

HEARTLAND GROUP

NZX/ASX Release

Changes to Business Finance Guarantee Scheme allow Heartland to support more NZ businesses recover from the impacts of COVID-19

20 August 2020

The Government has today announced a number of changes to simplify and expand the Business Finance Guarantee Scheme (**BFGS**), enabling larger and longer-term loans to be made available to more New Zealand businesses, for more purposes.

The changes to the BFGS are positive for NZ businesses and are supported by Heartland Group Holdings Limited (NZX/ASX: HGH) and its subsidiary Heartland Bank, which has been a participating bank since the inception of the BFGS.

Applications under the BFGS can now be accepted until 31 December 2020. The changes will enable Heartland Bank, and other participating banks, to assist more new and existing qualifying business customers:

- to access funding for more purposes - as well as cashflow, loans can now also be used for capital assets related to responding to or recovering from, the impacts of COVID-19
- to borrow more, for longer – now \$5 million (under one or more loans) for up to five years (increased from \$500k for three years)
- to repay or refinance up to 20% of their existing debt
- who may otherwise have previously been excluded from borrowing under BFGS.

In addition to continuing to support BFGS lending, Heartland Bank is helping existing customers by giving them more time and flexibility to meet the challenges of lockdowns. In particular, Heartland Bank has launched new Business and Consumer Extend products, which allow existing customers, and will shortly allow new customers, to choose loan repayment terms suited to their needs. Applications are available via a purpose-built digital platform.

Heartland Bank has assisted 2,794 business customers deal with the ongoing disruption caused to their businesses by COVID-19. With the expansion of the BFGS, Heartland Bank looks forward to being able assist more business customers (whether new or existing) to respond to and recover from the impacts of COVID-19.

Heartland Bank's dedicated team is available to assist, and is accepting registrations of interest via the website at www.heartland.co.nz/business-loans/COVID-19-business-support.

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