

HEARTLAND FINANCIAL USA INC
Form S-4
December 12, 2016

As filed with the Securities and Exchange Commission on December 12, 2016
Registration No. 333-_____

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

Under
The Securities Act Of 1933
HEARTLAND FINANCIAL USA, INC.
(Exact name of registrant as specified in its charter)
Delaware
(State or other jurisdiction of incorporation or organization)
6022
(Primary Standard Industrial Classification Number)
42-1405748
(I.R.S. Employer Identification No.)

1398 Central Avenue
Dubuque, Iowa 52001
(563) 589-2100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)
Bryan R. McKeag
Executive Vice President and Chief Financial Officer
Heartland Financial USA, Inc.
1398 Central Avenue
Dubuque, Iowa 52001
(563) 589-2100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jay L. Swanson	John F. Stuart
Cam C. Hoang	Kenneth E. Moore
Dorsey & Whitney LLP	Stuart Moore Attorneys at Law
50 South Sixth Street	641 Higuera Street, Suite 302
Minneapolis, MN 55402	San Luis Obispo, CA 93401
(612) 340-2600	(805) 545-8590

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

.. Large accelerated filer " Accelerated filer x Non-accelerated filer " Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) " Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1.0017,397(1) par value	N/A	\$19,303,710(2)	\$2,237(3)

Represents the estimated maximum number of shares of the Registrant's common stock to be issued pursuant to the agreement and plan of merger, dated as of October 29, 2016, by and between the Registrant and Founders

- (1) Bancorp, computed by dividing 70% of the maximum merger consideration payable to holders of Founders Bancorp common stock by the proposed minimum market price of the Registrant's common stock under such agreement (\$31.62 per share).
Calculated pursuant to Rule 457(f)(1) and (f)(3) and Rule 457(c) under the Securities Act of 1933, as amended (the "Securities Act"), solely for the purpose of calculating the registration fee based on the average of the high and low prices for shares of Founders Bancorp common stock (the securities to be exchanged in the merger) as reported on OTC Pink on December 5, 2016 (\$21.75 per share), multiplied by the estimated number of shares of Founders Bancorp common stock (1,270,817) that may be exchanged for the shares of Registrant's common stock registered.
- (2) Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash that may be payable by the Registrant to holders of shares of Founders Bancorp common stock has been deducted from the proposed maximum aggregate offering price, which amount of cash was calculated by multiplying (i) the estimated cash consideration of \$6.56 per share of Founders Bancorp common stock by (ii) the estimated number of shares of Founders Bancorp common stock (1,270,817) that may be exchanged for the shares of the Registrant's common stock registered.
- (3) Calculated by multiplying the proposed maximum aggregate offering price by 0.0001159.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 12, 2016

FOUNDERS BANCORP

PROPOSED MERGER-YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

We are happy to advise you that the board of directors of Founders Bancorp (“Founders”) has unanimously approved the merger of Founders into Heartland Financial USA, Inc. (“Heartland”) in accordance with an agreement and plan of merger dated October 29, 2016 (the “merger agreement”). Before we can complete the merger, we must obtain the approval of the shareholders of Founders. We are sending you this document to ask you to vote in favor of approval and adoption of the merger agreement. The Founders board of directors unanimously recommends that you vote “FOR” approval and adoption of the merger agreement.

If the Founders shareholders approve the merger and the other conditions in the merger agreement are satisfied, Founders will merge with and into Heartland, and Heartland will pay the aggregate merger consideration of approximately \$29.1 million for all shares of Founders common stock and for all options to purchase Founders common stock. The aggregate merger consideration will be allocated among the holders of common stock and options based upon the number of shares outstanding and the number of shares that are issuable pursuant to the options on the closing date of the merger. The amount of aggregate merger consideration will be decreased to the extent the transaction expenses of Founders exceed \$1.6 million and may be adjusted either up or down based on the adjusted tangible common equity of Founders (as defined under the caption “The Merger Agreement-Purchase Price and Calculation of Merger Consideration-Total Purchase Price” in the accompanying proxy statement/prospectus). The aggregate merger consideration will be reduced or increased by up to \$5.0 million to the extent that the adjusted tangible common equity of Founders is less than \$18.3 million or greater than \$18.6 million, respectively, on the last business day of the month preceding the closing date of the merger.

We expect that holders of Founders common stock will receive \$21.87 per share in the merger, if there are no adjustments to the aggregate merger consideration or increase in Founders shares outstanding. The aggregate merger consideration is payable in shares of Heartland common stock or cash, or a combination of shares of common stock and cash. Although each Founders shareholder may elect their form of consideration, as described in more detail in the accompanying proxy statement/prospectus, the merger agreement provides that 30% of the aggregate merger consideration paid to shareholders will be payable in cash and 70% of the aggregate merger consideration paid to shareholders will be payable by delivery of Heartland common stock. Assuming no adjustments to the aggregate merger consideration or increase in Founders shares outstanding, the merger agreement provides that:

For Founders shareholders who elect to receive, or are otherwise allocated, cash in exchange for some or all of their shares of Founders common stock, \$21.87 in cash will be paid in exchange for each such share of Founders common stock.

For Founders shareholders who elect to receive, or are otherwise allocated, shares of Heartland common stock in exchange for some or all of their shares of Founders common stock, the number of shares of Heartland common stock that will be issued in exchange for each share of Founders common stock will be determined by dividing the aggregate merger consideration per share by the volume weighted average closing price of Heartland common stock on the NASDAQ Global Select Market during the 20 trading days ending on, and including, the fifth business day prior to the closing date of the merger, provided this volume weighted average closing price will be fixed at \$31.62 if it is less than \$31.62 and at \$42.78 if it is more than \$42.78.

- Using a volume weighted average closing price of \$41.88 as of December 6, 2016, the Founders shareholders would receive .5222 shares of Heartland common stock for such share of Founders common stock. If the volume weighted average closing price of Heartland common stock is \$31.62 or below, Heartland would issue .6917 shares of Heartland common stock for each share of Founders common stock. If the volume weighted

average closing price of Heartland common stock is \$42.78 or above, Heartland would issue .5112 shares of Heartland common stock for each share of Founders common stock.

The actual consideration received will be different from the amounts set forth above, because the adjusted tangible common equity of Founders and the market price for Heartland common stock will fluctuate prior to the completion of

the merger. In addition, because the merger consideration is set by a predetermined formula and it is impossible to predict what elections different Founders shareholders will make, there is no assurance that you will receive precisely the form of consideration that you elect.

Heartland common stock is listed on the NASDAQ Global Select Market under the symbol "HTLF".

To complete the merger we must receive regulatory approvals and the holders of Founders common stock must approve and adopt the merger agreement. Founders will hold a special meeting of shareholders to vote on this merger proposal. Your vote is important. Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions for your shares of Founders common stock in accordance with the instructions contained in this document. If you do not vote your shares of Founders common stock, it will have the same effect as voting against the merger.

For a description of the significant considerations in connection with the merger and related matters described in this document, see "Risk Factors" beginning on page 24.

We encourage you to read this entire document carefully. This proxy statement/prospectus gives you detailed information about the merger, and it includes a copy of the merger agreement as Appendix A.

Sincerely,

/s/ Thomas J. Sherman

Thomas J. Sherman
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is December 30, 2016, and it is first being mailed to Founders shareholders on or about this date.

FOUNDERS BANCORP

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 27, 2017

Founders Bancorp ("Founders") will hold a special meeting of its shareholders at Founders' main office located at 237 Higuera Street, San Luis Obispo, California, at 6:30 p.m. Pacific time, on Friday, January 27, 2017 to consider and vote upon the following matters:

a proposal to approve and adopt the agreement and plan of merger between Heartland Financial USA, Inc. ("Heartland") and Founders dated as of October 29, 2016, as it may be amended from time to time, pursuant to which Founders will merge with and into Heartland (the "merger agreement"); and

a proposal to approve the adjournment of the Founders special meeting, if necessary or appropriate, to solicit additional proxies.

Upon completion of the merger, holders of Founders common stock will receive, at their election, cash, Heartland common stock or a combination of cash and Heartland common stock. Your attention is directed to the proxy statement/prospectus accompanying this notice for a complete discussion of the merger. A copy of the merger agreement is included as Appendix A to the proxy statement/prospectus.

The board of directors has fixed the close of business on December 23, 2016 as the record date for the Founders special meeting. Holders of record of Founders common stock at such time are entitled to notice of, and to vote at, the Founders special meeting or any adjournment or postponement of the special meeting.

The Founders board of directors has unanimously approved the merger agreement and unanimously recommends that holders of Founders common stock vote "FOR" approval and adoption of the merger agreement.

Founders shareholders who do not vote in favor of the merger agreement and who strictly comply with Chapter 13 of the California General Corporation Law have the right to assert dissenters' rights under that statute. For a description of the procedures that must be followed to make written demand for dissenters' rights, see the copy of the statute which is attached as Appendix B in the attached proxy statement/prospectus. In addition, a summary of the procedures to be followed in order to obtain payment for dissenting shares is set forth under the caption "The Merger-Notice of Dissenters' Rights" in the attached proxy statement/prospectus.

Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions for your shares of Founders common stock. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy form in the enclosed self-addressed, stamped envelope. Any holder of Founders common stock present at the special meeting may vote in person instead of by proxy, and a proxy may be revoked in writing at any time before the special meeting. The presence of a shareholder at the special meeting will not automatically revoke that shareholder's proxy. A shareholder may revoke a proxy at any time prior to the voting of such proxy on any matter (without, however, affecting any vote taken prior to such revocation) by (i) delivering to Founders a written notice of revocation, (ii) delivering to Founders a duly executed proxy bearing a later date and presenting such proxy at the meeting, or (iii) attending the meeting and voting in person at the meeting.

Sincerely,

/s/ Thomas J. Sherman

Thomas J. Sherman
President and Chief Executive Officer

Your vote is important. Please complete, sign, date and return your proxy form, whether or not you plan to attend the special meeting

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Heartland from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document and other filings of Heartland by requesting them in writing or by telephone from Heartland at the following address:

Heartland Financial USA, Inc.

1398 Central Avenue

P.O. Box 778

Dubuque, Iowa 52004-0778

Attention: Michael J. Coyle, Corporate Secretary

(Telephone (563) 589-2100)

You will not be charged for any of these documents that you request. Founders shareholders requesting documents should do so by January 20, 2017 in order to receive them before the special meeting.

See “Where You Can Find More Information” on page 72.

You should rely only on the information contained or incorporated by reference into this document to vote on the merger agreement. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated December 30, 2016. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date other than that date. Neither our mailing of this document to Founders shareholders nor the issuance by Heartland of common stock in connection with the merger will create any implication to the contrary.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

Q: What Am I Being Asked To Vote On?

A: Holders of Founders common stock are being asked to approve and adopt a merger agreement entered into between Heartland and Founders. In the merger, Founders will be merged with and into Heartland, with Heartland as the surviving corporation, and holders of Founders common stock will receive, at their election, cash, Heartland common stock or a combination of cash and Heartland common stock.

Q: Why Is The Founders Board of Directors Recommending The Merger?

A: The Founders board believes that the merger is advisable, fair to and in the best interests of Founders and its shareholders.

Q: Why Is My Vote Important?

A: The affirmative vote of the holders of at least a majority of the outstanding shares of Founders common stock is required to approve and adopt the merger agreement. Accordingly, if a holder of Founders common stock fails to vote or abstains, this will have the same effect as a vote against approval and adoption of the merger agreement.

Q: What Will I Receive For My Founders Common Stock If The Merger Is Completed?

A: You will receive, at your election but subject to proration as described below, shares of Heartland common stock, cash or a combination of cash and shares of Heartland common stock for your shares of Founders common stock. Founders shareholders and option holders will receive aggregate merger consideration of \$29.1 million in the merger, but this amount will be decreased to the extent the transaction expenses of Founders exceed \$1.6 million. In addition, the aggregate merger consideration will be decreased or increased, dollar for dollar, by up to \$5.0 million to the extent that the adjusted tangible common equity of Founders is less than \$18.3 million or greater than \$18.6 million, respectively, as of the last business day of the month preceding the closing date of the merger. See “The Merger Agreement-Purchase Price and Calculation of Merger Consideration-Total Purchase Price” on page 53 for additional detail regarding the determination of the aggregate merger consideration, including the definition of “adjusted tangible common equity.”

Assuming there is no adjustment in the aggregate merger consideration or increase in Founders shares outstanding, and that 1,270,817 shares of Founders common stock and options to acquire 107,663 shares of Founders common stock are outstanding when the merger is completed, holders of Founders common stock will be entitled to a purchase price of \$21.87 per share, payable in shares of Heartland common stock, cash or a combination of cash and shares of Heartland common stock. Although each Founders shareholder may elect their form of consideration, the merger agreement provides that 30% of the aggregate merger consideration paid to shareholders will be payable in cash and 70% of the aggregate merger consideration paid to shareholders will be payable by delivery of Heartland common stock. Assuming no adjustments to the aggregate merger consideration or increase in Founders shares outstanding, the merger agreement provides that:

For Founders shareholders who elect to receive, or are otherwise allocated, cash in exchange for some or all of their shares of Founders common stock, \$21.87 in cash will be paid in exchange for each such share of Founders common stock.

For Founders shareholders who elect to receive, or are otherwise allocated, shares of Heartland common stock in exchange for some or all of their shares of Founders common stock, the number of shares of Heartland common stock that will be issued in exchange for each share of Founders common stock will be determined by dividing the aggregate merger consideration per share by the volume weighted average closing price of Heartland common stock on the NASDAQ Global Select Market during the 20 trading days ending on, and including, the fifth business day prior to the closing date of the merger, provided this volume weighted average closing price will be fixed at \$31.62 if it is less than \$31.62 and at \$42.78 if it is more than \$42.78.

Using a volume weighted average closing price of \$41.88 as of December 6, 2016, Founders shareholders would receive .5222 shares of Heartland common stock for such share of Founders common stock. If the volume weighted average closing price of Heartland common stock is \$31.62 or below, Heartland would issue .6917 shares of Heartland common stock for each share of Founders common stock. If the volume weighted average closing price of Heartland common stock is \$42.78 or above, Heartland would issue .5112 shares of Heartland common stock for each share of Founders common stock.

The actual consideration received will be different from the amounts set forth above, because the adjusted tangible common equity of Founders and the market price for Heartland common stock will fluctuate prior to the completion of the merger. In addition, because the merger consideration is set by a predetermined formula and it is impossible to predict what elections different Founders shareholders will make, there is no assurance that you will receive precisely the form of consideration that you elect.

Q: What Are The Details Of The Consideration Election?

Although you will be entitled to elect to receive only cash (a cash election), only shares of Heartland common stock (a stock election), or a combination of cash and Heartland common stock (a mixed election) for your shares of Founders common stock, you are not being asked to make an election at this time. By returning the proxy that is enclosed with this proxy statement/prospectus, you will not be making a consideration election. Computershare, Inc., which will act as Heartland's exchange agent (the "Exchange Agent"), will send you election materials by a separate mailing. The procedures necessary to make an election are described under the caption "The Merger Agreement-Election Procedures."

Of the aggregate merger consideration payable to holders of Founders common stock, 30% of the consideration will be paid in cash and 70% by delivering shares of Heartland common stock. If the total amount of cash that Founders shareholders elect to receive is more than 30% of the aggregate merger consideration paid to shareholders, then a sufficient number of Founders shares subject to a cash election will be converted on a pro rata basis (excluding dissenting shares) into shares subject to a stock election, so that 30% of the aggregate merger consideration paid to shareholders will be paid in cash. Any dissenting shares will be deemed cash election shares.

Similarly, if the Heartland common stock that Founders shareholders elect to receive is more than 70% of the aggregate merger consideration, then a sufficient number of Founders shares subject to a stock election will be converted on a pro rata basis into shares subject to a cash election, so that 70% of the aggregate merger consideration paid to shareholders will be paid in stock. Shares of Founders common stock subject to no election will be treated as cash election shares or stock election shares so as to minimize the amount of any cash or stock proration.

Q: What Will Happen To Founders Stock Options?

At the effective time of the merger, each option to purchase shares of Founders common stock that is outstanding, vested and unexercised immediately prior to the effective time will be cancelled in exchange for the right to receive from Heartland a single lump sum cash payment equal to the product of (a) the number of shares of Founders common stock subject to such stock option, and (b) the excess of the aggregate merger consideration per share over the exercise price per share of such stock option, less any applicable withholding taxes. All Founders stock options will terminate at the effective time of the merger, and the surrender of a Founders stock option to Heartland in exchange for this stock option consideration will be deemed a release of any and all rights the option holder had or may have had in respect of such stock option.

Founders anticipates that options to acquire 107,663 shares of Founders common stock will be outstanding at the effective time of the merger. Immediately prior to the effective time of the merger, stock options held by Founders' directors, which are scheduled to vest on or after April 1, 2017, will be cancelled pursuant to option amendment agreements. As a result, Founders' directors will not receive the stock option consideration described above with respect to such cancelled stock options.

Q: When Do You Expect To Complete The Merger?

We are working to complete the merger as quickly as possible. We cannot complete the merger until a number of conditions are satisfied, including (i) approvals by the Founders shareholders, the Federal Deposit Insurance Corporation (the "FDIC") and the Division of Financial Institutions of the California Department of Business Oversight, and (ii) receipt of a waiver from the Federal Reserve Board of the application requirement under the Bank Holding Company Act, or approval of the merger by the Federal Reserve Board in lieu of such waiver. We expect to complete the merger in the first quarter of 2017, assuming these and other approvals are received.

Q: Do I Have Dissenters' Rights?

A: Yes. Under California law, Founders' state of incorporation, holders of Founders common stock have the right to assert dissenters' rights and, rather than receive the merger consideration, demand the "fair value" of their shares in cash. To do so, you must not vote in favor of the merger and must instead follow the procedures set forth below

under

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the caption "The Merger-Notice of Dissenters' Rights." A copy of the California statute governing dissenters' rights is included as Appendix B to this proxy statement/prospectus. The "fair value" of the shares may be determined in a court-supervised proceeding, and the court may conclude that fair value is greater than, equal to or less than the merger consideration.

One condition to Heartland's obligation to complete the merger is that the total number of dissenting shares of Founders common stock cannot be more than 12% of the outstanding shares of Founders common stock.

We encourage you to read the statutes governing dissenters' rights carefully and to consult with legal counsel if you desire to exercise your dissenters' rights.

Q: What Do I Need To Do Now?

A: After you have carefully read this document, you should indicate on your proxy form how you want your shares of Founders common stock to be voted, and then complete, sign and date your proxy. This will enable your shares to be represented and voted at the Founders special meeting.

Q: If My Shares Are Held In Street Name By My Broker, Will My Broker Automatically Vote My Shares For Me?

No. Without instructions from you, your broker will not be able to vote your shares of Founders common stock.

A: You should instruct your broker on how to vote your shares, following the directions your broker provides. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q: Can I Change My Vote?

A: Yes. There are three ways you can change your vote after you have submitted your proxy:

First, you may send a written notice to the Secretary of Founders at 237 Higuera Street, San Luis Obispo, California 93401, stating that you would like to revoke your proxy.

Second, you may complete and submit a new proxy form. Your latest vote actually received by Founders before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the Founders special meeting and vote in person. Your presence at the meeting will not automatically revoke your proxy. You may revoke your proxy at any time prior to the voting of the proxy by attending the meeting and providing written or oral notice of revocation with the presiding officer during the meeting (at which point you may vote in person).

If you have instructed a broker on how to vote your shares, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q: How Do I Make An Election To Receive Cash Or Heartland Common Stock?

A: The Exchange Agent will send you election materials by a separate mailing, which will also include transmittal materials. You will not be making an election by submitting a proxy or voting at the meeting.

Q: Should I Send In My Founders Stock Certificates Now?

A: No, please do not send in your stock certificates at this time. You will be provided with transmittal materials by a separate mailing that explains what you must do to exchange your Founders stock certificates for the merger consideration after the merger is complete.

Q: Whom Should I Call With Questions?

A: If you have questions about the merger or the special meeting or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy form, you should contact:

Thomas J. Sherman
President and Chief Executive Officer
Founders Bancorp
237 Higuera Street
San Luis Obispo, California 93401
(805) 543-6500

Q: Where Can I Find More Information About The Companies?

You can find more information about Heartland from the various sources described under the caption “Where You A: Can Find More Information.” You can find more information about Founders under the caption “Information About Founders.”

SUMMARY

This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which we refer in order to understand fully the merger and the related transactions. In addition, we incorporate by reference into this document important business and financial information about Heartland. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled “Where You Can Find More Information” on page 72. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

The Companies (Pages 62 and 63)

Founders

Founders is a California corporation headquartered in San Luis Obispo, California that was formed in 2007 for the purpose of becoming the parent bank holding company of Founders Community Bank. Founders is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, and is regulated by the Federal Reserve Board. Founders is not a “reporting company” under federal securities law, and does not file periodic reports with the Securities and Exchange Commission (the “SEC”). Founders common stock is not listed on an exchange, but is thinly traded in the over the counter market, or OTCBB Pink. Founders’ principal asset is its wholly-owned subsidiary, Founders Community Bank, a California state chartered non-member bank. Founders Community Bank does business through four branch offices located throughout San Luis Obispo County, as well as a small business lending center in Atascadero. Through these offices, Founders Community Bank provides general community banking services. As of September 30, 2016, Founders had total assets of \$198.5 million, total deposits of \$180.0 million and total shareholders’ equity of \$18.3 million.

Founders’ principal offices are located at 237 Higuera Street, San Luis Obispo, California 93401, and its telephone number is (805) 543 6500.

Heartland

Heartland is a publicly-held Delaware corporation headquartered in Dubuque, Iowa, with 10 bank subsidiaries in the States of Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Kansas, Missouri, Texas and California. Together, Heartland’s banking subsidiaries operate a total of 108 banking locations. Heartland also has five non-banking subsidiaries, including a consumer finance company with offices in Iowa, Illinois and Wisconsin, a subsidiary involved in property management, a community development company and two multi-line insurance agencies, as well as eight special-purpose trust subsidiaries formed to offer cumulative capital securities. At September 30, 2016, Heartland had total assets of \$8.2 billion, total loans of \$5.5 billion, total deposits of \$6.9 billion and common stockholders’ equity of \$703.0 million.

Heartland’s principal offices are located at 1398 Central Avenue, Dubuque, Iowa 52001, and its telephone number is (563) 589 2100.

Founders Will be Merged into Heartland (Page 53)

We encourage you to read the merger agreement, which is attached as Appendix A to this proxy statement/prospectus. The merger agreement provides that Founders will be merged with and into Heartland. Heartland will survive the merger, and the separate corporate existence of Founders will cease. Immediately after the merger, Founders Community Bank, the wholly-owned banking subsidiary of Founders, will be merged with and into Premier Valley Bank, Heartland’s wholly-owned banking subsidiary in California. After completion of the merger of Founders Community Bank into Premier Valley Bank, the Founders Community Bank branches will continue to operate under the Founders Community Bank name as a division of Premier Valley Bank.

What You Will Receive in the Merger (Page 53)

Founders Common Stock

Upon completion of the merger, you will receive cash, Heartland common stock, or a combination of cash and Heartland common stock, for your shares of Founders common stock. You will be able to make an election as to the form of merger consideration that you will receive, but your election may be changed if Founders shareholders collectively elect to receive more than 30% of the aggregate merger consideration paid to shareholders in cash or more than 70% of the aggregate

merger consideration paid to shareholders in the form of Heartland common stock. The amount of merger consideration that you will receive is dependent upon the adjusted tangible common equity of Founders as of closing, and if you receive shares of Heartland common stock as part of the merger consideration, the number of shares you will receive is dependent on the stock's trading price.

The aggregate merger consideration assigned by the merger agreement to Founders common stock and options is equal to \$29.1 million, but this amount will be reduced to the extent transaction expenses of Founders exceed \$1.6 million. In addition, the aggregate merger consideration will be decreased or increased, dollar for dollar, by up to \$5.0 million to the extent that the adjusted tangible common equity of Founders is less than \$18.3 million or greater than \$18.6 million, respectively, as of the last business day of the month preceding the closing date of the merger. If such calculation had been completed as of November 30, 2016, the adjusted tangible common equity of Founders would have been approximately \$18.3 million. See "The Merger Agreement-Purchase Price and Calculation of Merger Consideration-Total Purchase Price" on page 53 for additional detail regarding the determination of the aggregate merger consideration, including the definition of the "adjusted tangible common equity" of Founders.

Assuming there is no adjustment to the aggregate merger consideration, and that 1,270,817 shares of Founders common stock and stock options to acquire 107,663 shares of Founders common stock are outstanding when the merger is completed, holders of Founders common stock will be entitled to merger consideration, payable in cash or in shares of Heartland common stock, or a combination of both, of \$21.87 per share. Assuming no adjustments to the aggregate merger consideration or increase in Founders shares outstanding, the merger agreement provides that: For Founders shareholders who elect to receive, or are otherwise allocated, cash in exchange for some or all of their shares of Founders common stock, \$21.87 in cash will be paid in exchange for each such share of Founders common stock.

For Founders shareholders who elect to receive, or are otherwise allocated, shares of Heartland common stock in exchange for some or all of their shares of Founders common stock, the number of shares of Heartland common stock that will be issued in exchange for each share of Founders common stock will be determined by dividing the aggregate merger consideration per share by the volume weighted average closing price of Heartland common stock on the NASDAQ Global Select Market during the 20 trading days ending on, and including, the fifth business day prior to the closing date of the merger, provided this volume weighted average closing price will be fixed at \$31.62 if it is less than \$31.62 and at \$42.78 if it is more than \$42.78.

Using a volume weighted average closing price of \$41.88 as of December 6, 2016, Founders shareholders would receive .5222 shares of Heartland common stock for such share of Founders common stock. If the volume weighted average closing price of Heartland common stock is \$31.62 or below, Heartland would issue .6917 shares of Heartland common stock for each share of Founders common stock. If the volume weighted average closing price of Heartland common stock is \$42.78 or above, Heartland would issue .5112 shares of Heartland common stock for each share of Founders common stock.

If the total amount of cash that Founders shareholders elect to receive is more than 30% of the aggregate merger consideration paid to Founders shareholders, then a sufficient number of shares of Founders common stock subject to a cash election will be converted on a pro rata basis (excluding dissenting shares) into shares subject to a stock election, so that the 30% of the aggregate merger consideration paid to Founders shareholders will be paid in cash. Any dissenting shares will be deemed cash election shares.

Similarly, if the Heartland common stock that Founders shareholders elect to receive is more than 70% of the aggregate merger consideration paid to Founders shareholders, then a sufficient number of shares of Founders common stock subject to a stock election will be converted on a pro rata basis into shares subject to a cash election, so that 70% of the aggregate merger consideration paid to Founders shareholders will be paid in stock.

Shares of Founders common stock subject to no election will be treated as cash election shares or stock election shares so as to minimize any cash or stock proration.

Merger Consideration Example

The following table illustrates scenarios for changes to the volume weighted average closing price of Heartland common stock used to determine the exchange ratio, ranging from 30% above to 30% below \$37.20 per share which is the mid-point between the collars of \$42.78 and \$31.62. The table illustrates the impact on the exchange ratio, cash consideration per share and aggregate merger consideration, depending upon the volume weighted average closing price of Heartland common

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stock. As shown in the table, if the volume weighted average closing price of Heartland common stock reached either the upper or lower collars of \$42.78 and \$31.62 per share, the exchange ratio would become fixed at 0.5112 if the share price is above \$42.78 or 0.6917 if the share price is below \$31.62, respectively. The following table assumes there are 1,270,817 shares of Founders common stock outstanding as of the closing date. The table reflects that the merger consideration paid will consist of whole shares of Heartland common stock. The table does not reflect the cash totaling \$1,345,000 payable to holders of Founders stock options to cancel such options and the cash paid in lieu of fractional shares of Heartland common stock.

Heartland Volume Weighted Average Closing Price	Exchange Ratio(1)	Consideration Per Share Based on Shareholder Election			Aggregate Consideration (In thousands) (2)(3)			
		100% Stock	100% Cash	70% Stock / 30% Cash	Stock	Cash	Total	
30.0	% \$48.36	0.5112	\$24.72	\$21.87	\$23.87	\$21,990	\$8,338	\$30,328
20.0	% 44.64	0.5112	22.82	21.87	22.54	20,300	8,338	28,638
15.0	% 42.78	0.5112	21.87	21.87	21.87	19,455	8,338	27,793
10.0	% 40.92	0.5345	21.87	21.87	21.87	19,455	8,338	27,793
—	37.20	0.5879	21.87	21.87	21.87	19,455	8,338	27,793
(10.0)	% 33.48	0.6532	21.87	21.87	21.87	19,455	8,338	27,793
(15.0)	% 31.62	0.6917	21.87	21.87	21.87	19,455	8,338	27,793
(20.0)	% 29.76	0.6917	20.58	21.87	20.97	18,307	8,338	26,645
(30.0)	% 26.04	0.6917	18.01	21.87	19.17	16,021	8,338	24,359

(1) Exchange ratio has been rounded to the nearest ten-thousandth.

(2) Excludes \$1,345,000, which is the aggregate cash amount payable to holders of outstanding Founders options.

Assumes no adjustment resulting from the amount of Founders' transaction-related expenses or for increases or decreases in Founders adjusted tangible common equity. See "The Merger Agreement-Purchase Price and Calculation of Merger Consideration" on page 56.

For a Founders shareholder electing 100% cash, the cash consideration per share of Founders common stock is \$21.87 if no adjustments to the aggregate merger consideration are made and outstanding shares of Founders common stock do not increase. For a Founders shareholder electing 100% stock, the implied value of the stock consideration per share of Founders common stock is \$21.87 based on the variable exchange ratio if the volume weighted average closing price of Heartland common stock remains within the collars, no adjustments to the aggregate merger consideration are made, and shares of Founders common stock outstanding do not increase. However, if the volume weighted average closing price of Heartland common stock is greater than the upper collar of \$42.78 or less than the lower collar of \$31.62, the exchange ratio becomes fixed, although the value of the stock component of the consideration will fluctuate depending on the volume weighted average closing price of Heartland common stock. Further, the aggregate merger consideration will be decreased to the extent the transaction expenses of Founders exceed \$1.6 million, and the aggregate merger consideration may be adjusted either up or down by up to \$5.0 million to the extent that the adjusted tangible common equity of Founders is less than \$18.3 million or greater than \$18.6 million, respectively, on the last business day of the month preceding the closing date of the merger. See "The Merger Agreement-Purchase Price and Calculation of Merger Consideration" on page 53.

The actual consideration received will be different from the amounts set forth above, because the adjusted tangible common equity of Founders and the market price for Heartland common stock will fluctuate prior to the completion of the merger. In addition, because the merger consideration is set by a predetermined formula and it is impossible to

predict what elections different Founders shareholders will make, there is no assurance that you will receive precisely the form of consideration that you elect.

Founders Stock Options

Except with respect to options held by directors scheduled to vest on or after April 1, 2017, which will be cancelled at the effective time of the merger without any right to receive consideration, each option to purchase shares of Founders common stock that is outstanding, vested and unexercised immediately prior to the effective time will be cancelled in exchange for the right to receive from Heartland a single lump sum cash payment equal to the product of (a) the number of shares of Founders common stock subject to such stock option, and (b) the excess of the aggregate merger consideration per share over the exercise price per share of such stock option, less any applicable withholding taxes. All Founders stock options will terminate

at the effective time of the merger, and the surrender of a Founders stock option to Heartland in exchange for the stock option consideration will be deemed a release of any and all rights the option holder had or may have had in respect of such stock option. Founders anticipates that options to acquire 107,663 shares of Founders common stock will be outstanding on the closing date of the merger.

The Founders Board of Directors Unanimously Recommends that You Vote “FOR” the Approval and Adoption of The Merger Agreement (Page 32)

The board of directors of Founders believes that the merger is in the best interests of Founders and its shareholders and has unanimously approved the merger agreement. For the factors considered by the Founders board of directors in reaching its decision to approve the merger agreement, see the section entitled “The Merger-Founders’ Reasons for the Merger.”

From time to time, the board of directors of Founders has considered strategic opportunities to continue building shareholder value, including acquiring other financial institutions, a merger of equals, or being acquired by a larger financial institution in an effort to better manage, among other things, the increasing regulatory burden and compliance costs and to seek better efficiencies and economies of scale. From time to time, the board has also analyzed Founders’ prospects if the company remained independent, including the need for raising additional capital to support growth initiatives. The Founders board of directors considered the challenges facing the community banking industry, including the need for additional scale in order to offset increasing regulatory expenses, a continued low interest rate environment, and the need to attract and retain talented banking professionals to properly manage the business. The Founders board of directors also considered the benefits of greater liquidity for Founders’ shareholders. In light of the headwinds facing the community banking industry, at its April 2016 meeting, the Founders board of directors authorized Thomas J. Sherman, President and Chief Executive Officer of Founders, to begin exploring the acquisition of Founders by a larger financial institution and to explore such possibilities with the assistance of D.A. Davidson & Co. (“Davidson”), Founders’ financial advisor. Ultimately, this led to the proposed merger agreement with Heartland.

Founders’ Financial Advisor Has Provided an Opinion to the Founders Board of Directors as to the Fairness of the Merger Consideration, from a Financial Point of View, to Holders of Founders Common Stock (Page 34)

In deciding to approve the merger, the board of directors of Founders considered the opinion of Davidson that, as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations described in the opinion, the aggregate merger consideration per share to be paid pursuant to the merger agreement was fair from a financial point of view to the holders of Founders common stock. This opinion was given to the board of directors of Founders on October 29, 2016. A copy of this opinion is attached to this proxy statement/prospectus as Appendix C. Founders shareholders should read the opinion completely and carefully to understand the assumptions made, matters considered and limitations on the review undertaken by Davidson in providing its opinion.

Founders’ Management and Directors have Interests in the Merger (Page 46)

In considering the recommendation of Founders’ board of directors to approve the merger agreement, you should be aware that Founders’ management has interests in the merger and has arrangements that are different from, or in addition to, those of Founders shareholders generally. Founders’ board of directors was aware of these interests and considered them, among other matters, in reaching its decisions to approve the merger agreement and to recommend that Founders shareholders vote in favor of the merger agreement. For example, upon completion of the merger, Founders’ President and Chief Executive Officer, Thomas J. Sherman, will become an employee of Premier Valley Bank, and he and other members of management hold unvested employee stock options that will become fully vested. In addition, Mr. Sherman and two other Founders directors, J. Todd Mirolla and D. Michael Patrick, will be appointed to the board of directors of Premier Valley Bank upon completion of the merger.

Regulatory Approvals We Must Obtain for the Merger (Page 47)

The merger of Founders into Heartland, and the merger of Founders Community Bank into Premier Valley Bank, cannot occur unless we file applications with the FDIC and the Division of Financial Institutions of the California Department of Business Oversight, and these applications are approved. We are relying on the application process with the FDIC for an exemption from a requirement to file an application and obtain the prior approval of the Board of Governors of the Federal Reserve System for the merger of Founders into Heartland. Once the FDIC approves the

merger of the bank subsidiaries, we will be required to wait anywhere from 15 to 30 days before we can complete the transaction, during which time the U.S. Department of Justice may challenge the transaction on antitrust grounds. We will not be able to complete the merger of Founders into Heartland until this time period has expired.

Although we currently believe we should be able to obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to Heartland or Premier Valley Bank after the completion of the merger.

Completion of the Merger is Subject to Satisfying Several Conditions (Page 57)

Founders' and Heartland's respective obligations to complete the merger are subject to the fulfillment or waiver of certain conditions, including:

- the approval and adoption of the merger agreement by the holders of a majority of the outstanding shares of Founders common stock entitled to vote;

- the receipt of governmental and regulatory approvals required to complete the merger;

- the absence of any injunction or order, or any law or regulation, that would impair the merger;

- the absence of any governmental action which would reasonably be expected to result in restraining or prohibiting the merger, prohibiting Heartland's ownership of the business or assets of Founders or Founders Community Bank or requiring a divestiture by Heartland of business or assets of Heartland, Founders or Founders Community Bank;

- the merger agreement having not been terminated; and

- the effectiveness of the registration statement (of which this proxy statement/prospectus is a part) with respect to the Heartland common stock to be issued in connection with the merger.

An additional condition to Heartland's obligation to complete the merger is that the total number of dissenting shares cannot be more than 12% of the outstanding shares of Founders common stock.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

When Can the Companies Terminate the Merger Agreement (Page 59)

Founders and Heartland may agree in writing to terminate the merger agreement before completing the merger, even after approval and adoption of the merger agreement by the Founders shareholders, if a majority of the board of directors of each of Founders and Heartland votes to do so.

In addition, either Heartland or Founders may decide to terminate the merger agreement in various circumstances, including the following:

- if there is a law or governmental order that prohibits the merger;

- if a governmental entity has denied the approval of the merger and such denial is final and non-appealable;

- if the other party has or will have breached any representation, warranty or agreement in any material respect or if satisfaction of any closing condition by the other party is or becomes impossible;

- if the merger has not been completed by June 30, 2017, unless the failure to complete the merger is due to the party seeking to terminate the agreement; or

- if holders of a majority of the outstanding shares of Founders common stock entitled to vote fail to approve the merger at the special meeting.

Founders may terminate the merger agreement if, prior to the adoption of the agreement by the requisite vote of the Founders shareholders, the Founders board of directors determines to enter into another acquisition agreement with a

party other than Heartland if Founders has received a “superior proposal” from the other party, and Founders complies with applicable provisions of the merger agreement. If Founders terminates the agreement because of a superior proposal or if Heartland terminates the agreement because of a material breach by Founders of its obligation to recommend adoption of the

merger agreement or to refrain soliciting other offers to acquire Founders, Founders has agreed to pay Heartland a termination fee of \$1.2 million.

You have Dissenter's Rights under California General Corporation Law (Page 51)

Under Chapter 13 of the California General Corporation Law ("CGCL"), holders of Founders common stock who determine to dissent from, and do not vote in favor of, the merger may elect to have the "fair value" of their shares of Founders stock individually appraised and paid to them if the merger is completed and if they comply with the requirements of Chapter 13 of the CGCL, a copy of which is attached to this proxy statement/prospectus as Appendix B. See "The Merger-Notice of Dissenters' Rights."

Founders Special Meeting (Page 27)

The Founders special meeting will be held at Founders' main office located at 237 Higuera Street, San Luis Obispo, California, at 6:30 p.m. Pacific time, on Friday, January 27, 2017. At the Founders special meeting, holders of Founders common stock will be asked:

• to approve and adopt the merger agreement; and

• to approve the adjournment of the Founders special meeting, if necessary or appropriate, to solicit additional proxies.

Record Date. Founders shareholders may cast one vote at the Founders special meeting for each share of Founders common stock owned at the close of business on December 23, 2016. At that date, there were 1,270,817 shares of Founders common stock entitled to be voted at the special meeting.

The executive officers and directors of Founders have agreed to vote their shares in favor of the merger and the merger agreement. As of the record date for the Founders special meeting, directors and executive officers of Founders had the right to vote 376,153 shares or 29.6% of the outstanding shares of Founders common stock.

Required Vote. To approve and adopt the merger agreement, the holders of a majority of the outstanding shares of Founders common stock entitled to vote must vote in favor of the approval and adoption of the merger agreement. A Founders shareholder's failure to vote, a broker non-vote or an abstention will have the same effect as a vote against the approval and adoption of the merger agreement.

United States Federal Income Tax Consequences (Page 47)

Heartland and Founders intend that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, and it is a condition to Founders' obligation to complete the merger that it receive an opinion from Founders' special tax counsel, Katten Muchin Rosenman LLP, to the effect that the merger will so qualify. Accordingly, U.S. holders (as defined in the section entitled "The Merger-Material United States Federal Income Tax Consequences of the Merger" beginning on page 47 of this proxy statement/prospectus) of Founders common stock generally will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their shares of Founders common stock for Heartland common stock. U.S. holders who receive cash (other than cash received in lieu of a fractional share of Heartland common stock) and Heartland common stock will recognize gain, but will not recognize any loss, for U.S. federal income tax purposes in an amount equal to the lesser of (i) the amount of cash received (other than cash received in lieu of a fractional share of Heartland common stock) and (ii) the excess, if any, of (x) the sum of the amount of such cash and the fair market value of the Heartland common stock received in the merger, over (y) the U.S. holder's tax basis in the shares of Founders common stock surrendered in the merger. In addition, the U.S. holder will recognize gain or loss attributable to cash received in lieu of a fractional share of Heartland common stock. U.S. holders who receive only cash in the merger and U.S. holders who dissent and receive cash for their dissenting shares will recognize a taxable gain or loss. For a description of the material U.S. federal income tax consequences of the merger, see "The Merger-Material United States Federal Income Tax Consequences of the Merger" beginning on page 47. Founders shareholders are strongly urged to consult with their tax advisors concerning the U.S. federal income tax consequences of the merger to them, as well as the effects of state and local, foreign and other tax laws.

Comparative Per Share Data

The following table presents comparative historical per share data of Heartland and Founders and unaudited pro forma per share data that reflect the combination of Heartland and Founders using the purchase method of accounting.

The information listed as “equivalent pro forma” was obtained by multiplying the pro forma amounts by an exchange ratio of .5222, which is the exchange ratio on the date of this proxy statement/prospectus, based on the financial position of Founders at September 30, 2016 (assuming Founders adjusted tangible common equity of \$18.3 million), and the volume weighted average closing price of Heartland common stock for the 20 trading days ending December 6, 2016 of \$41.88. However, as explained in this proxy statement/prospectus, the exchange ratio may go up or down as the adjusted tangible common equity of Founders changes (including any changes due to income or loss prior to the closing date that would increase or decrease shareholders’ equity, and any changes in anticipated transaction expenses) and the market price of Heartland common stock changes.

We expect that Heartland and Founders will incur merger and integration charges as a result of combining Heartland and Founders. We also anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect these expenses or benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have actually been had Heartland and Founders been combined as of the dates or for the periods presented.

	As of and for the Nine Months Ended September 30, 2016				As of and for the Year Ended December 31, 2015				
	Heartland Founders	Pro Forma Combined	Equivalent Pro Forma	Heartland Founders	Pro Forma Combined	Equivalent Pro Forma	Heartland Founders	Pro Forma Combined	Equivalent Pro Forma
Net income per common share									
Basic	\$2.51	\$ 0.66	\$ 2.48	\$ 1.29	\$2.87	\$ 1.19	\$ 2.85	\$ 1.49	
Diluted	2.48	0.65	2.45	1.28	2.83	1.17	2.81	1.47	
Dividends per common share	0.30	—	0.30	0.15	0.45	—	0.44	0.23	
Book value per common share	28.48	14.42	28.46	14.86	25.92	13.71	25.93	13.54	

Market Price Information

Heartland common stock is quoted on the NASDAQ Global Select Market under the symbol “HTLF.” Founders common stock is not listed on an exchange, but is thinly traded in the over the counter market or OTCBB Pink under the symbol “FBCP.” The following table sets forth the closing sale prices per share of Heartland common stock and Founders common stock on October 28, 2016, the last trading day before we announced the merger, and on December 6, 2016, and the equivalent price per share of Heartland common stock giving effect to the merger.

	Closing Sales Price			Equivalent Price per Share of Heartland Common Stock
	Heartland Common Stock	Founders Common Stock		
October 28, 2016	\$37.40	\$13.37		\$19.53
December 6, 2016	\$44.65	\$21.95		\$23.32

The “Equivalent Price per Share of Heartland Common Stock” at each specified date in the above table represents the product of the closing sales price of a share of Heartland common stock on that date multiplied by the estimated exchange ratio of .5222, which is the exchange ratio on the date of this proxy statement/prospectus, based on the financial position of Founders at September 30, 2016 (assuming Founders adjusted tangible common equity of \$18.3 million), and the volume weighted average closing price of Heartland common stock for the 20 trading days ending December 6, 2016 of \$41.88. Shareholders should obtain current market price quotations for shares of Heartland common stock prior to making any decisions with respect to the merger.

The market price of Heartland common stock will likely fluctuate between the date of this proxy statement/prospectus and the date on which the merger is completed and after the merger. Because the market price of Heartland common stock is subject to fluctuations, the exchange ratio is expected to change and the value of the shares of Heartland common stock Founders shareholders will receive in the merger may increase or decrease prior to and after the merger.

By voting to approve the merger agreement and the transactions contemplated by it, and electing to receive shares of Heartland common stock as consideration for shares of Founders common stock, holders of Founders common stock will be choosing to invest in Heartland because they will receive Heartland common stock in exchange for their shares of Founders common stock. An investment in Heartland's common stock involves significant risk. In addition to the other information included in this proxy statement/prospectus, including the matters addressed under the caption "Forward-Looking Statements" beginning on page 26, Founders shareholders should carefully consider the matters described under the caption "Risk Factors" beginning on page 24 when determining whether (i) to approve the merger agreement and the transactions it contemplates, and (ii) to make a stock election.

Historical Market Prices and Dividend Information

Heartland. The following table sets forth, for the calendar quarters indicated, the high and low intraday market prices per share of Heartland common stock as reported on the NASDAQ Global Select Market, and the dividends paid with respect to each share of Heartland common stock:

Calendar Quarter	High	Low	Dividends
2014			
First	\$28.76	\$24.17	\$ 0.10
Second	28.27	22.38	0.10
Third	25.37	23.10	0.10
Fourth	27.86	23.33	0.10
2015			
First	\$33.88	\$25.68	\$ 0.10
Second	38.20	32.42	0.10
Third	38.96	34.57	0.10
Fourth	39.45	31.26	0.15
2016			
First	\$32.44	\$25.95	\$ 0.10
Second	35.96	29.58	0.10
Third	37.90	33.50	0.10
Fourth (through December 6, 2016)	45.20	35.30	0.10

The timing and amount of future dividends on shares of Heartland common stock will depend upon earnings, cash requirements, the financial condition of Heartland and its subsidiaries, applicable government regulations and other factors deemed relevant by Heartland's board of directors.

Founders. Founders is not a "reporting company" under federal securities law, and does not file periodic reports with the SEC. Founders common stock is not listed on an exchange, but is thinly traded in the over the counter market or OTC Pink under the symbol "FBCP."

The following table sets forth, for the calendar quarters indicated, the high and low intraday market prices per share of Founders common stock as quoted on the OTC Pink. Founders has never paid a cash dividend.

Calendar Quarter	High	Low
2014		
First	\$12.00	\$10.30
Second	12.00	10.77
Third	12.35	10.70
Fourth	14.90	11.00
2015		
First	\$12.20	\$11.75
Second	13.74	12.05
Third	13.25	12.56
Fourth	13.11	12.70
2016		
First	\$13.15	\$12.40
Second	13.90	12.30
Third	13.40	12.32
Fourth (through December 6, 2016)	21.98	13.06

HEARTLAND SELECTED CONSOLIDATED FINANCIAL DATA

The summary selected consolidated financial data of Heartland presented below as of and for each of the years in the three year period ended December 31, 2015 are derived from Heartland's audited historical consolidated financial statements. The summary selected consolidated financial data presented below as of and for the nine month periods ended September 30, 2016 and 2015 are derived from Heartland's unaudited interim consolidated financial statements. This information is only a summary and should be read in conjunction with the consolidated financial statements and the notes thereto incorporated by reference into this proxy statement/prospectus from Heartland's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and its Quarterly Report on Form 10-Q for the nine months ended September 30, 2016. The historical results presented below or included elsewhere or incorporated by reference into this proxy statement/prospectus are not necessarily indicative of the future performance of Heartland.

(Dollars in thousands, except per share data)	For the Nine Months		For the Years Ended December 31,		
	Ended September 30, (unaudited)		2015	2014	2013
Statement of Income Data	2016	2015	2015	2014	2013
Interest income	\$243,702	\$195,811	\$265,968	\$237,042	\$199,511
Interest expense	24,196	24,513	31,970	33,969	35,683
Net interest income	219,506	171,298	233,998	203,073	163,828
Provision for loan losses	9,513	10,526	12,697	14,501	9,697
Net interest income after provision for loan losses	209,993	160,772	221,301	188,572	154,131
Noninterest income	89,146	86,304	110,685	82,224	89,618
Noninterest expenses	209,756	185,092	251,046	215,800	196,561
Income taxes	28,196	16,533	20,898	13,096	10,335
Net income	61,187	45,451	60,042	41,900	36,853
Net (income) loss available to noncontrolling interest, net of tax	—	—	—	—	(64)
Net income attributable to Heartland	61,187	45,451	60,042	41,900	36,789
Preferred dividends	(273)	(613)	(817)	(817)	(1,093)
Interest expense on convertible debt	48	—	—	—	—
Net income available to common stockholders	\$60,962	\$44,838	\$59,225	\$41,083	\$35,696
Per Common Share Data					
Net income-diluted	\$2.48	\$2.16	\$2.83	\$2.19	\$2.04
Cash dividends	\$0.30	\$0.30	\$0.45	\$0.40	\$0.40
Dividend payout ratio	12.10	% 13.89	% 15.90	% 18.26	% 19.61
Common stockholders' equity (book value) per share (GAAP)	\$28.48	\$24.68	\$25.92	\$22.40	\$19.44
Tangible book value per common share (non GAAP)(1)	\$22.34	\$21.20	\$20.57	\$19.99	\$16.90
Weighted average shares outstanding diluted	24,580,897	20,751,664	20,929,385	18,741,921	17,460,066

Tangible book value per common share is total common stockholders' equity less goodwill and intangible assets, net, divided by common shares outstanding. This financial measure was not determined in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), but has been included as it is considered to be a critical metric with which to analyze and evaluate financial condition and capital strength. This measure should not be considered a substitute for operating results determined in accordance with GAAP. See Reconciliation of Tangible Book Value Per Common Share (non GAAP) on page 21.

(Dollars in thousands)	At and For the Nine Months		At and For the Years Ended December 31,			
	Ended September 30, (unaudited)		2015	2014	2013	
Balance Sheet Data						
Investments	\$ 1,943,080	\$ 1,563,179	\$ 1,878,994	\$ 1,706,953	\$ 1,895,044	
Loans held for sale	78,317	102,569	74,783	70,514	46,665	
Total loans receivable(1)	5,438,715	4,642,523	5,001,486	3,878,003	3,502,701	
Allowance for loan losses	54,653	47,105	48,685	41,449	41,685	
Total assets	8,202,215	6,805,884	7,694,754	6,051,812	5,923,716	
Total deposits	6,912,693	5,507,237	6,405,823	4,768,022	4,666,499	
Long term obligations	294,493	302,086	263,214	395,705	350,109	
Preferred equity	1,357	81,698	81,698	81,698	81,698	
Common stockholders' equity	703,031	509,311	581,475	414,619	357,762	
Earnings Performance Data						
Return on average total assets	1.00	% 0.91	% 0.88	% 0.70	% 0.70	%
Return on average common stockholders' equity	12.28	12.38	11.92	10.62	10.87	
Annualized net interest margin (GAAP)	3.98	3.80	3.80	3.77	3.58	
Annualized net interest margin, fully taxable equivalent (non GAAP)(2)	4.15	3.96	3.97	3.96	3.78	
Asset Quality Ratios						
Nonperforming assets to total assets	0.85	% 0.76	% 0.67	% 0.74	% 1.23	%
Nonperforming loans to total loans	1.06	0.73	0.79	0.65	1.21	
Net loan charge-offs to average loans	0.09	0.15	0.12	0.39	0.22	
Allowance for loan losses to total loans	1.00	1.01	0.97	1.07	1.19	
Allowance for loan losses to nonperforming loans	94.39	139.54	122.77	165.33	98.27	
Consolidated Capital Ratios						
Average equity to average assets	8.45	% 8.57	% 8.55	% 8.00	% 8.09	%
Average common equity to average assets	8.15	7.34	7.35	6.60	6.46	
Total capital ratio	12.85	13.76	13.74	15.73	14.69	
Tier 1 capital ratio	10.79	11.50	11.56	12.95	13.19	
Common equity tier 1 capital ratio(3)	8.97	7.99	8.23	—	—	
Tier 1 leverage ratio	8.59	9.67	9.58	9.75	9.67	

(1) Excludes loans held for sale.

Computed on a fully taxable equivalent basis using an effective tax rate of 35%. Annualized net interest margin, fully taxable equivalent, is a non GAAP measure, which adjusts net interest income for the tax favored status of certain loans and securities. Management believes this measure enhances the comparability of net interest income

(2) arising from taxable and tax exempt sources. This measure should not be considered a substitute for operating results determined in accordance with GAAP. See Reconciliation of Annualized Net Interest Margin, Fully Taxable Equivalent (non GAAP) on page 21.

(3) Prior to the adoption of Basel III requirements effective January 1, 2015, the common equity tier 1 capital ratio was not a capital standard required by bank regulatory agencies.

Non-GAAP Financial Measures

(Dollars in thousands, except per share data)	For the Nine Months		For the Years Ended		
	Ended September 30, (unaudited)		December 31,		
	2016	2015	2015	2014	2013
Reconciliation of Tangible Book Value Per Common Share (non-GAAP)					
Common stockholders' equity (GAAP)	\$703,031	\$509,311	\$581,475	\$414,619	\$357,762
Less goodwill	127,699	56,828	97,852	35,583	35,583
Less other intangible assets, net	23,922	14,937	22,020	8,948	11,171
Tangible common stockholders' equity (non-GAAP)	\$551,410	\$437,546	\$461,603	\$370,088	\$311,008
Common shares outstanding	24,681,380	20,637,321	22,435,693	18,511,125	18,399,156
Common stockholders' equity (book value) per share (GAAP)	\$28.48	\$24.68	\$25.92	\$22.40	\$19.44
Tangible book value per common share (non-GAAP)	\$22.34	\$21.20	\$20.57	\$19.99	\$16.90

(Dollars in thousands)	For the Nine Months		For the Years Ended December 31,			
	Ended September 30, (unaudited)		December 31,			
	2016	2015	2015	2014	2013	
Reconciliation of Annualized Net Interest Margin, Fully Taxable Equivalent (non-GAAP)						
Net interest income (GAAP)	\$219,506	\$171,298	\$233,998	\$203,073	\$163,828	
Plus taxable equivalent adjustment	9,408	7,389	10,216	10,298	9,465	
Net interest income-taxable equivalent (non-GAAP)	\$228,914	\$178,687	\$244,214	\$213,371	\$173,293	
Average earning assets	\$7,368,856	\$6,030,612	\$6,152,090	\$5,384,275	\$4,582,296	
Annualized net interest margin (GAAP)	3.98	% 3.80	% 3.80	% 3.77	% 3.58	%
Annualized net interest margin, fully taxable equivalent (non-GAAP)	4.15	% 3.96	% 3.97	% 3.96	% 3.78	%

FOUNDERS SELECTED CONSOLIDATED FINANCIAL DATA

The summary selected consolidated financial data of Founders presented below as of and for each of the years in the three year period ended December 31, 2015 are derived from Founders' audited historical consolidated financial statements. The summary selected consolidated financial data presented below as of and for the nine month periods ended September 30, 2016 and 2015 are derived from Founders' unaudited interim consolidated financial statements. This information is only a summary and should be read in conjunction with Founders' consolidated financial statements and the notes thereto, which are available from Founders upon request, at and for the years ended December 31, 2015, 2014 and 2013, and at and for the nine month periods ended September 30, 2016 and 2015. The historical results presented below are not necessarily indicative of the future performance of Founders.

(Dollars in thousands, except per share data)	At and For the Nine				
	Months Ended		At and For the Years Ended		
	September 30,	September 30,	December 31,	December 31,	December 31,
	2016	2015	2015	2014	2013
Statement of Income Data					
Interest income	\$5,457	\$5,167	\$6,797	\$7,325	\$6,591
Interest expense	189	201	267	268	272
Net interest income	5,268	4,966	6,530	7,057	6,319
Provision for loan losses	37	(216)	(257)	61	60
Net interest income after provision for loan losses	5,231	5,182	6,787	6,996	6,259
Non-interest income	325	343	476	409	388
Non-interest expense	4,172	3,622	4,790	4,674	4,645
Income before income taxes	1,384	1,903	2,473	2,731	2,002
Provision for income taxes	532	720	934	1,099	860
Net income available to common stockholders	\$852	\$1,183	\$1,539	\$1,632	\$1,142
Per Common Share Data					
Net income - diluted	\$0.65	\$0.90	\$1.17	\$1.32	\$0.94
Cash dividends	\$—	\$—	\$—	\$—	\$—
Dividend payout ratio	— %	— %	— %	— %	— %
Common stockholders' equity (book value) per share	\$14.42	\$13.41	\$13.71	\$12.70	\$11.30

(Dollars in thousands)	At and For the Nine Months Ended September 30, (unaudited)		At and For the Years Ended December 31,			
	2016	2015	2015	2014	2013	
Balance Sheet Data						
Interest bearing deposits and investments	\$81,267	\$89,837	\$85,490	\$58,515	\$41,574	
Total loans and leases receivable	106,614	87,385	97,461	103,747	113,395	
Allowance for loan and lease losses	1,527	1,521	1,481	1,736	1,749	
Total assets	198,532	186,962	192,172	171,197	160,017	
Total deposits	179,992	165,618	161,520	151,796	142,626	
Short-term obligations	—	—	9,000	—	—	
Common stockholders' equity	18,322	21,166	21,545	19,228	17,270	
Earnings Performance Data						
Annualized return on average total assets	0.60	% 0.87	% 0.84	% 0.97	% 0.75	%
Annualized return on average common stockholders' equity	6.39	7.73	7.44	8.96	6.90	
Annualized net interest margin ratio	4.13	3.85	3.75	4.43	4.33	
Asset Quality Ratios						
Non-performing assets to total assets(1)	—	% —	% —	% —	% 0.20	%
Nonperforming loans to total loans(2)	—	—	—	—	—	
Net charge-offs (recoveries) to average loans (annualized)	(0.01)	—	—	0.07	(0.05)	
Allowance for loan losses to total loans	1.43	1.74	1.52	1.67	1.54	
Consolidated Capital Ratios						
Equity to assets	9.23	% 11.32	% 11.21	% 11.23	% 10.79	%
Common equity tier 1 capital ratio(3)	14.70	16.19	14.80	—	—	
Tier 1 capital ratio	14.70	16.19	14.80	13.90	13.00	
Total capital ratio	15.95	17.44	16.00	15.20	14.30	
Tier 1 leverage ratio	9.11	8.98	9.10	9.40	9.70	

(1) Non-performing assets are defined as assets that are past due 90 days or more plus assets placed in non-accrual status plus other real estate owned.

(2) Non-performing loans are defined as loans that are past due 90 days or more plus loans placed in non-accrual status.

(3) Prior to the adoption of Basel III requirements effective January 1, 2015, the common equity tier 1 capital ratio was not a capital standard required by bank regulatory agencies.

RISK FACTORS

By voting in favor of the merger and making a stock election, you will be choosing to invest in Heartland's common stock. In addition to the information contained elsewhere in this proxy statement/prospectus or incorporated in this proxy statement/prospectus by reference, as a shareholder of Founders, you should carefully consider the following factors in making your decision as to how to vote on the merger.

Risks Relating to the Merger

The merger consideration is subject to adjustment for changes in the adjusted tangible common equity of Founders. The amount of cash and the number of shares of Heartland common stock that will be issued in the merger may be dependent upon the adjusted tangible common equity of Founders as of the last business day of the month preceding the closing date of the merger, and the aggregate merger consideration is reduced or increased by up to \$5.0 million to the extent that the adjusted tangible common equity of Founders is less than \$18.3 million or greater than \$18.6 million. The adjusted tangible common equity of Founders at September 30, 2016 was approximately \$18.3 million. Changes in adjusted tangible common equity may result from ordinary business conditions that impact the interest and non-interest income of Founders, unanticipated transaction expenses, or more general market and economic conditions that impact Founders operations. If the adjusted tangible common equity of Founders declines before the end of the month preceding the closing date, the merger consideration received by Founders shareholders and option holders may be reduced.

Because of the formula for determining the merger consideration, and because the market price of Heartland common stock may fluctuate, a Founders shareholder or option holder cannot be sure of the value of the merger consideration, or the number of shares of Heartland common stock, that he or she will receive.

Upon completion of the merger, shares of Founders common stock will be converted into shares of Heartland common stock, cash, or a combination of shares of Heartland common stock and cash, and each stock option to purchase shares of Founders common stock that is outstanding, vested and unexercised immediately prior to the effective time of the merger will be converted into cash. The total value of the consideration will depend upon Founders' final adjusted tangible common equity, and the number of shares of Heartland common stock received will further depend upon the volume weighted average closing price of Heartland common stock during the 20 trading day measurement period ending on, and including, the fifth business day prior to the closing date of the merger. Changes in the trading price of Heartland common stock may result from a variety of factors, including, changes in Heartland's business, operations and prospects, and regulatory actions. When you vote or decide whether to exercise dissenter's rights, you will not know either the number or the exact value of the shares of Heartland common stock, or the amount of cash, that you will receive in the merger. You are urged to obtain current market quotations for Heartland common stock and to consult with your financial advisors before you vote on the merger or decide to exercise dissenters' rights. The interests of Founders management and directors may be different from those of other shareholders.

Management and director interests in the merger may cause them to view the merger proposal differently than you may view it. The board of directors of Founders was aware of these interests at the time it approved the merger. Heartland and its wholly-owned subsidiary Premier Valley Bank negotiated a new employment agreement with Thomas J. Sherman, the President and Chief Executive Officer of Founders and Founders Community Bank, that would supersede his existing change in control agreement if the merger is completed. Mr. Sherman's employment agreement provides that Premier Valley Bank will employ Mr. Sherman for a minimum two-year term. The employment agreement provides for a base salary of \$200,000, a retention bonus of \$200,000 payable in equal monthly installments for 24 months following the completion of the merger, a performance-based bonus of up to 30% of base salary, equity awards from Heartland, severance payments and other benefits. Mr. Sherman will be subject to one-year noncompete and nonsolicitation covenants following termination of his employment.

Mr. Sherman's existing change in control agreement with Founders Community Bank provides him with the right to receive severance payments if his employment is terminated by Founders Community Bank other than for death, disability, retirement or for "cause," or by him for "good reason" (as those terms are defined in the change in control agreement) within two years following the consummation of a change in control. The severance payments would be equal to his total accrued compensation from Founders Community Bank during the 24 months prior to termination of employment, including salary, bonus, insurance premiums and employer matching contributions under Founders'

401(k) plan. Because the change in control

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agreement will be superseded by Mr. Sherman's new employment agreement, he will not receive any severance payments under the change in control agreement if the merger is completed.

Mr. Sherman and other members of management hold unvested employee stock options to acquire shares of Founders common stock that will become fully vested upon completion of the merger. However, upon completion of the merger, Founders directors including Mr. Sherman have agreed to terminate stock options that were earned for their board service and that were scheduled to vest on or after April 1, 2017.

Upon completion of the merger, Mr. Sherman and two other Founders directors, J. Todd Mirolla and D. Michael Patrick, will be appointed to the board of Premier Valley Bank.

Mr. Sherman and all other present and former directors and officers of Founders and Founders Community Bank will be entitled to ongoing indemnification rights provided for in the charter documents of the respective entities as of the date of the merger agreement, or as required under applicable law, until the expiration of the applicable statute of limitations. Furthermore, Heartland will pay for a "tail" insurance policy with a claims period of at least six years from and after the effective time of the merger with respect to directors' and officers' liability insurance and fiduciary liability insurance. The policy will provide coverage at least as favorable as Founders' and Founders Community Bank's existing policies with respect to matters existing or occurring at or prior to the effective time of the merger. The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the prices of Heartland common stock and the value of Founders common stock to decline.

Consummation of the merger is subject to customary conditions to closing in addition to the receipt of the required regulatory approvals and approval of the Founders shareholders of the merger agreement. If any condition to the merger is not satisfied or waived, the merger will not be completed. In addition, Heartland and Founders may terminate the merger agreement under certain circumstances even if the merger agreement is approved by Founders shareholders, including a situation in which the merger has not been completed on or before June 30, 2017. If the merger is not completed, the trading price of Heartland common stock on the NASDAQ Global Select Market may decline to the extent that the current price reflects a market assumption that the merger will be completed, and the continued operations of Founders may be impaired because of costs, departure of employees and customers, or other dislocation caused by the pending merger. In addition, neither company would realize any of the expected benefits of having completed the merger. For more information on closing conditions to the merger agreement, see "The Merger Agreement-Conditions to Completion of the Merger" beginning on page 57.

The shares of Heartland common stock to be received by Founders shareholders as a result of the merger will have different rights than shares of Founders.

Upon completion of the merger, Founders shareholders may become Heartland stockholders and their rights as stockholders will be governed by the Heartland certificate of incorporation and bylaws and Delaware law. The rights associated with Founders common stock are different from the rights associated with Heartland common stock. See "Comparison of Shareholders' Rights" beginning on page 63.

Post-Merger Risks

Difficulties in combining the operations of Founders and Heartland may prevent the combined company from achieving the expected benefits from its acquisition.

Heartland may experience difficulty fully achieving the strategic objectives and operating efficiencies it hopes to achieve in the merger. The success of the merger will depend on a number of factors, including Heartland's ability to:

- integrate the operations of Founders into Heartland;
- maintain existing relationships with depositors so as to minimize withdrawals of deposits after the merger;
- maintain and enhance existing relationships with borrowers;
- control incremental non-interest expense so as to maintain overall operating efficiencies;
- retain and attract qualified personnel; and
- compete effectively in the communities served by Founders and in nearby communities.

These factors could contribute to the combined company not achieving the expected benefits from the merger within the desired time frames, if at all.

Heartland, as the surviving company from the merger, and its stockholders, including the former shareholders of Founders, will be subjected to special risks if it effects future acquisitions.

Heartland intends to continue to investigate strategic acquisitions of other banks after the merger. Acquiring other banks and businesses will involve risks commonly associated with acquisitions, including:

- potential exposure to liabilities of any banks or other businesses acquired;
- difficulty and expense of integrating the operations and personnel of any banks or other businesses acquired;
- possible increases in leverage resulting from borrowings needed to finance an acquisition or augment regulatory capital;
- potential disruption to Heartland's business;
- potential diversion of the time and attention of Heartland's management; and
- impairment of relationships with and the possible loss of key employees and customers of any banks or other businesses acquired by Heartland.

FORWARD-LOOKING STATEMENTS

Heartland and Founders have made forward-looking statements in this document (and in documents to which they refer you in this document) that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of Heartland's or Founders' operations or the performance of Heartland or Founders after the merger is completed. When Heartland or Founders use any of the words "believes," "expects," "anticipates," "plans," "intends," "estimates," "may," "will," "would," "could," "should" or similar expressions, the forward-looking statements. Many events or factors could affect the future financial results and performance of Heartland or Founders after the merger and could cause those results or performance to differ materially from those expressed in its forward-looking statements. For Heartland, these risks are described in detail in Heartland's Annual Report on Form 10-K, which is incorporated by reference into this proxy statement/prospectus. These risks include, but are not limited to, the following:

• The strength of the U.S. economy in general and the strength of the local economies in which Heartland or Founders conduct their operations, which may be less favorable than expected and may result in, among other things, a deterioration in the credit quality and value of their assets.

• The economic impact of past and any future terrorist threats and attacks, acts of war or threats thereof, and the response of the United States to any such threats and attacks.

• The effects of, and changes in, federal, state and local laws, regulations and policies affecting banking, securities, insurance and monetary and financial matters.

• The effects of changes in interest rates (including the effects of changes in the rate of prepayment of loans) and the policies of the Federal Reserve Board.

• Heartland's or Founders' ability to compete with other financial institutions as effectively as it currently intends due to increases in competitive pressures in the financial services sector.

• Heartland's or Founders' ability to obtain new customers and to retain existing customers.

• The timely development and acceptance of products and services, including products and services offered through alternative delivery channels such as the internet.

• Technological changes implemented by Heartland, by Founders and by other parties, including third party vendors, which may be more difficult or more expensive than anticipated or which may have unforeseen consequences to Heartland, Founders and their customers.

• Heartland's or Founders' ability to develop and maintain secure and reliable electronic delivery systems.

• Heartland's or Founders' ability to retain key executives and employees, including executives and employees of Founders and Founders Community Bank, and the difficulty that Heartland or Founders may experience in replacing in an effective manner key executives and employees.

• Consumer spending and saving habits that may change in a manner that adversely affects Heartland's or Founders' business.

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Business combinations and the integration of acquired businesses that may be more difficult or expensive than expected.

- Changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies and the Financial Accounting Standards Board.

Other factors discussed in, or incorporated by reference in, the “Risk Factors” section of this proxy statement/prospectus.

These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements.

Any forward-looking earnings estimates included or incorporated by reference in this proxy statement/prospectus have not been examined or compiled by Heartland's or Founders' independent public accountants, nor have their accountants applied any procedures to these estimates. Accordingly, neither Heartland's nor Founders' accountants express any opinion or any other form of assurance on them. The forward-looking statements included or incorporated by reference in this proxy statement/prospectus are made only as of the date of this proxy statement/prospectus, and we undertake no obligation to update any statement in light of new information or future events. Further information concerning Heartland and its business, including additional factors that could materially affect Heartland's financial results, is included in Heartland's filings with the SEC. See "Where You Can Find More Information" on page 72.

THE FOUNDERS SPECIAL MEETING

Date, Time and Place

The Founders special meeting will be held at Founders' main office located at 237 Higuera Street, San Luis Obispo, California, at 6:30 p.m. Pacific time, on Friday, January 27, 2017.

Matters to be Considered

At the Founders special meeting, holders of Founders common stock will be asked to:

- approve and adopt the merger agreement; and
- approve the adjournment of the Founders special meeting, if necessary or appropriate, to solicit additional proxies.

Proxies

You should complete and return the proxy form accompanying this document to ensure that your vote is counted at the Founders special meeting, regardless of whether you plan to attend the Founders special meeting. If your shares of Founders common stock are held in nominee or "street name," you will receive separate voting instructions from your broker or nominee with your proxy materials. You can revoke the proxy at any time before the vote is taken at the Founders special meeting. Your presence at the meeting will not automatically revoke your proxy. You may revoke your proxy at any time prior to the voting of such proxy on any matter (without, however, affecting any vote taken prior to such revocation) by (i) filing with the Secretary of Founders a written notice of revocation, (ii) delivering to Founders a duly executed proxy bearing a later date, or (iii) attending the meeting and providing written or oral notice of revocation with the presiding officer during the meeting (at which point you may vote in person). All written notices of revocation and other communications with respect to revocation of proxies in connection with the Founders special meeting should be addressed as follows:

Cindy Magliari

Executive Vice President and Chief Financial Officer

Founders Bancorp

237 Higuera Street

San Luis Obispo, CA 93401

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

All shares of Founders common stock represented by valid proxies received through this solicitation, and that are not revoked, will be voted in accordance with the instructions on the proxy form. If you make no specification on your proxy form as to how you want your shares of Founders common stock voted before signing and returning it, your proxy will be voted "FOR" approval and adoption of the merger agreement and "FOR" the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Solicitation of Proxies

Founders will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Founders will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Founders common stock and secure their voting instructions, if necessary. Founders will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Founders may also use several of its regular employees, who will not

be specially compensated, to solicit proxies from holders of Founders common stock, either personally or by telephone, facsimile or letter.

Record Date

The Founders board of directors has fixed the close of business on December 23, 2016 as the record date for determining the holders of Founders common stock entitled to receive notice of and to vote at the Founders special meeting. At that time, 1,270,817 shares of Founders common stock were outstanding. As of such date there were approximately 219 holders of record of common stock. As of the record date, directors and executive officers of Founders had the right to vote 376,153 shares of Founders common stock, representing approximately 29.6% of the shares entitled to vote at the Founders special meeting. All of the executive officers and directors of Founders have agreed to vote their shares in favor of the merger and the merger agreement.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the shares of Founders entitled to vote at the meeting is necessary to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present.

Approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Founders common stock. Approval of the proposal relating to the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares represented in person or by proxy at the special meeting. You are entitled to one vote for each share of Founders common stock you held as of the record date.

Because the affirmative vote of the holders of a majority of the outstanding shares of Founders common stock is required to approve and adopt the merger agreement, the failure to vote by proxy or in person will have the same effect as a vote against the merger agreement. Abstentions and broker non-votes also will have the same effect as a vote against the merger. Accordingly, the Founders board of directors urges holders of Founders common stock to complete, date and sign the accompanying proxy form and return it promptly in the enclosed postage-paid envelope. Abstentions, failures to vote and broker non-votes will have no effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Other Business

Founders is not currently aware of any business to be acted upon at the special meeting other than the matters discussed in this document.

THE MERGER

The following discussion contains material information pertaining to the merger. This discussion is a summary only and may not contain all of the information that is important to you. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A and is incorporated herein by reference. We encourage you to read and review the merger agreement in its entirety as well as the discussion in this document.

Structure

The merger agreement provides that Founders will be merged with and into Heartland. At the effective time of the merger, shares of Founders common stock outstanding prior to the merger will be converted into the right to receive shares of Heartland common stock, cash, or a combination of shares of Heartland common stock and cash, based on the election of each Founders shareholder, but subject to certain proration procedures. Shares of Founders common stock issued and outstanding immediately prior to the merger will be cancelled and represent only the right to receive this consideration at the effective time of the merger. In addition, each option to purchase shares of Founders common stock that is outstanding, vested and unexercised immediately prior to the effective time will be cancelled in exchange for the right to receive from Heartland a single lump sum cash payment.

Immediately after the effective time of the merger, Founders Community Bank, the wholly-owned banking subsidiary of Founders, will be merged into Premier Valley Bank, Heartland's wholly-owned banking subsidiary in California. The Founders Community Bank branches will continue to operate under the Founders Community Bank name as a division of Premier Valley Bank.

Background of the Merger

The following chronology summarizes certain key meetings and events that led to Founders entering into the merger agreement. In this process, executives, board members and other representatives of Founders held many conversations, both by telephone and in-person, about possible strategic alternatives to continuing as an independent company. The chronology below covers certain key events leading up to the execution of the merger agreement but does not purport to catalogue every conversation among representatives of Founders and Heartland, or between Founders or Heartland and other parties.

From time to time, the board of directors of Founders has considered strategic opportunities to continue building shareholder value, including acquiring other financial institutions, a merger of equals, or being acquired by a larger financial institution in an effort to better manage, among other things, the increasing regulatory burden and compliance costs and to seek better efficiencies and economies of scale. From time to time, the board has also analyzed Founders' prospects if the company remained independent, including the need for raising additional capital to support growth initiatives. The Founders board of directors considered the challenges facing the community banking industry, including the need for additional scale in order to offset increasing regulatory expenses, a continued low interest rate environment, and the need to attract and retain talented banking professionals to properly manage the business. The Founders board of directors also considered the benefits of greater liquidity for Founders' shareholders. In light of the headwinds facing the community banking industry, at its April 2016 meeting, the Founders board of directors authorized Thomas J. Sherman, President and Chief Executive Officer of Founders, to begin exploring the acquisition of Founders by a larger financial institution. Mr. Sherman was authorized to explore such possibilities with the assistance of Davidson, Founders' financial advisor.

Davidson was aware of Heartland's desire to continue to expand its California operations, and facilitated an introduction of the two companies. On May 13, 2016, a meeting took place whereby Heartland representatives met with Mr. Sherman and representatives of Davidson in San Luis Obispo, California to discuss the banking environment and learn more about Founders and Heartland, as the case may be. These conversations were informal in nature and did not include any discussion of an acquisition proposal from Heartland, but Heartland representatives did express their potential interest in acquisition discussions with Founders, if and when the Founders board was ready to explore a merger. Heartland and Founders entered into a mutual non-disclosure agreement on May 16, 2016 and agreed for Founders to provide Heartland with select preliminary due diligence information.

On June 16, 2016, a meeting was convened in Fresno, California among Heartland representatives, Mr. Sherman and Davidson representatives for continued due diligence discussions with focus on the financial performance, operations

and overall strategy of Founders Community Bank. The parties also discussed Heartland's decentralized operating model, the potential pro forma operational structure of Founders Community Bank and Premier Valley Bank (with Founders Community Bank retaining its brand name), and what role, if any, would be provided to Mr. Sherman in a combined company. Pricing or transaction structure was not discussed.

On July 15, 2016, Heartland provided a non-binding indication of interest letter to the Founders board of directors. The proposed terms included, among other things, (a) consideration per share of \$20.50, or \$27.7 million in aggregate, (b) a consideration mixture of 80% stock and 20% cash, (c) a variable exchange ratio with 15% collars, (d) the desire to enter into an employment agreement with Mr. Sherman for a minimum of 2 years, and (e) 60 days of exclusivity. On July 23, 2016, the Founders board of directors held a special meeting to discuss Heartland's proposal. At the meeting, Stuart I Moore Attorneys at Law ("Stuart I Moore"), legal counsel for Founders, discussed director duties in a merger context and various procedural steps in the process. The board also activated its M&A Committee, composed of J. Todd Mirolla, Richard H. Porter and Fred Russell, who were all directors of Founders. The M&A Committee was charged with further evaluation of the offer from Heartland and to provide guidance and oversight to Davidson for reaching out to other parties that may have had an interest in merger discussions with Founders. Discussion at the meeting focused on a need to increase the proposed price as well as for any interested party to provide an opportunity for Founders shareholders to choose between a non-taxable stock-for-stock exchange or a taxable cash alternative. The board recognized that the 20% cash portion of the Heartland proposal might be inadequate to satisfy its shareholders' preference for cash.

On July 27, 2016, the Founders board of directors held another special meeting, with Stuart I Moore attending, and reviewed materials prepared by Davidson. The board received a report from the M&A Committee and from Stuart I Moore regarding the discussions with Heartland, the Heartland indication of interest letter and the overall M&A market for community banks. At the meeting, the board authorized Davidson to explore whether there were other possible buyers for Founders.

On August 19, 2016, the M&A Committee and Stuart I Moore met to discuss additional information from Davidson regarding potential buyers of Founders.

On August 23, 2016, Founders executed an engagement letter with Davidson, among other things, to provide advisory services to the Founders board of directors and render a fairness opinion in connection with a proposed transaction, among other things. The Founders' M&A Committee instructed Davidson to develop a list of other potential parties who might have an interest in acquiring Founders. After reviewing the list of potential parties, the M&A Committee instructed Davidson to begin contacting these parties and to execute non-disclosure agreements ("NDAs") where appropriate. In late August and early September 2016, Davidson reached out to 24 parties (including Heartland) to discuss interest in a potential acquisition of Founders. There were five parties (in addition to Heartland) that decided to execute an NDA. After executing the NDA, the parties received access to a secure online data room with confidential due diligence information on Founders and its operations. Each of these five parties delivered a non-binding indication of interest letter on or prior to the proposal due date of September 16, 2016.

Also during this period, the M&A Committee, Stuart I Moore and Davidson held a number of discussions concerning comments on Heartland's written proposal. On September 6, 2016, a list of comments was provided to Heartland by Davidson. On September 14, 2016, Heartland submitted a revised indication of interest letter which included an increased offer of \$20.82 per share, or \$28.0 million in the aggregate, consisting of 70% stock and 30% cash.

On September 16, 2016, the board of directors held a meeting with representatives of Davidson and Stuart I Moore, at which the Davidson representatives presented the six indications of interest and supporting analysis for the board to review and discuss. In addition to Heartland's revised proposal of \$20.82, the other five indications of interest included prices per share as follows: Party A of \$16.27 to \$16.91 (provided as a range), Party B of \$19.00, Party C of \$20.50, Party D of \$21.50 and Party E of \$21.50 (as revised after Party E was informed that Founders had received offers higher than Party E's initial proposal). Among other topics, the board discussed the different issues to address amongst these proposals, including the price, consideration mix (i.e., liquidity of the stock consideration, the cash components and the taxable nature of a 100% cash transaction), and the acquiror's execution risk (potential regulatory issues and acquisition experience). The two highest proposals were from Party D and Party E. The proposal from Party D was for \$21.50 per share, and a choice between 100% cash consideration or a consideration mix of 50% stock and 50% cash. However, upon analysis, it was determined that Party D's stock was not widely traded and would not provide as much liquidity as would an investment in Heartland common stock. The proposal from Party E was for \$21.50 per share and 100% cash consideration. Thus, both of the proposals of Parties D and E were deemed to be economically equivalent, with each presenting execution risks which appeared higher than Heartland's as well as the impact of a total taxable

transaction to the Founders' shareholders.

On September 17, 2016, the board of directors held a meeting with Stuart I Moore to continue discussing the six parties who submitted indications of interest. Following the meeting, the board of directors asked Davidson to provide additional analysis on Heartland at the next board meeting and for Stuart I Moore to further discuss with Heartland its willingness to increase its price in light of Mr. Sherman's decision to forego his change in control payment due under his change in control agreement in the event of a merger.

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On September 18, 2016, Stuart | Moore spoke with Heartland's financial advisor and a representative of Heartland about Heartland's offer. Heartland indicated a willingness to increase its offer to \$21.48 per share in light of Mr. Sherman's proposed waiver of his change in control payment and if Founders' transaction expense budget was reduced.

On September 19, 2016, the board of directors held a meeting with Stuart | Moore and representatives of Davidson to continue discussing the Heartland offer and, among other topics, the differences between a fixed versus variable exchange ratio, collars to the exchange ratio, an overview of Heartland's franchise, and potential next steps if the board were to select one party or multiple parties with which to continue negotiations. The discussion regarding the overview of Heartland's franchise included a presentation from Davidson representatives to the Founders board, with analysis of Heartland's financial performance trends, stock market performance, trading valuation compared to peers, historical dividend payments, history of M&A transactions, detail on Heartland's largest shareholders, and background on the Heartland management team and corporate structure. The Founders board of directors also discussed the available analyst research reports published on Heartland.

The Founders board met again on September 20, 2016. After lengthy discussion and deliberation, the board of directors approved a motion by a unanimous vote to inform Heartland that Founders was prepared to enter into exclusive negotiations if Heartland would increase its offer to \$21.71 per share plus an increase of \$0.16 per share in exchange for the cancellation of certain stock options held by board members prior to the closing of a merger. Stuart | Moore communicated this position to Heartland on September 20, 2016.

On September 21, 2016, Heartland increased its offer to \$21.62 per share. Negotiations were held throughout the day. Ultimately, Heartland increased its offer to \$21.87 per share (subject to possible adjustments) and indicated this proposal was its best and final offer.

On September 22, 2016, Heartland presented a revised indication of interest letter which included consideration to Founders shareholders of \$21.87 per share, or \$29.1 million in aggregate, in the form of 70% stock and 30% cash. The exchange ratio would be variable and determined based on Heartland's volume weighted average closing price for the 20 trading days ending five business days prior to closing, subject to 15% collars set at the time of executing the definitive agreement. The indication of interest letter also included potential adjustments to the merger consideration payable to Founders shareholders in the following scenarios: (a) the consideration would decrease by the amount by which Founders adjusted tangible common equity at closing was less than \$18.3 million, if any, (b) the consideration would increase by the amount by which Founders adjusted tangible common equity at closing was greater than \$18.6 million, if any, and (c) the consideration would decrease by the amount by which Founders transaction expenses was greater than \$1.6 million, if any. The board of directors met by conference call and reviewed the revised indication of interest letter from Heartland with Stuart | Moore. The board approved the revised offer and authorized the execution of Heartland's indication of interest letter.

On September 23, 2016, Founders executed the non-binding indication of interest letter with Heartland, which included a 40- day period of exclusivity. The other parties were notified that their offers were not accepted.

On September 26, 2016, Heartland provided Founders with a further due diligence request list, and subsequently, Founders management began uploading additional due diligence information into the online data room for Heartland to review.

Founders received the initial draft of the merger agreement on October 7, 2016. Heartland and Founders exchanged various drafts and negotiated the merger agreement and its ancillary agreements throughout October 2016.

On October 11, 2016, Davidson sent a reverse due diligence request list to Heartland. Heartland began uploading due diligence information into an online data room for the review of Founders, Stuart | Moore and Davidson.

At a Heartland board meeting held on October 18, 2016, the directors received a detailed report from management regarding Founders and Founders Community Bank, including information about their businesses, operations, financial results and condition, and the locations of their banking centers. Management also reviewed the terms on which management proposed that Heartland acquire Founders. After an in-depth discussion of Founders and Founders Community Bank and the proposed terms of the acquisition, the Heartland board concluded that the acquisition of Founders would significantly augment Heartland's California franchise and was in the best interest of Heartland and its stockholders. Accordingly, the board unanimously gave preliminary approval for Heartland's acquisition of Founders,

and authorized management to continue and complete negotiations regarding the definitive merger agreement with Founders.

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On October 20, 2016, Heartland provided Founders and Mr. Sherman the first draft of an employment agreement for Mr. Sherman's employment by Premier Valley Bank upon closing of the merger. Mr. Sherman and Heartland separately negotiated his employment agreement.

On or about October 24, 2016, management of Heartland distributed a copy of the then-current draft of the merger agreement between Heartland and Founders to the members of the Heartland board of directors. Effective October 26, 2016, the directors by written action unanimously approved the merger, the merger agreement and the transactions contemplated by the merger agreement.

On October 26, 2016, a conference call was held to conduct reverse due diligence, which included participants from Founders, Davidson and Stuart | Moore to ask questions of Heartland. Participants on the call from Heartland's executive management team included the following officers: Lynn B. Fuller, Chairman and Chief Executive Officer; Bryan R. McKeag, Executive Vice President and Chief Financial Officer; Brian J. Fox, Executive Vice President, Operations; and J. Daniel Patten, Executive Vice President, Finance and Corporate Strategy.

On October 29, 2016, the board of directors of Founders held a special board meeting for purposes of considering the final version of the merger agreement and related ancillary agreements. At that meeting, the Founders board of directors thoroughly discussed and considered the terms and conditions of the merger and the merger agreement. Stuart | Moore again advised the Founders board of directors respecting its duties in connection with the transaction and reviewed the final changes made to the merger agreement and related ancillary agreements. Representatives of Davidson reviewed the financial aspects of the proposed merger, and Davidson rendered an opinion to the Founders board of directors to the effect that, as of October 29, 2016 and subject to the assumptions made, matters considered and qualifications and limitations on the review undertaken by Davidson as set forth in its opinion, the consideration to be paid to the holders of the Founders common stock in the transaction was fair, from a financial point of view, to the holders of Founders common stock. After deliberation, the Founders board of directors voted unanimously to approve the merger agreement and the transactions contemplated by the merger agreement, and authorized Founders management to execute the merger agreement.

Later on October 29, 2016, Founders and Heartland executed the merger agreement and all related ancillary agreements. Prior to the opening of the NASDAQ Global Select Market on October 31, 2016, Heartland and Founders issued a joint press release announcing the execution of the merger agreement and the terms of the proposed merger. Founders' Reasons for the Merger

After carefully considering all of its options, and cognizant of its fiduciary duty to shareholders, the current competitive and regulatory environment, and a number of other factors discussed in this proxy statement/prospectus, Founders' board of directors unanimously recommended that Founders shareholders approve the merger agreement, determining that the merger, on the terms provided in the merger agreement, is Founders' best option to realize reasonable value for its shareholders in today's challenging and uncertain banking market.

In reaching its conclusion to approve the merger and recommend adoption of the merger agreement to the Founders shareholders, Founders' board of directors considered an analysis and opinion of Davidson as to the fairness, from a financial point of view, to Founders' shareholders of the consideration offered by Heartland, and consulted with Founders' legal counsel Stuart | Moore as to the board's legal duties and the terms of the merger agreement and ancillary agreements. All material factors considered by the Founders board of directors have been disclosed in this proxy statement/prospectus. In approving the merger agreement, the board of directors of Founders considered a number of factors, including the following, without assigning any specific or relative weights to the factors:

- the lack of opportunities to expand by acquisition of suitable smaller institutions, or through a merger of equals, on terms as advantageous to Founders shareholders as the proposed merger with Heartland;
- the current and prospective economic, regulatory and competitive environment facing the financial services industry generally, and Founders in particular, including the continued rapid consolidation in the financial services industry and the competitive effects of increased consolidation and regulatory burdens on relatively smaller financial institutions such as Founders;
- the advantages of being part of a larger financial institution, such as Heartland, and its banking subsidiary Premier Valley Bank, including the potential for operating efficiencies, the effect of a higher lending limit with respect to Founders Community Bank's customers, and the generally higher trading multiples of the stock of larger financial

institutions;
the need for greater liquidity for Founders shareholders;

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the belief, as of the date of the merger agreement, the merger consideration represents a fair price to Founders shareholders, including the relationship of the merger consideration to the book value of Founders common stock and the earnings of Founders;

Heartland's offer of a mix of cash and Heartland common stock as merger consideration, and the ability of Founders shareholders to elect their preferred form of consideration, subject to the overall limits of 30% of the merger consideration paid to shareholders to be paid in cash and 70% to be in paid in Heartland common stock;

the tax-free nature of the exchange of shares of Heartland common stock for shares of Founders common stock, as part of the merger consideration;

the value of Heartland common stock, including the liquidity of Heartland common stock given its listing on the NASDAQ Global Select Market and information concerning the financial performance and condition, business operations, capital levels, asset quality, loan portfolio breakdown, and prospects of Heartland and Premier Valley Bank, including the stability of Heartland's management team and Heartland's positive financial performance trends;

the terms of the offers competing with Heartland's offer;

the prices paid and the terms of other recent comparable combinations of banks and bank holding companies; results that could be expected to be obtained by Founders if it continued to operate independently, and the likely benefits to Founders shareholders of such course, as compared with the value of the merger consideration being offered by Heartland;

the impact of succession planning on Founders and Founders Community Bank;

the ability of Heartland's management team to successfully integrate and operate the business of the combined company after the merger, as evidenced by the success of Heartland in completing and integrating previous mergers of community banks;

the financial presentation made on October 29, 2016 by representatives of Davidson to the Founders board of directors;

the opinion, dated October 29, 2016, of Davidson to the Founders board of directors as to the fairness, as of that date, from a financial point of view, to the holders of Founders common stock of the merger consideration in the proposed merger, as more fully described below under the caption "Opinion of Financial Advisor to Founders;"

the likelihood that the merger will be completed on a timely basis, including the likelihood that the merger will receive all necessary regulatory approvals in a timely manner;

the absence of any unrealistic closing conditions based on the financial performance of Founders between signing and closing of the transaction;

the anticipated impact on the communities served by Founders Community Bank, and the increased ability to serve the communities and its customer base through a larger branch network;

the possible effects of the merger on Founders Community Bank's employees and customers; and

opportunities for advancement available to Founders Community Bank's employees at a larger financial institution such as Heartland.

The Founders board of directors also considered the potential adverse consequences of the proposed merger, including:

the interests of Founders' and Founders Community Bank's officers and directors with respect to the merger apart from their interests as holders of Founders common stock, and the risk that these interests might influence their decision with respect to the merger;

the merger agreement's restrictions on Founders' ability to solicit or engage in discussions or negotiations with third parties, and the effect of a termination fee in favor of Heartland, including the risk that the termination fee might discourage third parties from proposing an alternative transaction that may be more advantageous to Founders' shareholders;

the possibility that the merger and the related integration process could disrupt Founders' on-going business and result in the loss of customers and the fact that Founders' officers and employees will have to focus extensively on actions required to complete the merger, which will divert their attention from Founders' business, and that Founders will incur substantial transaction costs even if the merger is not consummated;

- the costs already incurred by Founders in connection with the merger process;
- the potential reaction of Founders Community Bank's customers to Heartland and Premier Valley Bank;
- employee attrition and the potential effect on business and customer relationships;
- the fact that, while the merger is pending, Founders will be subject to certain limited restrictions on how it conducts business which could delay or prevent Founders from pursuing business opportunities or preclude it from taking actions that would be advisable if it was to remain independent;
- the possible effects on Founders should the parties fail to complete the merger, including the possible effects on the price of Founders common stock, and the associated business and opportunity costs;

the risk that Founders cannot meet one or more of the closing conditions that operate in favor of Heartland, and that therefore the merger may not close; and

the possible downside risk of Heartland's stock performance and the risk of price volatility given that Founders does not have the right to terminate the merger if the price of the Heartland common stock falls below a stated price.

Taking into account these potential adverse consequences of the merger, and based on the reasons for the merger stated above, the Founders board of directors believes that the merger is in the best interest of Founders and the Founders shareholders and unanimously recommends that the Founders shareholders vote "FOR" approval of the merger agreement.

Opinion of Financial Advisor to Founders

On August 23, 2016, Founders entered into an engagement letter with Davidson to render financial advisory and investment banking services to Founders. As part of its engagement, Davidson agreed to assist Founders in analyzing, structuring, negotiating and, if appropriate, effecting a transaction between Founders and Heartland. Davidson also agreed to provide the Founders board of directors with an opinion as to the fairness, from a financial point of view, of the consideration to be paid to the holders of Founders common stock in the proposed merger. Founders engaged Davidson because Davidson is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Founders and its business. As part of its investment banking business, Davidson is continually engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

On October 29, 2016, the Founders board of directors held a meeting to evaluate the proposed merger. At this meeting, Davidson reviewed the financial aspects of the proposed merger and rendered an opinion to the Founders board of directors that, as of such date and based upon and subject to assumptions made, procedures followed, matters considered and limitations on the review undertaken, the consideration to be paid to the holders of Founders common stock was fair, from a financial point of view, to such holders.

The full text of Davidson's written opinion, dated October 29, 2016, is attached as Appendix C to this proxy statement/prospectus and is incorporated herein by reference. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. Founders' shareholders are urged to read the opinion in its entirety.

Davidson's opinion speaks only as of the date of the opinion and Davidson undertakes no obligation to revise or update its opinion. The opinion is directed to the Founders board of directors and addresses only the fairness, from a financial point of view, of the consideration to be paid to the holders of Founders common stock in the proposed merger. The opinion does not address, and Davidson expresses no view or opinion with respect to, (i) the underlying business decision of Founders to engage in or proceed with the merger, (ii) the relative merits or effect of the merger as compared to any strategic alternatives or business strategies or combinations that may be or may have been available to or contemplated by Founders or Founders' board of directors, or (iii) any legal, regulatory, accounting, tax or similar matters relating to Founders, its shareholders or relating to or arising out of the merger. The opinion expresses no view or opinion as to any terms or other aspects of the merger. Founders and Heartland determined the consideration through the negotiation process. The opinion does not constitute a recommendation to any Founders shareholder as to how such shareholder should vote at the Founders special meeting on the merger or any related matter. The opinion does not express any view as to the fairness of the amount or nature of the compensation to any of Founders' or Heartland's officers, directors or employees, or any class of such persons, relative to the merger consideration. The opinion has been reviewed and approved by Davidson's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority. Davidson has reviewed this proxy statement/prospectus and consented to the inclusion of its opinion to the Founders board of directors as Appendix C to this proxy statement/prospectus and to the references to Davidson and its opinion contained herein.

In connection with rendering its opinion, Davidson reviewed, analyzed and relied upon material bearing upon the merger and the financial and operating condition of Founders and Heartland, including among other things, the following:

a draft of the merger agreement, dated October 27, 2016;
certain financial statements and other historical financial and business information about Founders and Heartland
made available to Davidson from published sources and/or from the internal records of Founders and Heartland that
we deemed relevant;

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financial projections for Founders for the years ending December 31, 2016, December 31, 2017 and December 31, 2018 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Founders;

certain publicly available analyst consensus “street estimates” for Heartland for the years ending December 31, 2016, December 31, 2017 and December 31, 2018 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Heartland;

the current market environment generally and the banking environment in particular;

the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;

the market and trading characteristics of public companies and public bank holding companies in particular;

the pro forma financial impact of the merger, taking into consideration the amounts and timing of the transaction costs and cost savings;

the net present value of Founders with consideration of projected financial results;

the net present value of Heartland with consideration of projected financial results;

the net present value of Heartland, on a pro forma basis with the pro forma financial impact of the merger, with consideration of projected financial results; and

such other financial studies, analyses and investigations and financial, economic and market criteria and other information as Davidson considered relevant, including discussions with management and other representatives and advisors of Founders and Heartland concerning the business, financial condition, results of operations and prospects of Founders and Heartland.

In arriving at its opinion, Davidson has assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to Davidson, discussed with or reviewed by or for Davidson, or publicly available, and Davidson has not assumed responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Founders or Heartland, nor did Davidson make an independent appraisal or analysis of Founders or Heartland with respect to the merger. In addition, Davidson has not assumed any obligation to conduct, nor has Davidson conducted, any physical inspection of the properties or facilities of Founders or Heartland. Davidson has further relied on the assurances of management of Founders and Heartland that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Davidson did not make an independent evaluation or appraisal of the specific assets or liabilities, including the amount of any fair value adjustments per FASB 141(R). Davidson did not make an independent evaluation of the adequacy of the allowance for loan losses of Founders or Heartland nor has Davidson reviewed any individual credit files relating to Founders or Heartland. Davidson has assumed that the respective allowances for loan losses for both Founders and Heartland are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Davidson has assumed that there has been no material change in Founders’ or Heartland’s assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements provided to Davidson. Davidson has assumed in all respects material to its analysis that Founders and Heartland will remain as going concerns for all periods relevant to its analysis. Davidson has also assumed in all respects material to its analysis that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement are not waived. Davidson has assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendment or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the merger. Davidson’s opinion is necessarily based upon information available to Davidson and economic, market, financial and other conditions as they exist and can be evaluated on the date the fairness opinion letter was delivered to Founders’ board of directors.

Set forth below is a summary of the material financial analyses performed by Davidson in connection with rendering its opinion. The summary of the analyses of Davidson set forth below is not a complete description of the analysis underlying its opinion, and the order in which these analyses are described below is not indicative of any relative

weight or importance given to those analyses by Davidson. The following summaries of financial analyses include information presented in tabular format. You should read these tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses.

Unless otherwise indicated, the following quantitative information, to the extent it is based on market data, is based on market data as of October 28, 2016, the last trading day prior to the date on which Davidson delivered the fairness opinion letter to the Founders board of directors, and is not necessarily indicative of market conditions after such date.

Summary of Proposal

Davidson reviewed the financial terms of the proposed merger. As described in the merger agreement, each outstanding common share of Founders will be converted into the right to receive the aggregate merger consideration per share at the closing date, which is estimated as \$21.87 for purposes of the analysis herein. Founders shareholders can elect to receive the aggregate merger consideration per share in the form of Heartland common stock, cash or a mixture thereof, subject to the election procedures in the merger agreement. For those shares of Founders common stock subject to a stock election, an “exchange ratio” will be calculated prior to the closing date to determine the number of shares of Heartland common stock issued for each share of Founders common stock, which will be the quotient of (i) the aggregate merger consideration per share divided by (ii) the volume weighted average closing price of Heartland common stock during the 20 trading days ending on, and including, the fifth business day prior to the closing of the merger, provided that the average stock price of Heartland is between \$31.62 and \$42.78. Based upon Heartland’s volume weighted average closing price for the 20 trading days ending on October 27, 2016 of \$37.20 and aggregate merger consideration per share of \$21.87, Davidson calculated an exchange ratio of 0.5879. The terms and conditions of the merger are more fully described in the merger agreement. Based upon financial information as of or for the 12-month period ended September 30, 2016, Davidson calculated the following transaction ratios:

Transaction Ratios

Transaction Price / Last 12 Months Earnings Per Share	22.4x
Transaction Price / Book Value Per Share	151.7%
Transaction Price / Tangible Book Value Per Share	151.7%
Transaction Price / Last 12 Months Net Income	23.5x
Transaction Price / Book Value (Aggregate)	159.0%
Transaction Price / Tangible Book Value (Aggregate)	159.0%
Tangible Book Premium / Core Deposits (1)	6.61%
Transaction Price / Founders’ Closing Price as of 10/28/2016 (2)	63.6%
Transaction Price / Founders' 20-Day Average Price as of 10/28/2016 (3)	62.1%

Core deposits exclude time deposits with account balances greater than \$100,000. Tangible book premium / core (1) deposits calculated by dividing the excess or deficit of the aggregate transaction value compared to tangible book value by core deposits.

(2) Based on the closing price per share of Founders common stock of \$13.37 as of October 28, 2016.

(3) Based on the 20-day average price of Founders common stock of \$13.49 as of October 28, 2016.

Stock Trading History of Founders and Heartland

Davidson reviewed the history of the reported trading prices and volume of Founders and Heartland common stock and the relationship between the movements in the prices of Founders and Heartland common stock to movements in certain stock indices, including the Standard & Poor’s 500 Index, the SNL Bank Index and the SNL U.S. Bank Index for banks with \$5.0 billion to \$10.0 billion in assets.

One Year Stock Performance

	Beginning Index Value on 10/28/2015		Ending Index Value on 10/28/2016	
Standard & Poor’s 500 Index	100.0	%	101.7	%
SNL Bank Index	100.0	%	97.4	%
SNL U.S. Bank \$5B - \$10B	100.0	%	103.8	%
HTLF	100.0	%	97.6	%
Founders	100.0	%	103.6	%

Three Year Stock Performance

	Beginning Index Value on 10/28/2013		Ending Index Value on 10/28/2016	
Standard & Poor's 500 Index	100.0 %		120.7 %	
SNL Bank Index	100.0 %		117.0 %	
SNL U.S. Bank \$5B - \$10B	100.0 %		132.5 %	
HTLF	100.0 %		131.6 %	
Founders	100.0 %		130.4 %	

Founders Comparable Companies Analysis

Davidson used publicly available information to compare selected financial and market trading information for Founders and a group of 9 financial institutions selected by Davidson which: (i) were banks with common stock listed on the over-the-counter markets; (ii) were headquartered in Ventura, San Luis Obispo, Santa Barbara, Kern, Monterey, Fresno, Tulare and Santa Cruz counties; and (iii) had assets between \$100.0 million and \$600.0 million. The 9 financial institutions were as follows:

Santa Cruz County Bank	Suncrest Bank
Valley Republic Bancorp	OCB Bancorp
Mission Bancorp	Community Bank of Santa Maria
American Riviera Bank	Lighthouse Bank
Communities First Financial Corp.	

Does not reflect impact from pending acquisitions or acquisitions closed after October 28, 2016

The analysis compared publicly available financial and market trading information for Founders as of and for the three-month period ended June 30, 2016, which was the most recent information publicly available, and the data for the nine financial institutions identified for the most recent period publicly available. The table below compares the data for Founders and the data for the nine financial institutions identified above, with pricing data as of October 28, 2016.

Financial Condition and Performance

	Comparable Companies					
	Founders	Median	Average	Minimum	Maximum	
Total Assets (in millions)	\$187.5	\$333.5	\$385.9	\$209.1	\$578.2	
Non-Performing Assets / Total Assets	— %	0.10 %	0.34 %	— %	1.41 %	%
Tangible Common Equity Ratio	9.56 %	9.07 %	9.66 %	6.57 %	14.13 %	%
Loan / Deposit Ratio	61.80 %	79.90 %	81.70 %	60.40 %	102.40 %	%
Net Interest Margin (Most Recent Quarter)	3.95 %	4.02 %	4.15 %	3.22 %	4.84 %	%
Efficiency Ratio (Most Recent Quarter)	77.80 %	57.90 %	62.60 %	51.80 %	83.50 %	%
Return on Average Tangible Common Equity (Most Recent Quarter)	5.35 %	9.48 %	9.24 %	4.37 %	13.50 %	%
Return on Average Assets (Most Recent Quarter)	0.50 %	0.89 %	0.89 %	0.40 %	1.26 %	%

Market Performance Multiples

	Comparable Companies				
	Founders	Median	Average	Minimum	Maximum
Market Capitalization (in millions)	\$17.0	\$40.0	\$40.5	\$15.6	\$66.4
Price / Tangible Book Value Per Share	94.5 %	106.5 %	109.5 %	93.1 %	135.2 %
Price / LTM Earnings Per Share	11.6x	14.6x	15.2x	10.4x	24.3x

Heartland Comparable Companies Analysis

Davidson used publicly available information to compare selected financial and market trading information for Heartland and a group of 20 financial institutions selected by Davidson which: (i) were banks with common stock listed on

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NASDAQ or NYSE; (ii) were headquartered in the Central and Western United States; and (iii) had assets between \$2.5 billion and \$25.0 billion. These 20 financial institutions were as follows:

UMB Financial Corporation	First Merchants Corporation
MB Financial, Inc.	First Busey Corporation
Western Alliance Bancorporation	1st Source Corporation
Old National Bancorp	Lakeland Financial Corporation
First Midwest Bancorp, Inc.	MainSource Financial Group, Inc.
Great Western Bancorp, Inc.	Enterprise Financial Services Corp
Banner Corporation	Heritage Financial Corporation
Columbia Banking System, Inc.	CoBiz Financial Inc.
Glacier Bancorp, Inc.	MidWestOne Financial Group, Inc.
First Interstate BancSystem, Inc.	QCR Holdings, Inc.

The analysis compared publicly available financial and market trading information for Heartland as of and for the three-month period ended June 30, 2016, which was the most recent information publicly available, and the data for the 20 financial institutions identified above for the most recent period publicly available. The table below compares the data for Heartland and the data for the comparable companies, with pricing data as of October 28, 2016. The 2016 and 2017 Earnings Per Share estimates used in the table below were based on average FactSet Research Systems, Inc. consensus earnings estimates for Heartland and the 20 financial institutions identified above.

Financial Condition and Performance

	Comparable Companies				
	Heartland	Median	Average	Minimum	Maximum
Total Assets (in millions)	\$8,204.4	\$7,998.1	\$8,756.2	\$3,002.2	\$19,726.1
Non-Performing Assets / Total Assets	0.79 %	0.64 %	0.74 %	0.40 %	1.38 %
Tangible Common Equity Ratio	6.60 %	8.99 %	9.08 %	7.59 %	11.03 %
Loan / Deposit Ratio	80.20 %	88.00 %	86.20 %	66.90 %	98.70 %
Net Interest Margin (Most Recent Quarter)	4.12 %	3.73 %	3.74 %	2.87 %	4.55 %
Return on Average Tangible Common Equity (Most Recent Quarter)	16.88 %	13.07 %	12.83 %	9.23 %	17.62 %
Return on Average Assets (Most Recent Quarter)	1.02 %	1.16 %	1.12 %	0.64 %	1.58 %

Market Performance Multiples

	Comparable Companies				
	Heartland	Median	Average	Minimum	Maximum
Market Capitalization (in millions)	\$923.1	\$1,277.5	\$1,463.9	\$343.9	\$3,926.5
Price / Tangible Book Value Per Share	172.8 %	179.3 %	184.9 %	143.6 %	252.7 %
Price / LTM Earnings Per Share	12.4x	15.7x	16.4x	12.5x	22.0x
Price / 2016 Est. Earnings Per Share (1)	12.1x	15.2x	15.7x	13.9x	19.3x
Price / 2017 Est. Earnings Per Share (1)	12.1x	13.8x	14.3x	11.5x	17.7x

(1) Earnings per share estimates based on average FactSet Research Systems, Inc. consensus earnings estimates

Precedent Transactions Analysis

Davidson reviewed three sets of comparable merger and acquisition transactions. The sets of mergers and acquisitions included: (1) "California Transactions," (2) "Nationwide Transactions," and (3) "Nationwide Stock Transactions."

“California Transactions” included 21 transactions where:

- the transaction was announced between January 1, 2015 and October 28, 2016;
- the transaction involved banks headquartered in California;
- the selling company’s total assets were less than \$1.0 billion; and
- the transaction was not a merger of equals.

“Nationwide Transactions” included 19 transactions where:

- the transaction was announced between January 1, 2016 and October 28, 2016;
- the transaction involved banks headquartered nationwide;
- the selling company’s total assets were between \$150.0 million and \$300.0 million; and
- the transaction was not a merger of equals.

“Nationwide Stock Transactions” included 20 transactions where:

- the transaction was announced between January 1, 2016 and October 28, 2016;
- the transaction involved banks headquartered nationwide;
- the selling company’s total assets were between \$150.0 million and \$500.0 million;
- the transaction was not a merger of equals; and
- the stock consideration was greater than 60% of the merger consideration.

The following tables set forth the transactions included in “California Transactions,” “Nationwide Transactions,” and “Nationwide Stock Transactions,” and are sorted by announcement date:

California Transactions

Announcement Date	Acquirer	Target
9/22/2016*	CVB Financial Corp.	Valley Commerce Bancorp
9/02/2016*	Suncrest Bank	Security First Bank
9/01/2016*	AltaPacific Bancorp	Commerce Bank of Temecula Valley
6/08/2016*	Farmers & Merchants Bancorp	Delta National Bancorp
4/29/2016	Central Valley Community Bancorp	Sierra Vista Bank
3/10/2016	Midland Financial Co.	1st Century Bancshares, Inc.
1/13/2016	Beneficial State Foundation	Pan American Bank
1/04/2016	Sierra Bancorp	Coast Bancorp
12/17/2015	Pacific Commerce Bancorp	ProAmérica Bank
11/10/2015	RBB Bancorp	TFC Holding Company
10/14/2015	CVB Financial Corp.	County Commerce Bank
10/01/2015	Pacific Premier Bancorp, Inc.	Security California Bancorp
9/28/2015	HomeStreet, Inc.	Orange County Business Bank
9/18/2015	California Bank of Commerce	Pan Pacific Bank
8/27/2015	Oak Valley Bancorp	Mother Lode Bank
7/27/2015	Suncrest Bank	Sutter Community Bank
7/15/2015	American Riviera Bank	Bank of Santa Barbara
6/22/2015	PBB Bancorp	First Mountain Bank
5/29/2015	Heartland Financial USA, Inc.	Premier Valley Bank
5/14/2015	FNB Bancorp	America California Bank
4/23/2015	Heritage Commerce Corp	Focus Business Bank

*Indicates the transaction was pending as of October 28, 2016

Nationwide Transactions

Announcement Date	Acquirer	Target
10/20/2016*	Independent Bank Corp.	Island Bancorp, Inc.
10/14/2016*	First Bancshares, Inc.	Iberville Bank
8/31/2016*	National Commerce Corporation	Private Bancshares, Inc.
8/24/2016*	Stonegate Bank	Insignia Bank
7/29/2016*	Monona Bankshares, Inc.	MCB Bankshares, Inc.
7/20/2016*	Arbor Bancorp, Inc.	Birmingham Bloomfield Bancshares, Inc.
7/14/2016	OakStar Bancshares, Inc.	Bancshares of Urbana, Inc.
7/06/2016*	Wintrust Financial Corporation	First Community Financial Corporation
7/01/2016*	Pinnacle Financial Corporation	Independence Bank of Georgia
5/24/2016	RCB Holding Company, Inc.	Cornerstone Alliance, Ltd.
4/29/2016	Central Valley Community Bancorp	Sierra Vista Bank
4/06/2016	First Interstate BancSystem, Inc.	Flathead Bank of Bigfork, Montana
3/24/2016*	Fentura Financial, Inc.	Community Bancorp, Inc.
3/17/2016*	Independent Bank Corp.	New England Bancorp, Inc.
3/14/2016	Stupp Bros., Inc.	Bremen Bancorp, Inc.
2/18/2016	Lakeland Bancorp, Inc.	Harmony Bank
2/16/2016	State Bank Corp.	Country Bank
2/16/2016	Citizens Community Bancorp, Inc.	Community Bank of Northern Wisconsin
1/13/2016	Beneficial State Foundation	Pan American Bank

*Indicates the transaction was pending as of October 28, 2016

Nationwide Stock Transactions

Announcement Date	Acquirer	Target
10/20/2016*	Independent Bank Corp.	Island Bancorp, Inc.
10/14/2016*	First Bancshares, Inc.	Gulf Coast Community Bank
8/31/2016*	National Commerce Corporation	Private Bancshares, Inc.
8/24/2016*	Stonegate Bank	Insignia Bank
8/23/2016*	First Defiance Financial Corp.	Commercial Bancshares, Inc.
7/29/2016*	Monona Bankshares, Inc.	MCB Bankshares, Inc.
7/14/2016*	Equity Bancshares, Inc.	Community First Bancshares, Inc.
6/09/2016	Byline Bancorp, Inc.	Ridgestone Financial Services, Inc.
6/08/2016*	Farmers & Merchants Bancorp	Delta National Bancorp
6/01/2016*	Summit Financial Group, Inc.	First Century Bankshares, Inc.
5/10/2016*	Sunshine Bancorp, Inc.	FBC Bancorp, Inc.
4/26/2016	Cascade Bancorp	Prime Pacific Financial Services
4/26/2016	Pacific Continental Corporation	Foundation Bancorp, Inc.
3/31/2016	Blue Ridge Bankshares, Inc.	River Bancorp, Inc.
3/17/2016*	Independent Bank Corp.	New England Bancorp, Inc.
2/18/2016	Lakeland Bancorp, Inc.	Harmony Bank
2/05/2016	Horizon Bancorp	Kosciusko Financial, Inc.
1/07/2016	Ohio Valley Banc Corp.	Milton Bancorp, Inc.
1/06/2016	Carolina Financial Corporation	Congaree Bancshares, Inc.
1/04/2016	Sierra Bancorp	Coast Bancorp

*Indicates the transaction was pending as of October 28, 2016

For each transaction referred to above, Davidson compared, among other things, the following implied ratios:

- transaction price compared to net income for the last 12 months, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction;
- transaction price compared to tangible book value per share, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction;
- tangible book premium to core deposits based on the latest publicly available financial statements of the target company prior to the announcement of the transaction; and
- transaction price per share compared to the closing stock price of the target company for the day prior to the announcement of the transaction.

As illustrated in the following table, Davidson compared the proposed merger multiples to the multiples of the comparable transaction groups and other operating financial data where relevant. The table below sets forth the data for the comparable transaction groups as of the last 12 months ended prior to the transaction announcement and Founders data for the last 12 months ended September 30, 2016.

Financial Condition and Performance

	California					Nationwide					Nationwide Stock Deal	
	Founders	Median	Average	Minimum	Maximum	Median	Average	Minimum	Maximum	Median	Average	
Total Assets (in millions)	\$198.4	\$164.6	\$260.3	\$66.3	\$732.0	\$205.5	\$221.3	\$152.5	\$295.1	\$254.4	\$249.0	
Return on Average Assets (Last 12 Months)	0.70	% 0.39	% 1.06	% (0.32)	% 5.36	% 0.68	% 0.70	% (0.10)	% 1.57	% 0.82	% 1.06	
Return on Average Equity (Last 12 Months)	7.80	% 4.04	% 13.44	% (4.26)	% 158.48	% 6.27	% 6.70	% (0.39)	% 12.43	% 8.51	% 15.10	
Tangible Common Equity Ratio	9.21	% 10.64	% 11.60	% 6.00	% 23.99	% 10.15	% 10.95	% 6.48	% 22.34	% 9.83	% 9.59	
Efficiency Ratio (Last 12 Months)	70.80	% 79.90	% 82.70	% 54.70	% 133.80	% 72.20	% 73.00	% 57.40	% 89.60	% 75.40	% 78.30	
Non-Performing Assets / Total Assets	—	% 0.65	% 1.73	% —	% 7.30	% 1.16	% 1.80	% —	% 5.56	% 1.65	% 2.77	

Transaction Multiples

	California					Nationwide					Nationwide Stock Deal	
	Founders	Median	Average	Minimum	Maximum	Median	Average	Minimum	Maximum	Median	Average	
Transaction Price / Last 12 Months Net Income	23.5x	13.3x	16.6x	11.5x	23.3x	17.7x	17.2x	8.8x	27.2x	14.4x	15.0x	
Transaction Price / Tangible Book Value, Aggregate	159.0%	133.5%	136.3%	101.2%	192.3%	130.2%	132.8%	88.6%	223.2%	133.3%	136.5%	
Transaction Price / Tangible Book Value Per Share	151.7%	128.1%	133.6%	101.2%	178.4%	125.4%	128.8%	88.8%	177.0%	131.5%	133.2%	
Transaction Price / Tangible Book Value	6.61%	5.91%	5.45%	0.26%	14.02%	3.96%	4.12%	-1.64%	13.95%	4.57%	5.51%	

Premium /
Core
Deposits

(1)

One-Day

Market
Premium

63.6%	50.4%	55.3%	8.8%	141.1%	58.7%	61.6%	24.9%	108.1%	42.1%	55.0%	12.7%
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(2)

(1) Core deposits exclude time deposits with account balances greater than \$100,000. Tangible book premium / core deposits c
dividing the excess or deficit of the aggregate transaction value over tangible book value by core deposits

(2) Based on the closing price per share of Founders common stock of \$13.37 as of October 28, 2016

Net Present Value Analysis for Founders

Davidson performed an analysis that estimated the net present value per share of Founders common stock under various circumstances. The analysis assumed: (i) Founders performed in accordance with management's financial forecasts for the years ending December 31, 2016, December 31, 2017 and December 31, 2018; and (ii) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by Founders management. To approximate the terminal value of Founders common stock at December 31, 2021, Davidson applied price to earnings multiples of 13.0x to 20.0x and multiples of tangible book value ranging from 130.0% to 200.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 9.00% to 15.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Founders common stock. In evaluating the discount rate, Davidson used the capital asset pricing model.

At the October 29, 2016 Founders board of directors meeting, Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results. As illustrated in the following tables, the analysis indicates an imputed range of values per share of Founders common stock of \$13.25 to \$27.02 when applying the price to earnings multiples to the financial forecasts and \$14.45 to \$29.46 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple								
	13.0x	14.0x	15.0x	16.0x	17.0x	18.0x	19.0x	20.0x	
9.00%	\$17.57	\$18.92	\$20.27	\$21.62	\$22.97	\$24.32	\$25.67	\$27.02	
10.00%	\$16.74	\$18.03	\$19.32	\$20.61	\$21.89	\$23.18	\$24.47	\$25.76	
11.00%	\$15.96	\$17.19	\$18.42	\$19.65	\$20.88	\$22.10	\$23.33	\$24.56	
12.00%	\$15.23	\$16.40	\$17.57	\$18.74	\$19.92	\$21.09	\$22.26	\$23.43	
13.00%	\$14.53	\$15.65	\$16.77	\$17.89	\$19.01	\$20.12	\$21.24	\$22.36	
14.00%	\$13.88	\$14.94	\$16.01	\$17.08	\$18.15	\$19.21	\$20.28	\$21.35	
15.00%	\$13.25	\$14.27	\$15.29	\$					