

**Notification of Allotment of Securities**

16 October 2017

For the purposes of Listing Rules 7.12.1 and 7.12.9 of the NZX Main Board Listing Rules, Heartland Bank Limited (**Heartland**) (NZX: HBL) advises that the following securities have been issued pursuant to its LTI Net Share Settled Option Plan:

<b>Class of Security</b>	Fully paid ordinary shares
<b>ISIN</b>	NZBSHE0001S0
<b>Number issued</b>	742,254
<b>Issue price</b>	\$1.8187 (as to 126,463 shares), \$1.8010 (as to 250,131 shares), \$1.8000 (as to 173,570 shares) and \$1.7992 (as to 192,090 shares)
<b>Payment</b>	Consideration satisfied pursuant to the settlement amount under the LTI Net Share Settled Option Plan
<b>Amount paid up</b>	Fully paid up
<b>Percentage of total class issued</b>	0.14226% of the total number of fully paid ordinary shares prior to this issue
<b>Reason for issue</b>	Issue of fully paid ordinary shares on exercise of options issued under the LTI Net Share Settled Option Plan in respect of which an exercise notice has been received following those options becoming convertible into fully paid ordinary shares
<b>Authority for issue</b>	Directors' resolution
<b>Terms or details of issue</b>	Pursuant to the LTI Net Share Settled Option Plan dated 28 June 2013
<b>Total number of securities after issue</b>	522,491,627
<b>Date of issue</b>	13 October 2017
<b>Additional information</b>	For the purposes of Listing Rule 7.12.9 of the NZX Main Board Listing Rules, Heartland advises:  (a) 2,309,224 options have been converted into 742,254 fully paid ordinary shares in Heartland

(as set out in this notice);

- (b) there are no interest or dividend conditions attaching to the fully paid ordinary shares that have been issued (as set out in this notice); and
- (c) 1,025,611 options issued under the LTI Net Share Settled Option Plan of the same class remain to be converted.

- Ends -

For further information please contact:

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