

## Citywide Banks of Colorado, Inc. (Private; Denver, CO) has agreed to merge with Heartland Financial USA, Inc. (NASDAQ: HTLF; Dubuque, IA)

**Deal Value: Approximately \$203 Million**

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Citywide Banks of Colorado, Inc. in this transaction. This transaction represents Sandler O'Neill's 110th bank or thrift transaction nationwide since January 1, 2015 representing \$33.0 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.<sup>1</sup>

Sandler O'Neill has advised on 25 transactions in the Western Region since January 1, 2014 representing \$9.3 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.<sup>1</sup>

**This transaction represents the largest bank or thrift sale in Colorado since 2004 and the 6<sup>th</sup> largest in history.<sup>1</sup>**

DUBUQUE, Iowa and AURORA, Colo., Feb. 13, 2017 (GLOBE NEWSWIRE) -- Dubuque, IA-based Heartland Financial USA, Inc. ("Heartland") (HTLF) and Aurora, CO-based Citywide Banks of Colorado, Inc. ("Citywide") jointly announced today the signing of a definitive merger agreement pursuant to which Citywide will merge with and into Heartland. Based on Heartland's common stock price of \$45.75 as of February 10, 2017, the common stock and cash transaction is valued at approximately \$203 million or \$207.98 per Citywide common share, subject to certain adjustments. Additionally, Citywide's preferred stock of approximately \$5 million will be redeemed for cash before closing.

Citywide Banks is a 53-year-old commercial bank with approximately \$1.4 billion in total assets, \$1.0 billion in net loans outstanding and \$1.2 billion in deposits as of December 31, 2016. The bank operates from 12 banking centers in the greater Denver market. Prospectively, Heartland will have assets of \$9.8 billion with 124 full-service banking locations operating across 12 states after closing the Citywide transaction and the previously announced Founders Bancorp transaction.

Simultaneously with the closing of the transaction, Citywide Banks will merge with Heartland's Colorado-based subsidiary, Centennial Bank and Trust. Together, Citywide Banks and Centennial Bank and Trust will create Heartland's largest bank subsidiary with assets of \$2.3 billion and 29 banking centers serving one of the country's best growth markets. The resulting institution will operate under the Citywide Banks brand name.

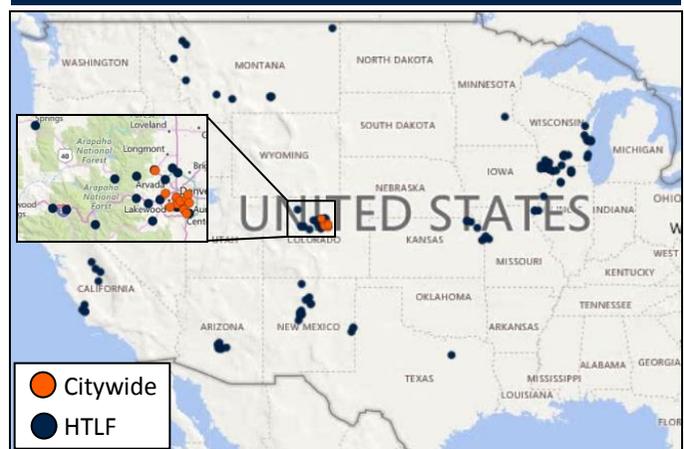
### Financial Highlights (\$ millions)

	HTLF	Citywide
Total Assets	\$8,247	\$1,377
Net Loans	\$5,359	\$978
Deposits	\$6,847	\$1,198
Equity	\$741	\$117
LTM ROAA	0.98%	0.80%
TCE / TA	7.28%	8.09%

#### Notes:

<sup>1</sup>Source: SNL Financial. Excludes terminated transactions and self-advisory roles. Financial data as of December 31, 2016

### Pro Forma Branch Network



### Sandler O'Neill Contacts:

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