

**Premier Valley Bank (OTC Pink: PVLY; Fresno, CA) has agreed to merge with Heartland Financial USA, Inc. (NASDAQ: HTLF; Dubuque, IA)**

**Deal Value: Approximately \$95 million**

Sandler O'Neill served as financial advisor and provided a fairness opinion to Premier Valley Bank in this transaction. This transaction represents Sandler O'Neill's 78<sup>th</sup> bank or thrift transaction nationwide since January 1, 2014, representing \$13.7 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2014, Sandler O'Neill has advised on 15 bank or thrift transactions in the western region, more than any other investment bank. These transactions have an aggregate deal value of approximately \$7.3 billion.<sup>1</sup>

Heartland Financial USA, Inc. ("Heartland") announced today that it has entered into a definitive merger agreement with Premier Valley Bank ("Premier Valley") based in Fresno, California. Premier Valley is a commercial bank serving markets in the Central Valley and Central Coast of California from five banking locations. As of March 31, 2015, Premier Valley had assets of approximately \$647 million, loans of \$394 million and deposits of \$561 million.

Under the terms of the merger agreement, Premier Valley will become a wholly-owned subsidiary of Heartland, and continue operating under its present name and management team as Heartland's tenth state-chartered bank. After the merger, Heartland will serve 11 states (six Midwestern and five Western) from 95 banking locations with assets approximating \$7 billion.

The merger agreement provides that Premier Valley shareholders will receive approximately \$95 million or \$7.73 per share of Premier Valley common stock in the merger, and may elect to receive this payment in shares of Heartland common stock or in cash, subject to proration so that 70% of the total payment is in Heartland common stock and 30% in cash. Shares of Heartland common stock will be valued for such purposes based upon the weighted average closing price of the common stock on NASDAQ for the 20 trading days, ending five days prior to completion of the merger, but will not be valued at more than \$39.41 per share or less than of \$29.13 per share. Heartland expects the transaction to be accretive to its earnings per share within the first full year of combined operations.

The transaction is expected to close during the fourth quarter of 2015, with the systems conversion to be completed during the first quarter of 2016. The transaction is subject to the satisfaction of customary closing conditions, including approvals by Premier Valley shareholders and bank regulatory authorities. The directors and executive officers of Premier Valley have entered into agreements with Heartland and Premier Valley pursuant to which each has agreed to vote his or her shares of Premier Valley common stock in favor of the transaction.

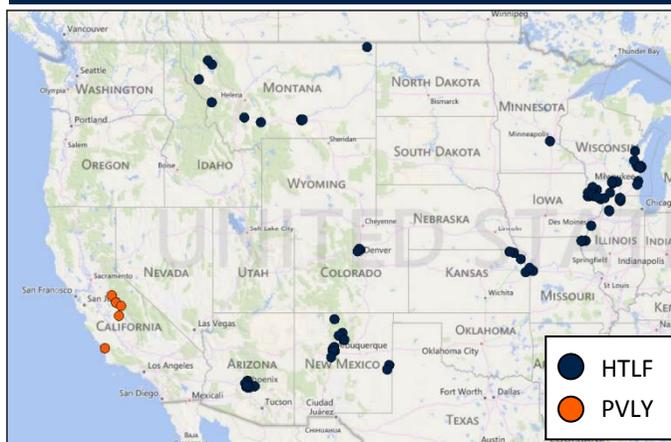
### Financial Highlights

	HTLF	PVLY
Total Assets	\$6,506	\$648
Gross Loans	\$4,244	\$394
Total Deposits	\$5,266	\$561
TCE / TA	6.5%	9.1%
LTM ROAA	1.24%	0.84%

**Notes:**

<sup>1</sup>Includes bank & thrift transactions since January 1, 2014; Excludes terminated transactions and self-advisory roles  
 Dollars in millions; financial data as of March 31, 2015  
 Source: SNL Financial

### Pro Forma Branch Network



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