HEARTLAND FINANCIAL USA INC
Form 424B3
March 02, 2015

Filed pursuant to Rule 424(b)(3)
Registration No. 333-201854

PROSPECTUS

Offer to Exchange
$75,000,000 aggregate principal amount of 5.75% Subordinated Notes due 2024
that have been registered under the Securities Act of 1933
for any and all outstanding unregistered 5.75% Subordinated Notes due 2024

We are offering to exchange registered 5.75% Subordinated Notes due 2024, which we refer to as the "New Notes," for any and all of our outstanding unregistered 5.75% Subordinated Notes due 2024 that were issued in a private offering on December 17, 2014, which we refer to as the "Old Notes." We are offering to exchange the New Notes for the Old Notes to satisfy our obligations contained in the registration rights agreement that we entered into in connection with the issuance of the Old Notes. We will not receive any proceeds from the exchange offer, and issuance of the New Notes will not result in any increase in our outstanding debt.

The terms of the New Notes will be identical in all material respects to the terms of the Old Notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the Old Notes will not apply to the New Notes.

We do not intend to list the New Notes on any securities exchange or seek approval for quotation through any automated trading system. There is currently no public market for the New Notes.

You may withdraw your tender of Old Notes at any time prior to the expiration of the exchange offer. We will exchange all of the outstanding Old Notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer for an equal principal amount of New Notes.

The exchange offer expires at 5:00 p.m., New York City time, on March 30, 2015, unless extended by us.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. A broker-dealer that acquired Old Notes because of market-making or other trading activities may use this prospectus, as supplemented or amended from time to time, in connection with resales of the New Notes for a period of 180 days after the completion of the exchange offer. See "Plan of Distribution."

See "Risk Factors" beginning on page 14 for a discussion of certain risks that you should consider in connection with the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 2, 2015

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or the SEC. We are submitting this prospectus to holders of Old Notes so that they can consider exchanging their Old Notes for New Notes. You should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying transmittal documents. We have not authorized any other person to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date of the applicable document that contains that information. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making this exchange offer in jurisdictions where the exchange offer is not permitted.

Each broker-dealer that receives New Notes for its own account in exchange for Old Notes acquired by the broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a participating broker-dealer in connection with resales of New Notes received in exchange for Old Notes. We have agreed to make this prospectus, as amended or supplemented, available to any such broker-dealer that requests copies of this prospectus in the letter of transmittal for use in connection with any such resale. See "Plan of Distribution."

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. Such information is available without charge to holders of Old Notes upon written or oral request made to: Investor Relations, Heartland Financial USA, Inc. 1398 Central Avenue, Dubuque, Iowa 52001, telephone: (536) 589-2100. To obtain timely delivery of any requested information, holders of Old Notes must make any request no later than March 23, 2015, five business days before the expiration date of the exchange offer, or, if we decide to extend the expiration date of the exchange offer, five business days before such extended expiration date.

References in this prospectus to “Heartland,” “we,” “us” and “our” refer to Heartland Financial USA, Inc. and its consolidated subsidiaries, unless otherwise specified.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public through the Internet at the SEC web site at http://www.sec.gov. You may also read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference facilities and their copy charges. You may also obtain copies of our SEC filings at the office of The NASDAQ Stock Market located at One Liberty Plaza, 165 Broadway, New York, NY 10006. For further information on obtaining copies of our public filings at The NASDAQ Stock Market, you should call 1-212-401-8700.

INCORPORATION BY REFERENCE

We have previously filed the following documents with the SEC and are incorporating them by reference into this prospectus:

- our Annual Report on Form 10-K for the year ended December 31, 2013;
- our definitive proxy statement for our annual meeting of stockholders held May 21, 2014, filed on April 4, 2014, as supplemented by the supplement to definitive proxy statement filed May 8, 2014;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014; and
- our Current Reports on Form 8-K filed on May 8, 2014, May 23, 2014, December 3, 2014, January 6, 2015 and January 20, 2015.

We are also incorporating by reference any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date this prospectus. The most recent information that we file with the SEC automatically updates and supersedes more dated information.

You can obtain a copy of any documents that are incorporated by reference in this prospectus at no cost by writing or telephoning us at:

Investor Relations
Heartland Financial USA, Inc.
1398 Central Avenue
Dubuque, Iowa 52001
(563) 589-2100

You should rely only on the information contained or incorporated by reference in this prospectus relating to the offered securities. We have not authorized anyone to provide you with different information. We are not offering to sell the securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus (and in documents incorporated by reference into this prospectus) that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our operations. When we use any of the words “believes,” “expects,” “anticipates,” “plans,” “intends,” “estimates,” “may,” “will,” “would,” “could,” “should” or similar expressions, we are making forward-look statements. Many events or factors could affect our future financial results and performance and could cause those results or performance to differ materially from those expressed in our forward-looking statements. These risks are described in detail in the Annual Report on Form 10-K incorporated by reference into this 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 we conduct our operations which may be less favorable than expected and may result in, among other things, a deterioration in the credit quality and value of our 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 assets) and the policies of the Federal Reserve Board.
- Our ability to compete with other financial institutions in an increasingly competitive financial services industry.
- Our 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 us 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 us and our customers.
- Our ability to develop and maintain secure and reliable electronic delivery systems and to maintain the security of data we store about our customers and their accounts.
- Our ability to retain key executives and employees and the difficulty that we 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 our business.
- 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 prospectus.

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

The forward-looking statements included in this prospectus are made only as of the date of this prospectus and we undertake no obligation to update any statement in light of new information or future events. Further information concerning us and our business, including additional factors that could materially affect our financial results, is included in our filings with the SEC. See “Available Information” on page 3.

SUMMARY

The following information is a summary of the significant terms of the exchange offer and other information contained elsewhere or incorporated by reference in this prospectus. You should carefully read this prospectus to understand fully the terms of the exchange offer, as well as other considerations that are important to you in making a decision about whether to participate in the exchange offer. You should pay special attention to the "Risk Factors" section beginning on page 14 of this prospectus.

HEARTLAND FINANCIAL USA, INC.

We are a multi-bank holding company registered under the Bank Holding Company Act of 1956, as amended. We have nine banking subsidiaries: Dubuque Bank and Trust Company, located in Dubuque, Iowa; Illinois Bank & Trust, located in Rockford, Illinois; Wisconsin Bank & Trust, located in Madison, Wisconsin; New Mexico Bank & Trust, located in Albuquerque, New Mexico; Rocky Mountain Bank, located in Billings, Montana; Arizona Bank & Trust, located in Phoenix, Arizona; Summit Bank & Trust, located in Broomfield, Colorado; Minnesota Bank & Trust, located in Edina, Minnesota, and Morrill & Janes Bank and Trust Company, located in Merriam, Kansas.

Together, our banking subsidiaries operate a total of 86 banking locations. All nine of our banking subsidiaries are members of the Federal Deposit Insurance Corporation ("FDIC"). We also have ten non-banking subsidiaries, including a consumer finance company with offices in Iowa, Illinois and Wisconsin, a subsidiary involved in property management, and eight special-purpose trust subsidiaries formed for the purpose of offering cumulative capital securities.

Our banking subsidiaries provide full-service retail banking in the communities in which they are located. The principal service of our banking subsidiaries consists of making loans to and accepting deposits from businesses and individuals. These loans are made at the offices of each of our banking subsidiaries. In addition, through our banking subsidiaries, we engage in residential mortgage loan origination and sale in the markets of those subsidiaries and in the non-subsidiary markets of metro San Diego, California; Reno, Nevada; Buffalo, Wyoming; Meridian, Idaho; Minot, North Dakota; Portland, Oregon; Seattle, Washington; and Omaha, Nebraska. Our banking subsidiaries also engage in activities that are closely related to banking, including investment brokerage.

Dubuque Bank and Trust Company, our lead banking subsidiary, was originally incorporated in Iowa in 1935. We were formed to serve as its holding company in 1981, and we reincorporated in Delaware on June 30, 1993. Our principal executive offices are located at 1398 Central Avenue, Dubuque, Iowa 52001. Our telephone number is (563) 589-2100. Our website address is www.htlf.com. The information on our website is not part of this prospectus.

Recent Events

New President. On December 3, 2014, we announced the appointment of Bruce K. Lee to the new position of President, effective as of January 2, 2015. Mr. Lee, who most recently was Executive Vice President and Chief Credit Officer of Fifth Third Bancorp, brings over thirty years of management experience in the banking industry to our management team.

Acquisition. On January 16, 2015 we completed the acquisition of Community Banc-Corp of Sheboygan, Inc., parent company of Community Bank & Trust, a state charted bank headquartered in Sheboygan, Wisconsin with assets of approximately $531 million at December 31, 2014. Community Banc-Corp was merged with and into Heartland, with Heartland as the surviving corporation, and the shareholders of Community Banc-Corp received approximately 1,970,900 shares of our common stock. The aggregate purchase price, based upon our market price, was approximately $53 million. Simultaneous with the closing, Community Bank & Trust was merged into our Wisconsin Bank & Trust subsidiary.

Subsidiary Consolidation. On January 23, 2015, we completed the merger of Galena State Bank & Trust Company, our state bank subsidiary located in Galena, Illinois, with and into Illinois Bank & Trust, our state banking subsidiary located in Rockford, Illinois. This merger was to increase the efficiency of our operations by combining our two Illinois banks under a single charter.

Earnings. On January 26, 2015, we issued a press release announcing our earnings for the quarter and year ended December 31, 2014. We reported net income available to common stockholders of $12.1 million or $.64 per diluted common share for the quarter, compared to $7.7 million or $.42 per diluted share during the quarter ended December 31, 2013. Net interest income increased $5.8 million to $52.2 million in the fourth quarter of 2014 from $46.4 million in the fourth quarter of 2013. Noninterest income totaled $21.2 million during the fourth quarter of 2014 compared to $17.6 million in the fourth quarter of 2013, while noninterest expense was flat at $53.9 million during both quarters.

For the year ended December 31, 2014, we reported net income available to common stockholders of $41.1 million or $2.19 per diluted common share, compared to $35.7 million or $2.04 per diluted share in 2013. Net interest income increased $39.2 million during 2014 to $203.1 million from $163.8 million in 2013. Noninterest income decreased $7.4 million to $82.2 million in 2014 from $89.6 million in 2013. Noninterest expense increased $19.2 million to $215.8 million in 2014 from $196.6 million in 2013.

Our assets increased approximately 2% to $6.1 billion at December 31, 2014 from $5.9 billion at December 31, 2013, but our aggregate loans increased 10.9% from $3.5 billion at December 31, 2013 to $3.8 billion at December 31, 2014. The following table provides summary information about our results of operations for the quarters and years ended December 31, 2014 and 2013:

	Quarter Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Net income (in millions)	$12.3	$7.9	$41.9	$36.9
Net income available to common stockholders (in millions)	12.1	7.7	41.1	35.7
Diluted earnings per common share	0.64	0.42	2.19	2.04
Net interest margin	3.94	3.82	3.96	3.78

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The Exchange Offer

The Offering of the Old Notes	We sold the Old Notes on December 17, 2014 to Sandler O'Neill & Partners, L.P., Raymond James & Associates, Inc. and RBC Capital Markets, LLC pursuant to a purchase agreement between us and Sandler O'Neill & Partners, L.P., as representative of the initial purchasers, dated December 12, 2014. We refer to Sandler O'Neill & Partners, L.P., and the other initial purchasers as the initial purchasers. The initial purchasers subsequently offered the Old Notes: (i) to qualified institutional buyers under Rule 144A; and (ii) to institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) in reliance upon exemptions from registration under the Securities Act of 1933, as amended, which we refer to as the "Securities Act." The Old Notes were all initially sold to qualified institutional buyers under Rule 144A.
Registration Rights Agreement	In connection with the issuance of the Old Notes, we entered into a registration rights agreement with the initial purchasers, which obligates us to file a registration statement with the SEC within 90 days after the issue date of the Old Notes, to use our reasonable best efforts to cause the registration statement to become effective within 120 days after the issue date of the Old Notes, and to use our reasonable best efforts to consummate the exchange offer within 45 days after the effective date of our registration statement. The exchange offer is intended to satisfy our obligations under the registration rights agreement. After the exchange offer is completed, you will not be entitled to any exchange or registration rights with respect to your Old Notes, except under limited circumstances described in the registration rights agreement.
The Exchange Offer	We are offering to exchange the New Notes, which have been registered under the Securities Act, for your Old Notes, which were issued on December 17, 2014 in the initial offering. In order to be exchanged, an Old Note must be validly tendered and accepted. All Old Notes that are validly tendered and not validly withdrawn by the expiration date of the exchange offer will be exchanged. We will issue New Notes promptly after the expiration of the exchange offer.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on March 30, 2015, unless we decide to extend the expiration date.
Exchange Agent	U.S. Bank National Association will serve as our exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent under "The Exchange Offer-Exchange Agent."
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may, but are not required to, waive. Please see "The Exchange Offer-Conditions to the Exchange Offer" for more information

	regarding the conditions to the exchange offer. We reserve the right, in our reasonable judgment, to waive any and all conditions to the exchange offer on or prior to the expiration date of the exchange offer.
Procedures for Tendering Old Notes	Unless you comply with the procedures described below under "The Exchange Offer-Procedures for Tendering Old Notes-Guaranteed Delivery," you must do one of the following on or prior to the expiration date of the exchange offer to participate in the exchange offer:

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	tender your Old Notes by sending the certificates for your Old Notes, in proper form for transfer, a properly completed and duly executed letter of transmittal with the required signature guarantee and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at the address set forth in this prospectus, and such Old Notes must be received by the exchange agent prior to the expiration of the exchange offer; or
	tender your Old Notes by using the book-entry transfer procedures described in "The Exchange Offer-Procedures for Tendering Old Notes-Book-Entry Delivery Procedures" and transmitting a properly completed and duly executed letter of transmittal with the required signature guarantee, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your Old Notes in the exchange offer, U.S. Bank National Association, as registrar and exchange agent, must receive a confirmation of book-entry transfer of your Old Notes into the exchange agent's account at The Depository Trust Company prior to the expiration of the exchange offer.
Guaranteed Delivery Procedures	If you are a registered holder of Old Notes and wish to tender your Old Notes in the exchange offer, but your Old Notes are not immediately available, time will not permit your Old Notes or other required documents to be received by the exchange agent before the expiration of the exchange offer or the procedures for book-entry transfer cannot be completed prior to the expiration of the exchange offer, then you may tender your Old Notes by following the procedures described below under "The Exchange Offer-Procedures for Tendering Old Notes-Guaranteed Delivery."
Special Procedures for Beneficial Owners	If you are a beneficial owner whose Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your Old Notes in the exchange offer, you should promptly contact the person in whose name your Old Notes are registered and instruct that person to tender the Old Notes on your behalf prior to the expiration of the exchange offer.
	If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering the certificates for your Old Notes, you must either make appropriate arrangements to register ownership of your Old Notes in your name or obtain a properly completed bond power from the person in whose name your Old Notes are registered.
Withdrawal; Non-Acceptance	You may withdraw any Old Notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on March 30, 2015 by sending the exchange agent written notice of withdrawal. Any Old Notes tendered on or prior to the expiration date of the exchange offer that are not validly withdrawn on or prior to the expiration date of the

exchange offer may not be withdrawn. If we decide for any reason not to accept any Old Notes tendered for exchange or to withdraw the exchange offer, the Old Notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of Old Notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company, any withdrawn or unaccepted Old Notes will be credited to the tendering holder's account at The Depository Trust Company. For further information regarding the withdrawal of tendered Old Notes, see "The Exchange Offer-Withdrawal of Tenders."

Resales of New Notes	Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that the New Notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act so long as certain conditions are met. See "The Exchange Offer-Purpose and Effects of the Exchange Offer" for more information regarding resales.
Restrictions on Resale by Broker-Dealers	Each broker-dealer that has received New Notes for its own account in exchange for original notes that were acquired as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the New Notes. A broker-dealer may use this prospectus in connection with any resale for a period of 180 days after the end of the exchange offer.
Consequences of Not Exchanging Your Old Notes	If you do not exchange your Old Notes in the exchange offer, you will no longer be able to require us to register your Old Notes under the Securities Act pursuant to the registration rights agreement except in the limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer your Old Notes unless we have registered the Old Notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, or as otherwise required under certain limited circumstances pursuant to the terms of the registration rights agreement, we do not currently anticipate that we will register the Old Notes under the Securities Act. For more information regarding the consequences of not tendering your Old Notes, see "The Exchange Offer-Consequences of Failure to Exchange."
Material U.S. Federal Income Tax Consequences	The exchange of Old Notes for New Notes in the exchange offer should not be a taxable event for U.S. federal income tax purposes. See "Material U.S. Federal Income Tax Consequences" for more information.
Use of Proceeds	The exchange offer is being made solely to satisfy our obligations under the registration rights agreement, and we will not receive any cash proceeds from the issuance of the New Notes. See "Use of Proceeds."
Fees and Expenses	We will pay all of our expenses incident to the exchange offer.

Additional Documentation; Further Information; Assistance	Any questions or requests for assistance or additional documentation regarding the exchange offer may be directed to the exchange agent. Beneficial owners may also contact their custodian for assistance concerning the exchange offer.

The New Notes

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the Old Notes do not apply to the New Notes. The New Notes represent the same debt as the Old Notes for which they are being exchanged. Both the Old Notes and the New Notes are governed by the same indenture. References to the notes in this prospectus include both the Old Notes and the New Notes, unless otherwise specified or the context otherwise requires.

Issuer	Heartland Financial USA, Inc.
Securities Offered	5.75% Subordinated Notes due 2024.
Aggregate Principal Amount	$75,000,000
Maturity Date	December 30, 2024.
Offering Price	100% of principal, plus accrued interest, if any, from December 17, 2014.
Interest Rate	5.75% per annum, computed on the basis of a 360-day year comprised of twelve, 30-day months.
Interest Payment Dates	Interest on the New Notes will be payable semiannually in arrears on June 30 and December 30 of each year, commencing June 30, 2015.
Record Dates	Interest on each New Note will be payable to the person in whose name the New Notes are registered on the December 15 or June 15 immediately preceding the applicable interest payment date.
Subordination; Ranking	The New Notes will be unsecured and; subordinated in right of payment to the payment of any of our existing and future Senior Indebtedness (as defined in the Indenture and described below under“Description of the Notes” in this prospectus); equal in right of payment with any of our existing and future unsecured subordinated indebtedness; rank senior to our obligations relating to the junior subordinated debt securities issued to our capital trust subsidiaries; and effectively subordinated to any existing and future liabilities and obligations of our subsidiaries, including the deposit liabilities and claims of other creditors of our subsidiary banks. As of September 30, 2014, Heartland, excluding its subsidiaries, had approximately $48.2 million of Senior Indebtedness outstanding. As of September 30, 2014, Heartland, excluding its subsidiaries, had no subordinated indebtedness that will rank equally with the New Notes, and had approximately $125.0 million of indebtedness

consisting of junior subordinated debentures that will rank junior to the New Notes.

	Because we are a holding company, our cash flows and, consequently, our ability to pay and discharge our obligations, including the principal of, and premium, if any, and interest on, our debt securities depends on the dividends paid and distributions and other payments made to us by our subsidiaries, and funds we obtain from our corporate borrowings or by selling our securities. Accordingly, our right to receive any payments from, or assets of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the New Notes to participate in the proceeds of those payments or assets, will be effectively subordinated to the claims of our subsidiaries' respective creditors and preferred equity holders. As of September 30, 2014, our subsidiaries had outstanding indebtedness, total deposits and other liabilities of approximately $5.3 billion, excluding intercompany liabilities.
Optional Redemption	We may redeem the New Notes, in whole or in part, on or after September 30, 2024 (three months prior to maturity) at our election.
Redemption Upon Special Events	We may redeem the New Notes, at our option, in whole if (i) a change or prospective change in law occurs that could prevent us from deducting interest payable on the New Notes for U.S. federal income tax purposes, (ii) a subsequent event occurs that precludes the New Notes from being recognized as Tier 2 capital for regulatory capital purposes, or (iii) we are required to register as an investment company under the Investment Company Act of 1940, as amended, in each case, at a redemption price equal to 100% of the principal amount of the New Notes plus any accrued and unpaid interest through, but excluding, the redemption date. For more information, see "Description of the Notes - Redemption Upon Special Events" in this prospectus.
Events of Default; Remedies	The New Notes will contain customary payment, covenant and insolvency events of default. The trustee and the holders of the New Notes may not accelerate the maturity of the New Notes upon the occurrence of any payment or covenant event of default. However, if an insolvency-related event of default occurs, the principal of, and accrued and unpaid interest on, the New Notes will become immediately due and payable without any action of the trustee or the holders of the New Notes. In the event of such an acceleration of the maturity of the New Notes, all of our obligations to holders of our Senior Indebtedness will be entitled to be paid in full before any payment or distribution, whether in cash, securities or other property, can be made on account of the principal of, or interest on, the New Notes. See "Description of the Notes - Subordination and Events of Default" in this prospectus.
Denomination; Form	The New Notes will be issued only in fully registered form without coupons, in denominations of $1,000 and integral multiples of $1,000. Unless otherwise required for institutional accredited investors, the New Notes will be evidenced by a global note deposited with the trustee for the New Notes, as custodian for The Depository Trust Company, or DTC and transfers of beneficial interests will be facilitated only through records maintained by DTC and its participants. See "Description of the Notes - Form, Denomination, Transfer, Exchange and Book-Entry Procedures."
Further Issuances	The New Notes will be initially issued in an aggregate principal amount of $75,000,000. We may, however, issue an unlimited principal amount of additional New Notes in the future without the consent of the holders of the New Notes.

Risk Factors	Investing in the New Notes involves certain risks. See “Risk Factors” beginning on page 14 of this prospectus for information regarding risk factors you should consider before investing in the New Notes.
Trustee	U.S. Bank National Association is the trustee under the Indenture pursuant to which the New Notes will be issued.
Listing	The New Notes will not be listed on any national securities exchange or included in any automated dealer quotation system. Currently, there is no market for the New Notes, and there can be no assurances that any public market for the New Notes will develop.
Governing Law	The New Notes and the Indenture will be governed by New York law.

Summary Financial Data

The following table sets forth our summary financial data for the periods or as of the dates presented. We derived the summary statement of income data for each of the years in the five-year period ended December 31, 2013, and the summary balance sheet data as of and for each of the years in the five-year period ended December 31, 2013, from our audited consolidated financial statements incorporated by reference herein. We derived the summary statement of income data for each of the nine months ended September 30, 2014 and 2013, and the summary balance sheet data as of September 30, 2014 and 2013, from our unaudited consolidated financial statements incorporated by reference herein. The unaudited consolidated financial data include, in the opinion of management, all adjustments, consisting of only normal recurring adjustments, that management considers necessary for the fair presentation of the financial information set forth in those statements in accordance with accounting principles generally accepted in the United States of America. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods, and the results for the nine months ended September 30, 2014 and 2013 are not necessarily indicative of results to be expected for the full year 2014 or for any other period. You should read this information together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, incorporated by reference herein.

(Dollars in thousands, except per share data)	For the Nine Months Ended September 30,		For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
STATEMENT OF INCOME DATA							
Interest income	$176,651	$143,891	$199,511	$189,338	$191,737	$198,932	$203,293
Interest expense	25,749	26,420	35,683	39,182	46,343	55,880	70,530
Net interest income	150,902	117,471	163,828	150,156	145,394	143,052	132,763
Provision for loan and lease losses	11,635	7,648	9,697	8,202	29,365	32,508	39,377
Net interest income after provision for loan and lease losses	139,267	109,823	154,131	141,954	116,029	110,544	93,386
Noninterest income	59,626	69,604	89,618	108,662	59,577	52,329	52,704
Noninterest expenses	160,487	140,220	196,561	183,381	137,296	129,239	132,520
Income taxes	8,769	10,289	10,335	17,384	10,302	9,846	7,196
Net income	29,637	28,918	36,853	49,851	28,008	23,788	6,374
Net (income) loss available to noncontrolling interest, net of tax	—	(64)	(64)	(59)	36	115	188
Net income attributable to Heartland	29,637	28,918	36,789	49,792	28,044	23,903	6,562
Preferred dividends and discount	(613)	(889)	(1,093)	(3,400)	(7,640)	(5,344)	(5,344)
	$29,024	$27,965	$35,696	$46,392	$20,404	$18,559	$1,218

Net income available to common stockholders