**), bringing the total FY2025 dividend to 4 cps.

Heartland Bank has refined its lending strategy to create a foundation for quality sustainable growth. As part of its product simplification, Unsecured Lending[5] is winding down, and NSA realisation has accelerated – the total NSA balance reduced by $103.0 million (22.0%) during 2H2025, releasing $7.7 million of capital. Through several key capital optimisation initiatives, including completion of the run-off of Marac Insurance and cancellation of its licence, and reducing its stake in Harmoney Corp Limited to below 10%, Heartland Bank has released $9.8 million of capital with a further $4 million expected in the first half of the financial year ending 30 June 2026 (**FY2026**). This activity, together with NSA realisation, has strengthened Heartland's capacity for organic growth and future capital investment.

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

Overview: FY2026 outlook

Heartland's priority for FY2026 is to deliver an underlying return on equity (**ROE**) of at least 7% and an improved underlying NPAT of at least $85 million. In FY2026, Heartland will maintain its refined strategic focus on its core product sets, invest in technology uplift to unlock future growth, continue to focus on operational cost control and prioritise efficient use of capital.

See the accompanying FY2025 investor presentation for more detail.

NZ banking

NIM

NZ banking	FY2024	1Q2025	2Q2025	3Q2025	4Q2025	2H2025 Outlook	2H2025	FY2025
Average NIM	3.79%	3.82%	3.79%	3.92%	4.18%	> 3.90%	4.05%	**3.87%**
Exit NIM	3.84%	3.82%	3.89%	3.93%	4.13%	> 4.00%	4.13%	**4.13%**

NIM continued to expand and met the 2H2025 Outlook, driven by an improved cost of funds, growth in higher margin lending portfolios and accelerated realisation of NSAs.

Costs

NZ banking	FY2024	1H2025	2H2025 Outlook	2H2025	FY2025
Reported OPEX	$104.5m	$63.1m	No outlook provided	$68.7m	**$131.8m**
Underlying OPEX	$102.8m	$62.1m	$66.1m	$66.0m	**$128.1m**
Underlying CTI ratio[6]	43.2%	53.2%	57.5%	56.4%	**54.8%**

Cost growth stabilised in 2H2025 as underlying OPEX and the underlying cost-to-income (**CTI**) ratio met the 2H2025 Outlooks. OPEX increased $27.3 million (26.1%) to $131.8 million in FY2025. On an underlying basis, OPEX increased by $25.3 million (24.7%) to $128.1 million. The increase was driven by:

- $7.2 million due to the reallocation of teams providing support functions from Heartland Group to Heartland Bank as a condition of the ADI acquisition – this is cost neutral to the Group
- $6.3 million amortisation of Heartland Bank's core banking system upgrade completed in late 2023
- $4.7 million of non-repeating FY2024 benefits – this relates to costs capitalised to projects in FY2024 that did not occur in FY2025, the non-payment of short-term incentives and reversal of long-term incentive accruals in FY2024
- $4.1 million investment in core functions to enable higher quality growth and address additional regulatory oversight responsibilities arising from owning an ADI.

Asset quality

NZ banking	FY2024	1Q2025	2Q2025	3Q2025	4Q2025	2H2025 Outlook	2H2025	FY2025
Reported impairment expense ratio	0.92%	1.02%	2.97%	0.92%	0.70%	No outlook provided	0.81%	**1.40%**
Underlying impairment expense ratio	0.60%	0.77%	3.32%	0.92%	0.70%	> 0.85%	0.81%	**1.40%**

Heartland Bank's overall asset quality improved over FY2025 and the underlying impairment expense ratio met the 2H2025 Outlook. The non-performing loans (**NPL**) ratio improved by 44 bps from 3.65% as at 30 June 2024 to 3.21% as at 30 June 2025. Excluding NSAs and Unsecured Lending, Heartland Bank's NPL ratio strengthened by 30 bps from 2.70% as at 30 June 2024 to 2.40% as at 30 June 2025.

Changes made to Heartland Bank's collections, recoveries and write-off strategies have had a positive effect on the Motor Finance[7] portfolio. As at 30 June 2025, the portfolio had no loans greater than 365 days past due (**DPD**). Motor Finance NPLs between 180 and 364 DPD have reduced from $20 million as at 30 June 2024 to $13 million as at 30 June 2025. Heartland Bank is on track to have no Motor Finance arrears greater than 180 DPD by 30 June 2026. The flow through of arrears has also reduced, with loans between 5 and 89 DPD down from $85 million (4.81%) to $76 million (4.51%) over the same period. The Motor Finance NPL ratio was 2.24%, down from 3.67% in FY2024. As at 30 June 2025, Heartland Bank's total Motor Finance arrears of 5.2% (as per Centrix's measure of arrears greater than or equal to 14 DPD) is now performing better than the industry average of 5.4%.[4]

The recovery rate on loans written off in FY2025 exceeded Heartland's initial expectations. As at 30 June 2025, $4.2 million had been recovered. Heartland Bank anticipates $2.7 million of additional recoveries from loans written off in FY2025. Due to Heartland Bank's enhanced recovery management strategy, a further $2.9 million is estimated to be recovered from accounts transferred to debt collection agencies in 2H2025.

The Reverse Mortgage NPL ratio remains very low at 0.17%[8] and the weighted average current loan-to-value ratio (**LVR**) for this portfolio remains strong at 25.3%.[9]

Rural[10] asset quality also improved as rural trading conditions strengthened, largely off the back of stronger international commodity prices. The Rural NPL ratio[11] was 0.90%, down from 2.42% in FY2024.

Notwithstanding improved overall asset quality, largely driven by Heartland Bank's consumer and rural sectors, economic conditions for the business sector remain challenging. This is particularly relevant for businesses in the construction, property, hospitality and transportation industries which constitute a significant portion of Heartland Bank's Business Finance[12] portfolio. Centrix reported that New Zealand business operating conditions in June 2025 saw a 26% increase year-on-year in company liquidations and a 14% increase year-on-year in business defaults.[13] These conditions contributed to the increase in impairments and provisions seen across the Business Finance portfolio in 1H2025 which continued into 2H2025.

The Business Finance portfolio remains appropriately provisioned recognising the secured nature of this lending. While NPLs increased from $42 million as at 30 June 2024 to $58 million as at 30 June 2025, early-stage arrears (less than 90 DPD) decreased from $50 million as at 30 June 2024 to $43 million[11] due to changes made to the strategy and timing of intervention measures.

Core lending performance

Reverse Mortgage Receivables were up $165 million (15.5%) from 30 June 2024 to $1.23 billion as at 30 June 2025, reflecting the ongoing demand for this product.

Rural Receivables were up $29 million (4.9%) from 30 June 2024 to $609 million as at 30 June 2025. Rural growth was driven by Livestock Finance Receivables growth of $36.4 million (18.4%) from 30 June 2024 to $235 million as at 30 June 2025.

Motor Finance Receivables were down $77 million (4.3%) from 30 June 2024 to $1.69 billion as at 30 June 2025. This is in part due to ongoing subdued economic conditions, and as lending origination shifted to higher quality channels.

Asset Finance Receivables were down $123.9 million (16.8%) from 30 June 2024 to $613 million as at 30 June 2025. Heightened competition together with subdued demand in particular industry sectors saw Heartland Bank prioritise support for existing customers while retaining pricing discipline and a tight risk appetite.

AU banking

NIM

AU banking	FY2024	1Q2025	2Q2025	3Q2025	4Q2025	2H2025 Outlook	2H2025	FY2025
Average NIM	Reported: 2.58% Underlying: 3.17%[14]	2.58%	3.01%	3.31%	3.47%	>3.30%	3.37%	**3.01%**
Exit NIM	2.84%	2.67%	3.13%	3.27%	3.59%	>3.60%	3.59%	**3.59%**

Heartland Bank Australia's successful funding transition, with deposits now making up 81% of the bank's funding, has provided a material NIM uplift. In the fourth quarter of FY2025 (**4Q2025**), NIM expanded 89 bps when compared with the first quarter of FY2025 (**1Q2025**). Exit NIM of 3.59% was in line with the 2H2025 Outlook.

Costs

AU banking	FY2024	1H2025	2H2025 Outlook	2H2025	FY2025
Reported OPEX	AU$38.2m	AU$24.2m	No outlook provided	AU$23.5m	**AU$47.7m**
Underlying OPEX	AU$31.1m	AU$23.2m	AU$23.4m	AU$23.2m	**AU$46.4m**
Underlying CTI ratio[6]	48.2%	56.4%	47.8%	48.4%	**52.0%**

Costs have been tightly managed in 2H2025, with underlying OPEX meeting 2H2025 Outlook. Combined with growth and margin uplift, this has delivered consistent improvement in the CTI ratio across FY2025. The underlying CTI ratio was slightly above the 2H2025 Outlook due to lower Livestock Finance revenue from higher repayments late in FY2025.

OPEX increased by AU$9.4 million (24.6%) to AU$47.7 million in FY2025. On an underlying basis, OPEX increased by AU$15.3 million (49.0%) to AU$46.4 million. The increase reflects:

- the AU$15.2 million cost base of the ADI on acquisition
- AU$3.1 million of investment in people to enable growth and meet the regulatory requirement for the bank to maintain its own core functions such as finance and risk
- AU$3.9 million of other costs including lending origination costs in line with Australian Reverse Mortgage volume growth
- AU$1.3 million for the long-term renewal of the current version of the core banking system and to accommodate increased volume from deposits.

Asset quality

Heartland Bank Australia's lending portfolios continue to show resilience and exhibit high asset quality metrics. The Australian Reverse Mortgage NPL ratio continues to be very low at 0.88%[8] and the weighted average current LVR remains strong at 24.6%.[9] Through prudent management, Livestock Finance NPLs reduced in 2H2025 to AU$36.4 million (or 1.62%) as at 30 June 2025, down from AU$64.4 million (3.26%) as at 30 June 2024. While impairments remain low, they were higher than expected with an impairment expense ratio of 0.13% (up 9 bps from FY2024) due to specific provisions being required for three Livestock Finance customers. The Livestock Finance portfolio is appropriately provisioned in line with expected credit losses and prevailing economic conditions.

Lending performance

Heartland Bank Australia's Reverse Mortgage portfolio exceeded the 2H2025 Outlook, with Receivables up AU$309 million (18.5%) from 30 June 2024 to AU$1.98 billion as at 30 June 2025. Despite heightened competition, Heartland Bank Australia's market share increased from 36% as at 31 March 2024 to 40% as at 31 March 2025[15]. It continues to be the leading provider of reverse mortgages in Australia.

Heartland Bank Australia's Livestock Finance saw a return to growth with Receivables up AU$3.7 million (1.5%) from 30 June 2024 to AU$254 million as at 30 June 2025, and the highest volume of new business written since the financial year ending 30 June 2022, with over one million livestock funded in FY2025 (up 36% on FY2024).

Final dividend

Heartland has declared a FY2025 final dividend of 2.0 cps, taking the total FY2025 dividend to 4.0 cps with a payout ratio of 80%. The 2H2025 payout ratio of 52% is in line with Heartland's target dividend payout ratio of at least 50% of underlying NPAT. Heartland's final dividend yield is 6.9%[16]. The final dividend will be paid on Friday 12 September 2025 (**Payment Date**) to shareholders on the company's share register as at 5.00pm NZST on Friday 29 August 2025 (**Record Date**) and will be fully imputed.

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.[17] The DRP offer document and participation form have been refreshed and are available on Heartland's website at heartlandgroup.info/investor-information/dividends.

Looking forward

FY2026 outlook

Capitalising on the reset, change and integration that occurred during FY2025, Heartland expects to deliver improved underlying ROE[18] and underlying NPAT in FY2026.

Its FY2026 focus will be on:

1. maintaining a refined strategic focus on its core product sets
2. investment in technology uplift to simplify and automate manual processes, introduce new digital capability and provide better customer, intermediary and employee experience – unlocking future growth
3. operational cost control
4. continuing to prioritise efficient use of capital.

Refined strategic focus

Within its core product sets (Reverse Mortgages, Rural Lending, Motor Finance, Asset Finance and Deposits), Heartland Bank will manage its portfolios to ensure each product meets an appropriate ROE threshold. Heartland Bank Australia will maintain its specialist focus on Reverse Mortgages, Livestock Finance and Deposits.

Within these core product sets, each bank will prioritise growth and innovation in Reverse Mortgages to retain its leading position and increase competitive advantage in markets with significantly untapped potential. Heartland estimates the total addressable market to be $170 billion in New Zealand, and AU$660 billion in Australia.[19] To meet this growth opportunity, Heartland will provide lending solutions:

- to meet the unique financial needs of those aged over 60 years
- for older people in and entering retirement with existing residential mortgages
- for people in or seeking to access retirement villages or aged care.

In New Zealand, the Depositor Compensation Scheme (**DCS**), which came into effect on 1 July 2025, presents an opportunity for Heartland Bank to increase its share of domestic deposits. As a small domestic bank and Canstar New Zealand's Savings Bank of the Year for eight consecutive years, the protection provided to eligible depositors under the DCS gives Heartland Bank an opportunity for increased competitive differentiation as depositor confidence increases and deposit diversification is encouraged.

In Australia, the priority in respect of Heartland Bank Australia's deposit business is on continuing to build its direct channel while further diversifying its intermediary channel.

Technology investment uplift

In late 2023, Heartland Bank completed its upgrade to a modern core banking system. Since then, Heartland has been occupied with executing and integrating strategic acquisitions in Australia. With these complete, in FY2026 Heartland will invest in a targeted technology uplift to resume and reinvigorate its digital transformation.

Heartland Bank will commence the implementation of a single modern platform to unify its origination and servicing activity, leveraging and fully integrating with its updated core banking system. Heartland Bank Australia will also implement a new unified origination and servicing platform. These platforms will modernise existing infrastructure and deliver new capability within the respective banks, resulting in greater efficiency, an enhanced customer, intermediary and employee experience, and positioning both banks to be able to meet customer demand at scale.

Work is underway to determine the required investment and benefits this technology uplift is expected to deliver. Heartland will provide an update to the market when this is available.

Operational cost control

The increase in costs during FY2025 was mainly driven by the full year impact of costs related to the acquisition of the ADI, with much of the increase fixed in nature. Looking ahead, Heartland does not anticipate any further material cost increases and is firmly committed to disciplined cost control, with a particular emphasis on improving the underlying CTI ratio for both banks.

For Heartland Bank, underlying OPEX is expected to remain largely flat on FY2025 and be kept below $129.1 million. Increased investment in marketing and IT security will be offset by the elimination of non-recurring expenses, lower operational costs and reduced amortisation of completed projects.

For Heartland Bank Australia, underlying OPEX is expected to increase in FY2026, up to AU$54.6 million. Increases in costs will be mainly variable and tied to growth – primarily higher broker commissions and onboarding expenses related to the expansion of the Reverse Mortgage portfolio, as well as the full-year impact of additional roles filled in FY2025 to strengthen capability and capacity for growth. Despite these increases, the underlying CTI ratio is expected to reduce to less than 45.5% due to an uplift in net operating income from Receivables growth and the full year benefit of the funding transition that occurred in FY2025.

Capital efficiency

With ROE as Heartland's key performance metric, ensuring efficient use of capital is critical. Heartland will continue the active realisation of NSAs to redeploy capital to high-return core lending portfolios. Heartland also welcomes and will continue to participate in the Reserve Bank of New Zealand's review of key capital settings, with a particular focus on capital levels, asset risk-weights and the composition of regulatory capital. Heartland sees this as a critical pathway to support Heartland Bank's ability to remain competitive, reduce the cost to the end customer, and deliver a significantly improved ROE.

FY2026 guidance

Heartland expects FY2026 underlying NPAT to be at least $85 million.[20] The FY2026 guidance detailed below is subject to change once the impact of the technology investment required to deliver against Heartland's technology strategy is known. Heartland expects the difference between reported and underlying NPAT in FY2026 to be limited only to any fair value changes on equity investments held and other one-off non-recurring expenses.

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%	>4.20%	>3.40%
Exit NIM	>3.95%	>4.25%	>3.65%
CTI ratio	<53.5%	<53.5%	<45.5%
Impairment expense ratio	<0.55%	<0.85%	<0.10%

The Board continues to target a total dividend payout ratio of at least 50% of underlying NPAT in FY2026.[21]

Long-term ambitions

Intentional and necessary resets in Heartland's businesses throughout FY2025 have rebased the starting position assumed when Heartland announced its ambitions for the financial year ending 30 June 2028 (**FY2028**). These resets have included:

- a focus on ROE as Heartland's key performance metric, requiring increased discipline in capital management and allocation
- a refined product strategy, prioritising growth in high-return core product sets which are accretive to ROE – this has necessarily resulted in a near-term reduction in Heartland Bank's lending base as it exits NSAs and winds down unsecured lending portfolios
- enhancements to collections, recoveries and write-off strategies to deliver sustainable asset quality over the longer-term – these changes amplified Heartland's near-term impairment expense
- recognising that accelerated investment in process simplification and automation is required to maintain a competitive advantage, and to achieve growth ambitions, in Heartland's core product sets
- an increase in the cost base, primarily due to absorption of the ADI and subsequent costs related to regulatory requirements following the ADI acquisition.

At an investor day ahead of its FY2025 annual general meeting (**2025 Investor Day**), Heartland intends to present updated long-term ambitions, resetting to a full five-year time horizon (to the financial year ending 30 June 2030 (**FY2030**)) to demonstrate its operating metrics at scale. Heartland will provide to investors detailed information on the underlying approach, growth drivers and timeframes that support the delivery of its reset long-term ambitions.

Heartland currently expects that during the period to FY2030, investors will see a significant increase in underlying ROE and underlying NPAT from:

- a continued focus on capital efficiency, both in the composition of its regulatory capital and the allocation of that capital to core product sets
- profits generated in Australia largely, if not wholly, retained within Heartland Bank Australia to provide the capital to fund projected growth
- continued growth in core product sets, with a bias to growth in Reverse Mortgages
- superior NIM being maintained
- enhanced asset quality
- an underlying CTI ratio reduction.

More information about Heartland's 2025 Investor Day will be provided in due course.

– ENDS –

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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 FY2025 (which are non-GAAP financial information) exclude the impact of one-off regulatory assurance costs arising in relation to the acquisition of (now) Heartland Bank Australia, one-off staff exit costs, the de-designation of derivatives, fair value changes on equity investments held, other non-recurring costs and other impacts of non-recurring income. 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 FY2025 investor presentation, refer to page 4 for information on the presentation of results, page 6 for a summary of reported and underlying results, page 7 for details about FY2025 one-offs, page 49 for details about FY2024 one-offs and page 48 for general information about the use of non-GAAP financial measures.
[2] All comparative figures and percentage increases or decreases are against FY2024, unless explicitly stated otherwise.
[3] Exit margin is the NIM on the last day in the reporting period.
[4] Industry average arrears are based on auto arrears as at June 2025, reported by Centrix in its Credit Insights Report, July 2025.
[5] Unsecured Lending includes Open for Business and Personal Lending portfolios which are winding down.
[6] Underlying CTI ratio refers to the CTI ratio calculated using underlying results. When calculated using reported results, Heartland Bank's CTI ratio was 56.4%, up 10.9% compared with FY2024, and Heartland Bank Australia's CTI ratio was 52.0%, up 3.85% compared with FY2024. For more information, see page 4 of the FY2025 IP.
[7] Motor Finance includes intermediary and direct distribution channels and Wholesale Lending.
[8] 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 2025, the Heartland Bank Reverse Mortgage NPL ratio included 11 loans with a total NPL value of $2.0 million and a weighted average LVR of 29.4%. The Heartland Bank Australia Reverse Mortgage NPL ratio included 64 loans with a total NPL value of AU$17.4 million and a weighted average LVR of 29.3%.
[9] Measured using indexed valuation.
[10] Rural includes Rural Relationship, Rural Direct and Livestock Finance.
[11] Excluding NSAs.
[12] Business Finance includes Asset Finance and Business Relationship lending.
[13] Centrix Credit Insights Report, July 2025.
[14] Heartland Bank Australia's FY2024 underlying average NIM is adjusted for the impacts of the ADI acquisition. This adjustment refers primarily to the inclusion of liquid assets from the ADI which earn a lower yield than receivables.
[15] Australian Reverse Mortgage market share estimate based on APRA ADI data and public statements and internal estimates for non-bank reverse mortgage lending.
[16] FY2025 total fully imputed dividends divided by the closing share price as at 19 August 2025 of $0.80.
[17] 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.

[18] Underlying ROE refers to ROE calculated using underlying results.
[19] The total addressable market opportunity for reverse mortgages is a best estimate only and based on a combination of publicly available information and internal sources.
[20] Heartland has presented its FY2026 guidance on an underlying basis. The FY2026 underlying financial metrics are non-GAAP financial information that are intended to be determined in a manner consistent with Heartland's FY2025 underlying results, noting that adjustments from statutory financial information are expected to be limited to any fair value changes on equity investments held and other one-off non-recurring expenses.
[21] Subject to the Board considering Heartland's capital needs, ROE accretive growth opportunities, balance sheet flexibility and financial performance.