



21 February 2017

Client Market Service
NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington 6011

Notice of Offer of Same Class Financial Products for Issue

Heartland Bank Limited (NZX: HBL) (**Heartland**) announced on 12 December 2016 that it intended to raise up to \$30 million of new capital. The first stage of the capital raising successfully raised \$20 million through an equity placement to existing and new investors. The second stage of the capital raising, to which this notice relates, is a Share Purchase Plan (the **SPP**). Heartland had initially intended to raise up to \$10 million through the SPP but, given the strong interest that investors have shown in the SPP and Heartland's desire to provide its loyal retail shareholder base with an opportunity to make a meaningful further investment, Heartland has decided to increase the size of the SPP and it now intends to raise up to \$20 million of new capital. The SPP is available on equal terms to all Heartland shareholders that had a New Zealand address recorded in the share register on the record date.

Pursuant to clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**) and clause 20 of Schedule 8 of the Financial Markets Conduct Regulations 2014 (**FMC Regulations**), Heartland advises that:

1. Heartland is making the offer of ordinary shares under the SPP in reliance upon the exclusion in clause 19 of Schedule 1 of the FMCA and is giving this notice under clause 20(1)(a) of Schedule 8 of the FMC Regulations.
2. As at the date of this notice, Heartland is in compliance with:
 - a) the continuous disclosure obligations that apply to it in relation to Heartland's quoted ordinary shares; and
 - b) its "financial reporting obligations" within the meaning set out in clause 20(5) of Schedule 8 of the FMC Regulations.
3. As at the date of this notice, there is no information that is "excluded information" within the meaning set out in clause 20(5) of Schedule 8 of the FMC Regulations.

The SPP is not expected to have any effect on the control of Heartland.

On behalf of
Heartland Bank Limited

Jeff Greenslade
Chief Executive Officer