

# CAPITALIZING ON OPPORTUNITIES

*Our Strategy for Continued Growth*



2016 ANNUAL REPORT

## Corporate Profile

*Founded in 1981, Heartland Financial USA, Inc. is a multibank holding company with assets exceeding \$8.2 billion offering uniquely different banking solutions for business and personal clients.*

*Heartland's independent community banks are located in the states of Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Kansas, Missouri, Texas and California, with more than 110 banking locations serving 87 communities.*

### OTHER BUSINESS LINES INCLUDE:

- ▶ **Residential Lending** – provided at bank locations as well as loan production offices.
- ▶ **Private Client Services** – Financial planning, investment management and trust services offered through Wealth Advisory Services. Comprehensive retirement plan solutions including customized 401(k), 403(b) and profit sharing plans are offered through Heartland Retirement Plan Services. Brokerage and investment services are provided through LPL Financial Institution Services.
- ▶ **Consumer Finance Services** – provided by Citizens Finance.

The Heartland Vision is to differentiate itself by highlighting its uniqueness as a community-based commercial banking organization supported by a strong retail delivery system. As one of the top 100 U.S.-based domestic bank holding companies in terms of performance and asset size, Heartland delivers high-quality financial products and services to clients in the Midwest and Western United States.

Heartland's common stock is traded through the NASDAQ® Global Select Market System under the symbol "HTLF." Complete information about Heartland Financial USA, Inc. is available at [www.htlf.com](http://www.htlf.com).

# Financial Highlights

For the years ended December 31, 2016, 2015 and 2014 (Dollars in thousands, except per share data)

	2016	2015	2014
<b>For the Year</b>			
Net income	\$ 80,349	\$ 60,042	\$ 41,900
Net income available to common stockholders	80,108	59,225	41,083
Cash dividends, common	12,578	9,359	7,386
<b>Per Share Data</b>			
Earnings per common share – diluted	\$ 3.22	\$ 2.83	\$ 2.19
Cash dividends, common	0.50	0.45	0.40
Book value at December 31	28.31	25.92	22.40
<b>At Year End</b>			
Total assets	\$ 8,247,079	\$ 7,694,754	\$ 6,051,812
Total loans receivable	5,351,719	5,001,486	3,878,003
Total deposits	6,847,411	6,405,823	4,768,022
Total common stockholders' equity	739,559	581,475	414,619
<b>Financial Ratios</b>			
Return on average total assets	0.98%	0.88%	0.70%
Return on average stockholders' equity	11.80	11.92	10.62
Net interest margin <sup>1</sup>	4.13	3.97	3.96
Average common stockholders' equity to average total assets	8.31	7.35	6.60
Total capital to risk-adjusted assets	14.01	13.74	15.73
Tier 1 capital ratio	11.93	11.56	12.95
Common equity Tier 1 ratio	10.09	8.23	—
Tier 1 leverage ratio	9.28	9.58	9.75

<sup>1</sup> See reconciliation of non-GAAP measure on page 36 of the 10-K included in this Annual Report.

## *To Our Shareholders:*

I am pleased to present the Heartland Financial USA, Inc. Annual Report for 2016. It was another record year for our Company and one in which we made significant progress on many fronts. We maintained our historic record of positive earnings with the highest net income in our 30-year history; we completed an acquisition in Colorado and announced another acquisition in California; and our Board of Directors approved cash dividends of \$0.50 per share, continuing our history of increased or level dividend payments every year since Heartland's inception in 1981.

Assessing Heartland's exceptional financial performance for 2016, we were gratified to see net income available to common shareholders increase to \$80.1 million, a 35-percent increase over 2015. On a per share basis, Heartland earned \$3.22 per diluted common share, a 14-percent increase over the previous year. Throughout the past year, Heartland has benefitted from an enviable tax-equivalent net interest margin of 4.13 percent, demonstrating our success in making profitable loans and attracting competitively-priced deposits.

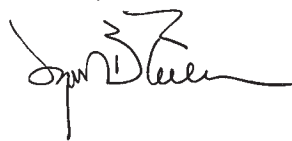
This year's Annual Report highlights the many opportunities Heartland capitalized on as we continued to pursue our master strategy of balanced profit and growth. You will note on the following pages, via a question and answer format, how Heartland continues to successfully navigate through the dynamic challenges facing our industry. Not to lose sight of our valued customers, we have included several successful business clients of our subsidiary banks. These clients' stories illustrate how our commitment to an exceptional customer experience and our consultative approach to providing unique and creative solutions lead to the successful achievement of our clients' goals and aspirations.

Undoubtedly, one of the most significant opportunities Heartland has embraced is growth through successful mergers and acquisitions. The growing costs of doing business, combined with increased regulation, pose significant challenges to small and mid-size banks. Therein lies our opportunity, as the Heartland community banking business model is viewed as highly attractive. Over the years, we have planted many seeds with banks in and near our existing operations. As a result of those efforts, we now have a significant number of merger and acquisition candidates under consideration, with new opportunities arising on a regular basis.

In closing, I am delighted with Heartland's performance in 2016. We are optimistic about Heartland's future as we work toward another record year for 2017 and continue to pursue our successful track record of balanced profit and growth.

I want to thank our corporate board and subsidiary bank boards for their continued support and guidance; I want to thank our corporate leadership team, bank management teams and employees for assuring that *"Great Things Happen"* for our clients; and finally I want to thank our loyal shareholders for both the confidence you have placed in our Company and your continued investment in Heartland.

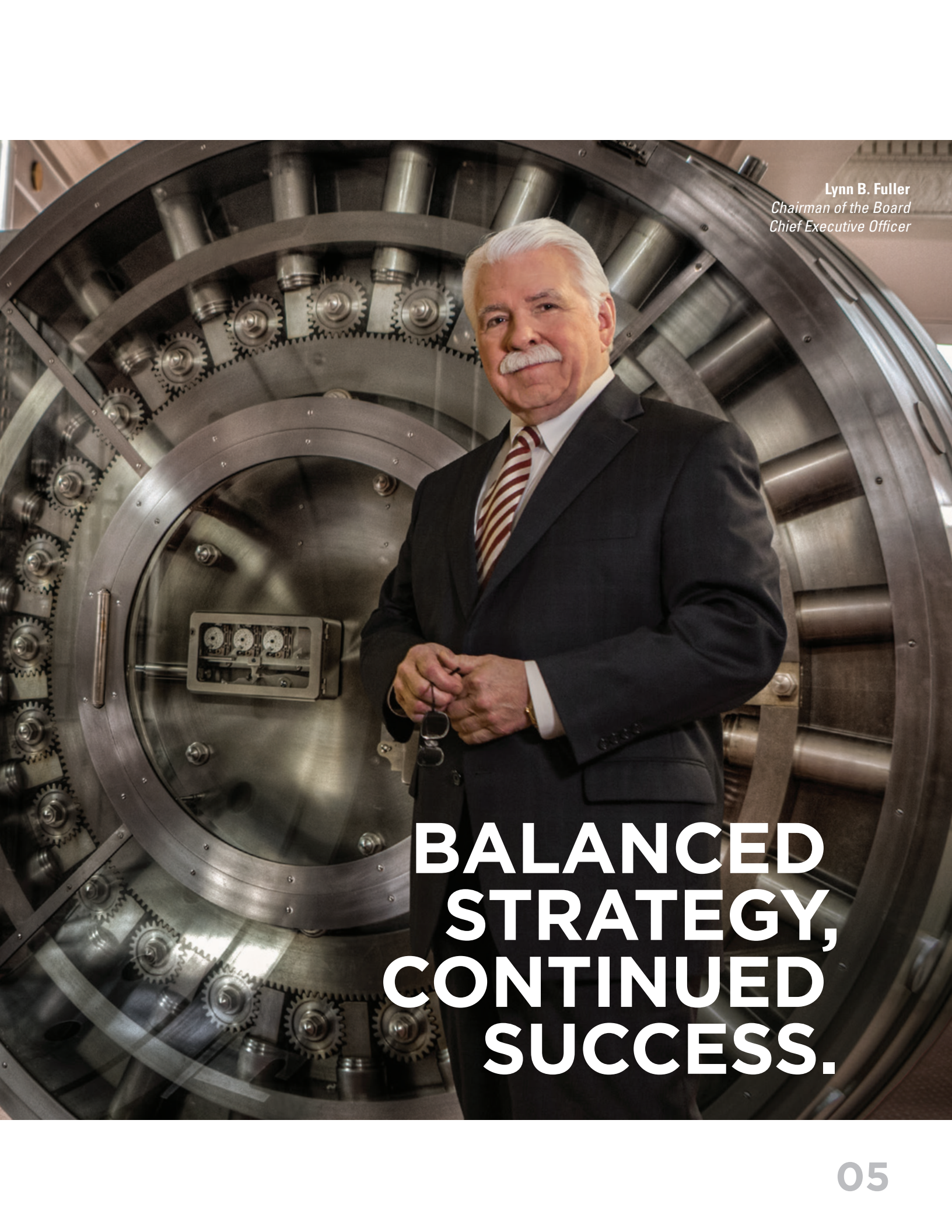
Sincerely,



**Chairman and CEO**

Heartland Financial USA, Inc.



A full-page photograph of Lynn B. Fuller, an older man with white hair and a mustache, wearing a dark suit and a red and white striped tie. He is standing in front of a large, circular, metallic vault door with visible gears and bolts. He is holding a pair of glasses in his hands.

Lynn B. Fuller  
Chairman of the Board  
Chief Executive Officer

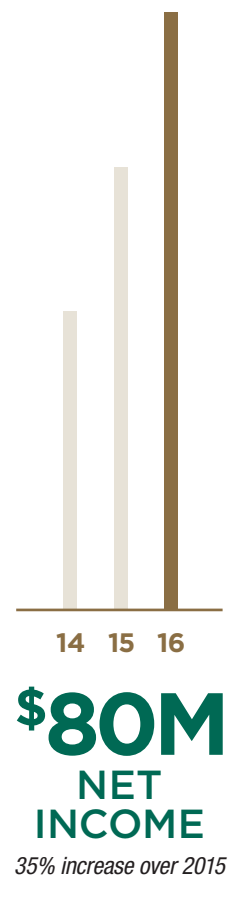
**BALANCED  
STRATEGY,  
CONTINUED  
SUCCESS.**



A man in a dark suit and red tie is sitting on a ledge in a modern office. He is looking out a large window that shows a multi-story building. The office has light-colored walls, a desk with a computer monitor, and a red leather chair. The text "SETTING A COURSE FOR SUCCESS." is overlaid in large white letters.

# SETTING A COURSE FOR SUCCESS.

*An interview with members of Heartland's  
leadership team (from left): Bruce K. Lee, President;  
Lynn B. Fuller, Chairman and Chief Executive Officer;  
and Bryan McKeag, Chief Financial Officer*



*What kind of year was 2016 for U.S. banks?*

**A:** (LEE) In a word: challenging. Low interest rates put a strain on loans and deposits, the economy was lukewarm and the competition was fierce. But even with obstacles like these – not to mention a rather difficult regulatory environment – we were able to boost our efficiency, increase profits and achieve significant growth.



## CAPITALIZING ON OPPORTUNITIES

### CENTENNIAL BANK AND TRUST

*The merger of Centennial Bank with Summit Bank & Trust, to form Centennial Bank and Trust, was another significant step towards achieving Heartland's strategic goal of reaching at least \$1 billion in assets in each of the states in which its community banks are located.*

#### ► FEATURED TALENT

##### **STEVEN WARD**

**President**, Centennial Bank and Trust

*Following a successful eight-year stint as President and CEO of Illinois Bank & Trust, Steve joins the newly-blended Centennial Bank and Trust as President.*



**MORE THAN THE  
SUM OF THE PARTS.**



*Let's focus on growth. When it comes to expansion, what's more important: extending your reach through mergers and acquisitions or growing the business by serving current customers better?*

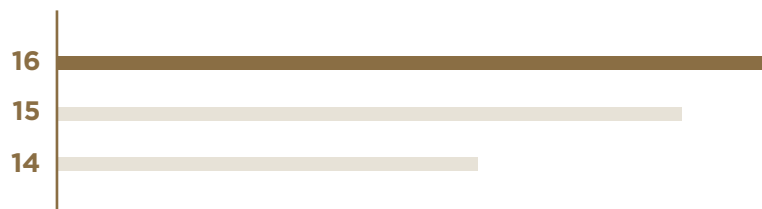
**A: (McKEAG)** All of the above. But let's start with acquired growth. As our shareholders know, we completed four acquisitions in 2015 – and we were one of only four banks in the U.S. to reach that mark. So, not surprisingly, in 2016 we put a lot of effort into consolidating and integrating the new associates and colleagues into our organization.

**A: (FULLER)** But we're always on the lookout for ways to build out current markets or move into new ones. A good example of the former is the merger of Centennial Bank and Summit Bank & Trust in Colorado, which we finalized in early 2016. The combined entity gives us 17 bank locations – most of which are in the highly attractive Denver marketplace – and it brings us to total assets of more than \$900 million in Colorado. That puts us within shouting distance of achieving one of our key goals: to have at least a billion dollars of assets at each of our community banks.

*Why is that an important threshold?*

**A: (FULLER)** Two reasons. First, it gives us the heft to compete against other mid-size banks as well as the big behemoths. Equally important, it allows us to scale up our technology and processes to improve efficiency and profits.

**\$8.2B** IN ASSETS



(from left) Steven Ward,  
President; James Basey, CEO;  
and Kevin Ahern, Chairman

## CAPITALIZING ON OPPORTUNITIES

*Speaking of profits, even in an environment noted for low interest rates and a tepid economy, your bottom line earnings were up a hefty 35 percent in 2016. How did you manage that enviable increase?*

**A:** **(LEE)** One of the biggest contributors to earnings growth last year came from our efforts in fee-based services. Our loan growth, like that of almost all banks in 2016, was fairly modest. But we've been able to expand our product offerings by providing services that add value, decrease costs and solve business problems for clients.

*Give us a few examples.*

**A:** **(LEE)** Our commercial credit card business has become one of the fastest-growing products that we offer. In fact, *The Nilson Report*, which tracks payment systems around the world, recently reported that the purchasing volume of our card grew 219 percent during 2015. That was the highest growth rate among U.S. Visa® and MasterCard® commercial card issuers. That's great for us, but also for our clients. They can use the cards to improve their payment processes and enhance their cash flow. It's very unusual for a small or mid-size bank to provide this service. So not only does our commercial card help us compete against the really big banks, it also sets us apart from small, local rivals.

**(McKEAG)** Let me add, too, that our access to this product came about as the result of an acquisition. As we evaluated the commercial credit card expertise at Morrill & Janes Bank and Trust Company – which we acquired in 2013 – we concluded that the card offering could be rolled out to all our community banks. That's a perfect illustration of why it's important to maintain a focus on growth – because in addition to new customers and increased assets, we also gain access to new ideas and new capabilities.

*Why is growth so important? Couldn't you just concentrate on becoming more profitable?*

**A:** **(FULLER)** In our business, if you're not growing, you're probably for sale. But that said, it's always been a core tenet of our strategy to balance profits and growth. We don't bulk up just to show off our muscles, and we don't pinch pennies simply to please the bean counters.



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**35%**  
**HEARTLAND  
EARNINGS  
INCREASE**

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## KANSAS CITY ELECTRICAL SUPPLY

Family owned and growth oriented, Kansas City Electrical Supply handles a dizzying array of some 11,000 different SKUs. Paying vendors for these components is no easy task. That's why the company uses an electronic accounts payable system provided by Commercial Card Payment Solutions from Morrill & Janes Bank and Trust. "No more writing, printing, stuffing and mailing checks," says John Owens, Treasurer. "All we have to do is upload a file of participating vendors, and Morrill & Janes does the rest."



# PROVIDING MORE THAN PRODUCTS.

(from left) John Owens, Treasurer, and Kaylin Crain, Owner/President, Kansas City Electrical Supply, meet with Jesse West, EVP – Commercial Banking, Morrill & Janes Bank and Trust.

## FEATURED TALENT ◀

### SCOTT MOSELEY

**President,** Morrill & Janes Bank and Trust

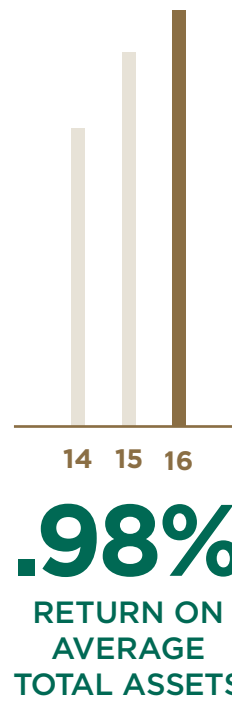
*Demonstrating strong leadership and banking skills as a Regional Market President at Wisconsin Bank & Trust, Scott now serves as President of Morrill & Janes Bank and Trust.*



## CAPITALIZING ON OPPORTUNITIES

*What about other examples of fee-based services that helped make 2016 such a good year for Heartland?*

**A:** **(LEE)** Picking up on the idea of providing services that many small banks don't offer, our Retirement Plan Services group has had a terrific year. Small and mid-size businesses typically have a hard time managing all the components of an employee retirement plan, and our RPS people provide them with a one-stop-shopping solution that spans trustee selection, reporting, participant education, accounting and investment management. This is a great example of how we can move beyond traditional loan and deposit services – important though they are – and build a deeper, broader relationship with our clients.



### ► FEATURED TALENT

**JEFFREY HULTMAN**

**President, Illinois Bank & Trust**

*Recently promoted to President and CEO of Illinois Bank & Trust, Jeff enjoyed considerable success as a team builder and commercial banking expert while serving as the firm's Market President.*



**ALIGNING SERVICES  
WITH NEEDS.**



*Are there still growth opportunities when it comes to conventional banking services, or is the well running dry?*

**A: (McKEAG)** There's always a way to grow the business by differentiating ourselves. We set ourselves apart with our "Big bank punch, community bank touch" business strategy. Each of our regional community banks keeps its local identity and hands-on service model, while Heartland provides back office support and a range of products that other local banks typically don't have. So when it comes to a traditional banking service – like treasury management, for example – our local bankers know what our clients want and don't want, and they fine-tune the offering to suit their specific needs.

*Don't most banks offer treasury management?*

**A: (FULLER)** Sure. But it's the way we structure it that makes a difference. We can help our clients add integrated fraud protection (which is a real concern these days, especially with ACH payments), we can make it easier to move money around with our online banking platform, we can help them manage their cash better and we can even help them use a credit card for payables. Net, net – client cash flows are streamlined, expenses are lowered and accounts payable personnel are freed up to be more productive.

**ORTHOILLINOIS**

*OrthoIllinois provides a complete range of orthopedic services including diagnosis, clinical care, diagnostic imaging and rehabilitation therapy – all under one roof. Illinois Bank & Trust helps the practice stay innovative and efficient with a fine-tuned treasury management system. "We get competitive prices plus safeguards and control features that help us meet our internal control policies," says Stacey Halverson, CFO. "But what we value most is that their bankers are so accessible. They really make a point of understanding our business."*



*OrthoIllinois CEO Don Schreiner and CFO Stacey Halverson (middle right) meet with Illinois Bank & Trust Treasury Management Officer Robin Scott and Private Banker Kay Wadsworth (middle left).*

## CAPITALIZING ON OPPORTUNITIES

### DBA CONSTRUCTION, INC.

*DBA Construction specializes in heavy lifting. The firm provides large-scale construction services for power, flood mitigation, mining, industrial and municipal projects across the U.S. Southwest. But despite its muscular business skills, DBA sought help from Arizona Bank & Trust to improve its employee retirement plan. "We needed a bank that was willing to tailor a plan to fit our needs", says Tom Drysdale, President. "Arizona Bank & Trust listened to us. They walked us through the process, helped us out with enrollment and just made everyone's lives easier."*



# PURPOSE-BUILT RETIREMENT PLANS.

#### ► FEATURED TALENT

##### **WILLIAM CALLAHAN**

***President, Arizona Bank & Trust***

*Having earned a reputation as a committed community leader and trusted banker at Dubuque Bank and Trust, Bill was recently promoted to President of Arizona Bank & Trust.*





*You mentioned fraud protection. We heard plenty of horror stories about major companies and government entities being hacked in 2016. This must be a real concern for your clients and for Heartland as well.*

**A:** (LEE) Absolutely. Whether it's wire fraud, phishing or cyber-attacks, we've got to be extremely diligent. And that's why we've invested heavily in the past year to improve our security and safety systems. It could be a matter of improving firewalls and passwords and adding a disaster recovery location – or it could be something as simple as educating employees and clients about ways to recognize and combat risk. It's a constant battle for sure, but the amount of fraud that we and our customers have experienced is relatively low.

*It's obviously important to spend money on fraud protection, but that doesn't necessarily contribute to profitability or growth. Does fraud prevention impair your overall efficiency?*

**A:** (FULLER) If we didn't have good fraud protection, we wouldn't be in business. Period. So in a way, our spend on fraud prevention is a cost of keeping our doors open and reassuring our clients. But efficiency is something we work on day in, day out. Our goal – which we've been working toward for a few years now – is to get to an efficiency ratio of 65 percent. For 2016, we came in at 66.25 percent, which means we spent approximately 66 cents to produce a dollar of revenue. In 2015, that figure was 69.16 percent. So we're still short of the goal, but we're getting there.

*What's behind the improvement?*

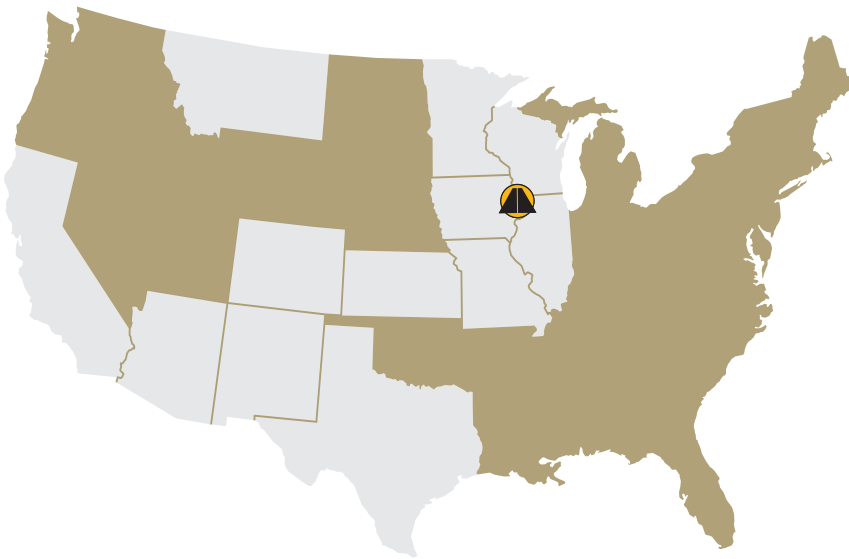
**A:** (McKEAG) Technology makes a big difference – but it's not just a matter of automation. The increase in revenue from fee-based services, which we discussed earlier, also makes us more productive. And as we expand the footprint of our member banks to that \$1 billion threshold, we start hitting economies of scale that really make a difference. Another big driver is our transition to a sales culture. In our call centers, for example, where we respond to customer problems and inquiries, we're now relying on the same personnel to do outbound activities like offering products and services to clients and prospects.

(LEE) In addition to all the things that Bryan just mentioned, it also comes down to simply doing a lot of different things right. It could be pricing a loan appropriately, working out a credit problem with a client or providing wealth management services to a business owner. Add all those things up, and not only do you improve your efficiency, you also keep the business growing.



Troy Norris, SVP,  
Arizona Bank & Trust  
(left), meets with Tom  
Drysdale, President,  
DBA Construction.

## CAPITALIZING ON OPPORTUNITIES



*As a bank holding company, Heartland has 10 separate charters across 12 states and you serve 87 communities. Add the corporate entity on top of that, and you must need a great many talented people to make it all run smoothly.*

**A:** **(LEE)** That's something we think about every day. Because we're growing so fast, we've been recruiting or promoting a new generation of outstanding people to help us stay competitive. And what we've found is that our culture and business model attract highly capable individuals who are looking for new opportunities. We've also been fine-tuning our succession planning so there'll be minimal conflict or disruption when senior managers move on.

*Any final thoughts on seizing opportunity in 2016?*

**A:** **(FULLER)** A lot of the other bankers I talked to in 2016 looked at the poor economy, shrinking margins and the cost of technology and sort of froze in their tracks. But, facing the same challenges, Heartland had an outstanding year. And that's because we make our own opportunities instead of having someone hand them to us. Whatever lies ahead in 2017 and beyond, that's not going to change.

DB&T  
DUBUQUE  
BANK  
AND TRUST

ILLINOIS  
BANK & TRUST

NEW MEXICO  
BANK & TRUST

WISCONSIN  
BANK & TRUST

Arizona  
Bank & Trust

Rocky  
Mountain  
Bank

Centennial  
BANK AND TRUST

MINNESOTA  
BANK & TRUST

Morrill  
& Janes  
Bank and Trust

PREMIER  
VALLEY BANK



# PASSING THE BATON.

## A VERY DEEP BENCH

*Thanks to an entrepreneurial culture that promotes innovative thinking and self-reliance, Heartland Financial USA, Inc. prides itself on being able to promote from within while also attracting new leaders from outside the firm. In 2016 Heartland made a number of strategic promotions, drawing on an impressive talent pool to prepare for future opportunities.*

## ► FEATURED TALENT

### LYNN H. "TUT" FULLER

Dubuque Bank and Trust

*A fourth-generation banker and son of current Heartland Chairman and CEO Lynn B. Fuller, Tut was promoted to Market President of Dubuque Bank and Trust in 2016. In addition to his retail and business banking experience, Tut is one of the few banking executives who holds both an MBA and an MD degree.*

*Doug Horstmann, President and CEO of Dubuque Bank and Trust (left), has been a mentor to Market President Lynn H. "Tut" Fuller.*

## FEATURED TALENT ◀

### STEVEN BRADEN

Heartland

*Newly recruited as Head of Retail Banking for Heartland, Steve has deep experience in community banking and customer-focused initiatives. Prior to joining Heartland, he was Executive Director for Community Banking and Senior Consultant for Strategic Direction at Ningbo Donghai Bank in Zhejiang Province, China.*



## FEATURED TALENT ◀

### JACK LLOYD

Heartland

*A veteran with 40 years of experience in retail banking, residential lending and team building, Jack joins Heartland as President of the firm's Mortgage Division. Most recently he served as Regional President of Community Banking at BMO Harris Bank in Chicago.*



# Leadership

## DIRECTORS



**LYNN B. FULLER**  
*Chairman and Chief Executive Officer,*  
Heartland Financial USA, Inc., Dubuque, IA



**JAMES F. CONLAN**  
*Partner,* Sidley Austin LLP, Chicago, IL



**JOHN W. COX, JR.**  
*Attorney at Law,*  
Galena, IL



**MARK C. FALB**  
*Chairman and CEO,*  
Kendall Hunt Publishing Company and Westmark Enterprises, Inc., Dubuque, IA



**THOMAS L. FLYNN**  
*Past President and CEO,* Flynn Ready-Mix Concrete Co., Dubuque, IA



**R. MICHAEL McCOY**  
*Chairman, Ex-Officio President and CEO,*  
McCoy Group, Dubuque, IA



**KURT M. SAYLOR**  
*Chairman and CEO,*  
Morrill & Janes Bank and Trust Company, Merriam, KS



**JOHN K. SCHMIDT**  
*Senior Vice President, Chief Financial Officer,*  
A.Y. McDonald, Dubuque, IA



**DUANE E. WHITE**  
*Partner,* Aveus, St. Paul, MN

## SENIOR MANAGEMENT

**LYNN B. FULLER**  
*Chairman and Chief Executive Officer*

**BRUCE K. LEE**  
*President*

**BRYAN R. McKEAG**  
*Executive Vice President, Chief Financial Officer*

**STEVEN M. BRADEN**  
*Executive Vice President, Director of Retail Banking*

**MICHAEL J. COYLE**  
*Executive Vice President, Senior General Counsel, Corporate Secretary*

**BRIAN J. FOX**  
*Executive Vice President, Operations*

**DOUGLAS J. HORSTMANN**  
*Executive Vice President, Lending*

**M. STEPHANIE IHBE**  
*Senior Vice President, Treasury Management*

**KELLY J. JOHNSON**  
*Executive Vice President, Private Client Services*

**JACK A. LLOYD**  
*President, Mortgage Division*

**ANDREW E. TOWNSEND**  
*Executive Vice President, Chief Credit Officer*

**J. DANIEL PATTEN**  
*Executive Vice President, Finance and Corporate Strategy*

**JANET M. QUICK**  
*Executive Vice President, Deputy Chief Financial Officer, Principal Accounting Officer*

**BRUCE C. REHMKE**  
*Executive Vice President, Private Client Services*

**RODNEY L. SLOAN**  
*Executive Vice President, Chief Risk Officer*

**FRANK E. WALTER**  
*Executive Vice President, Commercial Sales*

## SUBSIDIARY DIRECTORS AND PRESIDENTS

### Arizona Bank & Trust

**Paul F. Muscenti,**  
*Board Chair*  
**Jerry L. Schwallier, CEO**  
**William H. Callahan,**  
*President*

—  
John D. Benton  
Lynn B. Fuller  
R. Greg Leyendecker  
Richard K. Ostrom  
Christian Roe  
Randy R. Stolworthy  
Nancy Tengler  
Frank E. Walter

### Centennial Bank and Trust (formerly Summit Bank & Trust)

**Kevin W. Ahern,**  
*Board Chair*  
**James L. Basey, CEO**  
**Steven E. Ward, President**

—  
Greg J. Anton  
Lynn B. Fuller  
Travis W. Gillmore  
John P. Hill, Jr.  
Neil A. Littmann  
Scott H. Maierhofer  
Mary B. Randall  
W. Scott Reichenberg  
Frank A. Reppenhagen  
R. John Rhoades

### Citizens Finance Co.

**Lynn B. Fuller,**  
*Board Chair*  
**Robert C. Byrne,**  
*President & CEO*

—  
James F. Conlan  
Kenneth J. Erickson  
Mark C. Falb  
Thomas L. Flynn  
John K. Schmidt

### Dubuque Bank and Trust Company

**Mark C. Falb,**  
*Board Chair*  
**Douglas J. Horstmann,**  
*President*

—  
Richard C. Cody  
James F. Conlan  
James R. Etheredge  
Thomas L. Flynn  
Donnelle M. Fuerste  
Lynn B. Fuller  
James P. Gantz  
Charles D. Glab  
R. Michael McCoy  
James C. Mulgrew  
John B. (J.B.) Priest  
John K. Schmidt

### Illinois Bank & Trust

**Dan G. Loescher,**  
*Board Chair*  
**Jeffrey S. Hultman,**  
*President*

—  
Michael K. Broski  
Todd B. Colin  
John W. Cox, Jr.  
Craig A. Erdmier  
Melvin L. Gratton  
Damon C. Heim  
Douglas J. Horstmann  
Martin H. Johnson  
Pamela R. Maher  
Elizabeth M. Miller  
Thomas R. Nelson  
Daniel V. Pecora  
Michael J. Rogers  
Laurel S. Wurster

### Minnesota Bank & Trust

**Steven M. Thul,**  
*Board Chair*  
**John Rhoades,**  
*Interim President*

—  
Timothy S. Clark  
Lynn B. Fuller  
Duane E. White

### Morrill & Janes Bank and Trust Company

**Kurt M. Saylor,**  
*Chairman & CEO*  
**Scott D. Moseley,**  
*President*

—  
Lynn B. Fuller  
Rhonda S. McHenry  
Kent P. Saylor  
Leland M. Walker

### New Mexico Bank & Trust

**Nadyne C. Bicknell,**  
*Board Chair*  
**R. Greg Leyendecker,**  
*President*

—  
Lynn B. Fuller  
Sherman McCorkle  
Michael Mechenbier  
Ben F. Spencer  
Randy Ware

### Premier Valley Bank

**Thomas G. Richards,**  
*Board Chair*  
**J. Mike McGowan, CEO**  
**Michael W. Martinez,**  
*President*

—  
Jerry E. Cook  
Mateo F. De Soto, M.D.  
Surinder P. Dhillon, M.D.  
Linda F. East  
Lynn B. Fuller  
Richard H. Lehman  
J. Todd Mirolla  
D. Michael Patrick  
Thomas J. Sherman  
Frank E. Walter

### Rocky Mountain Bank

**Wallace E. Anderson,**  
*Board Chair*  
**Curtis Chrystal, President**

—  
Catherine Bergman  
Lynn B. Fuller  
Bruce K. Lee  
Gerald Pearsall

### Wisconsin Bank & Trust

**J. Cory Recknor,**  
*Board Chair*  
**Kevin S. Tenpas,**  
*President & CEO*

—  
John K. Faust  
Lynn B. Fuller  
Erik A. Huschitt  
Ramesh C. Kapur  
Jack R. Liebl  
Lola L. Roeh  
Steven F. Streff  
Paul W. Sweeney  
Thomas J. Wilkinson  
Marshall D. (Bub) Zwygart



# Corporate and Investor Information

## ANNUAL MEETING

*The Board of Directors of Heartland Financial USA, Inc. has established Wednesday, May 17, 2017, at 6:00 p.m. Central Daylight Time as the date of the Annual Meeting of Stockholders. We invite all stockholders to attend the meeting, which will be held at the Grand River Center, 500 Bell Street, Dubuque, Iowa.*

## Transfer Agent/Stockholder Services

Inquiries related to stockholder records, stock transfers, changes of ownership, changes of address and dividend payments should be sent to Heartland's transfer agent at the following address: Broadridge Corporate Issuer Solutions, P.O. Box 1342, Brentwood, NY 11717. They may also be contacted by phone at 1.866.741.7520.

## Stock Listing

Heartland's common stock is traded on the NASDAQ® Global Select Market System under the symbol "HTLF."

## Form 10-K and Other Information

The company submits an annual report to the Securities and Exchange Commission on Form 10-K. Stockholders may obtain copies of our Form 10-K without charge by writing to Michael J. Coyle, Executive Vice President, Senior General Counsel and Corporate Secretary, Heartland Financial USA, Inc., 1398 Central Avenue, P.O. Box 778, Dubuque, Iowa 52004-0778. The Form 10-K is also available on the Heartland website under the heading Investor Relations. Securities analysts and other investors seeking additional information about Heartland should contact Bryan R. McKeag, Executive Vice President and Chief Financial Officer, at the above address or call him at 563.589.1994. Additional information is also available at Heartland's website: [www.htlf.com](http://www.htlf.com).

## Dividend Reinvestment and Stock Purchase Plan

Heartland Financial USA, Inc. offers stockholders of record a simple and convenient method of increasing holdings in our company by participating in Heartland's Dividend Reinvestment and Stock Purchase Plan. Participants can directly reinvest dividends and make optional cash purchases to acquire additional shares. They may elect to reinvest dividends on either all or a portion of the shares they hold. Participants may also elect to purchase shares of common stock by making optional cash payments. For additional information regarding the Plan, or to request a copy of the Plan's prospectus, please call Heartland's transfer agent, Broadridge Corporate Issuer Solutions, toll free at 1.866.741.7520.

## PROFILE

Mailing Address:  
Heartland Financial USA, Inc.  
1398 Central Avenue  
P.O. Box 778  
Dubuque, Iowa 52004-0778  
Telephone: 563.589.2100

## Independent Auditors

KPMG LLP  
Des Moines, Iowa

## Corporate Counsel

Dorsey & Whitney LLP  
Minneapolis, Minnesota

# OUR MISSION

*Through excellence in customer service and respect for the individual, everyone profits.*

## **THE COMPANY COMMITTS ITSELF TO:**

- ▶ Exceeding customers' expectations by delivering a full range of quality financial products and services through a highly personal and professional sales staff.
- ▶ Differentiating ourselves as a growing consortium of strong community banks through community involvement, active boards of directors, local presidents and local decision making at point of sale and service.
- ▶ Integrating customer-transparent support functions to gain economies of scale and remain price competitive.
- ▶ Expanding economic activity in the markets we serve, consistent with prudent business judgment and being a good corporate citizen.
- ▶ Providing satisfying employment in a positive work culture with compensation packages that compare favorably with other high-performance banks in our regions.
- ▶ Managing member bank resources strategically toward the achievement of high performance within the industry and increasing shareholder value.



1398 Central Avenue  
P.O. Box 778  
Dubuque, Iowa 52004-0778  
Phone: 563.589.2100 Fax: 563.589.2011  
[www.htlf.com](http://www.htlf.com)

*Great Things Happen!™*