

HEARTLAND BANK

9 June 2016

Dear Shareholder,

WARNING – NEW “LOW BALL” OFFERS IN THE MARKET

Heartland Bank Limited (**Heartland**) has received notification that unsolicited offers will be made to certain shareholders of Heartland to buy their shares – refer to the **attached** NZX announcement. The Board of Heartland is concerned to ensure that you are not misled by these unsolicited “low ball” offers.

If you receive an offer to buy your Heartland shares, your Board strongly urges you to carefully read and understand any accompanying disclosure document. You are not obliged to accept any offer for your Heartland shares

We recommend that you:

- Read the disclosure document to check exactly who is making the offer. You should not assume that an offer to buy your Heartland shares is being made by, or on behalf of, Heartland.
- Read the disclosure document to see exactly what price is being offered for your shares and compare this to the current market price for Heartland shares. The current market price for Heartland shares is available on the NZX website www.nzx.com/companies/HBL and in newspapers. You should also check the disclosure document to see if you will have to pay any brokerage fees.
- Make sure you understand when and how you will get paid. It may be that you won't get paid for some time after you've handed over your shares. If that is the case, the true value of the offer may be much less than it appears because you will have to wait for your money. There is also a risk that the person making the offer could go out of business in the meantime and be unable to make promised payments, even though you have handed over your shares.
- Read the disclosure document carefully to check what you need to do if you change your mind after selling your shares. Any unsolicited offer must now give the shareholder a right to cancel an agreement to sell their shares within 10 working days after acceptance of the offer.

If you are unsure whether to accept an offer, we recommend you seek advice from an authorised financial adviser, your lawyer, your accountant or talk to your sharebroker before you take any action.

This letter is general in nature and should not be taken as financial advice about any offer for your Heartland shares. If you would like confirmation as to whether any other correspondence received is an official Heartland communication, or whether an offer to buy your shares has the support of your Board, you can contact Heartland's company secretary by email (Anna-Lisa.Strain@heartland.co.nz) or by phone (09 927 9151).

Best regards,



Geoff Ricketts
Chairman