

CAPITAL MARKETS ANNOUNCEMENT

Heartland Financial USA, Inc. (NASDAQ: HTLF; Dubuque, IA) Closes \$75.0 Million Offering of 5.75% Subordinated Notes due 2024

Sandler O'Neill + Partners, L.P. served as lead initial purchaser for this offering.

This transaction is the 13th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book-runner or initial purchaser, more than any other investment bank during that period.¹

About the Offering:

Dubuque, Iowa - Heartland Financial USA, Inc. (NASDAQ: HTLF) announced the closing of a private offering of \$75 million aggregate principal amount of 5.75% Subordinated Notes due 2024 (the "Notes"), at par. The Notes were offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to institutional accredited investors in a manner exempt from registration under the Securities Act.

The Company intends to use the net proceeds of the Notes for general corporate purposes, including but not limited to repayment of certain senior notes, payment of dividends, continued debt service and, potentially, acquisitions.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Heartland Financial USA, Inc. is a \$5.9 billion diversified financial services company providing banking, mortgage, wealth management, investment, insurance and consumer finance services to individuals and businesses. Heartland currently has 76 banking locations in 56 communities in Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Kansas and Missouri and loan production offices in California, Nevada, Wyoming, Idaho, North Dakota, Oregon, Washington and Nebraska.

(1) Includes all public offerings and private placements of subordinated notes or senior notes that have been announced since 1/1/14 for banks and thrifts with assets less than \$25 billion

Source: SNL Financial

December 17, 2014

5.75% Subordinated
Notes due 2024

\$75.0 Million



Lead Initial Purchaser

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 9/30/2014)

(\$ in thousands)

Total Assets	\$5,934,809
Total Gross Loans	3,853,511
Total Deposits	4,726,719
Shareholders' Equity	483,399
TCE/ TA	6.06%
Tier 1 Leverage Ratio	9.70%
Tier 1 Risk-Based Capital Ratio	13.07%
Total Risk-Based Capital Ratio	14.39%

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