

NZX/ASX release
14 April 2022

Heartland long-term ratings affirmed, Outlooks revised

Fitch Rating (**Fitch**) has affirmed the Long-Term Issuer Default Ratings (**IDR**) of Heartland Group Holdings Limited (NZX/ASX: HGH) (**Heartland Group**) and Heartland Bank Limited (NZX: HBL) (**Heartland Bank**) at 'BBB', and the Long-Term IDR of Heartland Australia Group Pty Ltd (**Heartland Australia**) at 'BBB-'. (Heartland Group, Heartland Australia and Heartland Bank, together referred to as **Heartland**).

Heartland Bank's Outlook remains Stable. Heartland Bank also continues to be one of just two Australasian banks to have no reduction or adverse change to its ratings or outlook since January 2020, despite the economic impacts of COVID-19.

The Outlook on the IDRs of Heartland Group and Heartland Australia have been revised to Negative from Stable, reflecting a possible change in Fitch's rating approach as a result of the proposed acquisition of StockCo Holdings 2 Pty Ltd (**StockCo Australia**). A ratings action is customary in the event of an acquisition.

In its attached press release, Fitch noted that the acquisition was unlikely to have a material impact on Heartland's risk profile or asset quality, will improve profitability, and increase Heartland Group's exposure to wholesale funding.

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