

HEARTLAND FINANCIAL USA INC
Form S-4/A
December 04, 2014

As filed with the Securities and Exchange Commission on December 4, 2014 Registration No. 333-200085
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2 TO
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:

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Dorsey & Whitney LLP

50 South Sixth Street

Minneapolis, MN 55402

(612) 340-2600

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Milwaukee, WI 53202

(414) 298-8196

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. "

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.

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Large accelerated filer Accelerated filer 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	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1.00 par value	2,500,000 ⁽¹⁾	N/A	\$55,000,000 ⁽²⁾	6,391.00 ⁽³⁾

(1) Represents the estimated maximum number of shares to be issued pursuant to the merger agreement dated as of October 22, 2014, among Heartland Financial USA, Inc., a Delaware corporation, and Community Banc-Corp of Sheboygan, Inc., a Wisconsin corporation, computed by dividing 155% of the projected adjusted tangible equity of Community Banc-Corp of Sheboygan, Inc. at January 31, 2015 by the proposed minimum market price of Heartland common stock under such agreement (\$22.00 per share).

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) and (f)(3) of Regulation C under the Securities Act of 1933, as amended.

(3) Of such fee, \$6,042.20 was paid with the first filing of this Registration Statement and \$348.80 was paid with the filing of Amendment No. 1.

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 [], 2014

COMMUNITY BANC-CORP OF SHEBOYGAN, INC.

PROPOSED MERGER-YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

We are pleased to report that the board of directors of Community Banc-Corp of Sheboygan, Inc. has unanimously approved a merger of Community Banc-Corp into Heartland Financial USA, Inc. Before we can complete the merger, we must obtain the approval of the shareholders of Community Banc-Corp. We are sending you this document to ask you to vote in favor of approval and adoption of the merger agreement. The Community Banc-Corp Board of Directors Unanimously Recommends That You Vote "FOR" Approval and Adoption of the Merger Agreement. In the merger, Community Banc-Corp will merge with and into Heartland, and you will receive, as a shareholder of Community Banc-Corp, shares of Heartland common stock for your shares of Community Banc-Corp, as described in more detail in the accompanying proxy statement/prospectus. The aggregate consideration paid to Community Banc-Corp shareholders in the merger will be based upon 155% of our tangible shareholders' equity at the end of the month preceding the merger, as adjusted for expenses we incur, plus \$17,500 for each day that passes since the end of that month. The expense adjustment will include both tax-adjusted transaction expenses we incur in the merger, which we estimate will range from approximately \$381,000 to \$406,000 and tax-adjusted severance and similar costs, which we estimate will range from approximately \$2,729,000 to \$3,481,000, and that we have agreed to deduct from our tangible shareholders' equity in the merger agreement. The amount each shareholder will receive will be based upon this aggregate consideration divided by the number of our shares outstanding, assuming conversion of all preferred shares, and will be paid in the form of shares of common stock of Heartland valued at the average closing price of Heartland for the 20 trading days ending five days before the merger. If the average closing price is less than \$22.00, Heartland has the option of paying up to 25% of the consideration in cash.

Although we anticipate income in the fourth quarter of 2014 that will increase the consideration you receive, if we used our September 30, 2014 balance sheet, and assumed no income after that date and the maximum expenses, you would receive merger consideration, payable in the form of Heartland common stock or common stock and cash, of no less than \$20.21 per share of Community Banc-Corp common stock and \$84,225 per share of Community Banc-Corp preferred stock. The precise amount of Heartland common stock and cash you would receive for this merger consideration depends upon the average closing price of Heartland common stock when the merger is completed, but if we used the \$26.13 per share average closing price of Heartland common stock for the twenty days ended December 1, 2014 this amount of merger consideration would result in you receiving approximately 0.77 shares of Heartland common stock for each share of Community Banc-Corp common stock you hold, and approximately 3,224 shares of Heartland common stock for each share of Community Banc-Corp preferred stock you hold. We provide illustrations of how the financial results of Community Banc-Corp and the closing price of Heartland may affect what you receive in the merger in the attached proxy statement/prospectus under the caption "The Merger Agreement" on page 33. Because the financial position of Community Banc-Corp and the market price for Heartland common stock will fluctuate prior to the merger, the actual consideration you will receive will be different from these amounts.

To complete the merger we must receive regulatory approvals and the holders of Community Banc-Corp common stock must approve and adopt the merger agreement. Community Banc-Corp 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 Community Banc-Corp common stock in accordance with the instructions contained in this document. If you do not vote your shares of Community Banc-Corp 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 12.

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,

Anthony L. Jovanovich, Chairman and Chief
Executive Officer of Community Banc-Corp of Sheboygan, Inc.

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 5, 2014.

COMMUNITY BANC-CORP OF SHEBOYGAN, INC.

604 North 8th Street
Sheboygan, Wisconsin 53081

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON December 29, 2014

Community Banc-Corp of Sheboygan, Inc. will hold a special meeting of its shareholders at the Town & Country Club, West 1945 County Trunk J, Sheboygan, Wisconsin, at 6:00 P.M. local time, on December 29, 2014 to consider and vote upon the following matters:

a proposal to approve and adopt the Merger Agreement between Heartland Financial USA, Inc. and Community Banc-Corp of Sheboygan, Inc. dated as of October 22, 2014, as it may be amended from time to time, pursuant to which Community Banc-Corp will merge with and into Heartland Financial USA, Inc.; and

a proposal to approve the adjournment of the Community Banc-Corp special meeting, if necessary or appropriate, to solicit additional proxies.

Upon completion of the merger, each share of Community Banc-Corp common stock and preferred stock will be converted into the right to receive shares of 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 accompanying proxy statement/prospectus.

The board of directors has fixed the close of business on December 4, 2014 as the record date for the Community Banc-Corp special meeting. Holders of record of Community Banc-Corp common stock at such time are entitled to notice of, and to vote at, the Community Banc-Corp special meeting or any adjournment or postponement of the special meeting.

The Community Banc-Corp board of directors has unanimously approved the merger agreement and unanimously recommends that holders of Community Banc-Corp common stock vote "for" approval and adoption of the merger agreement.

Community Banc-Corp shareholders who do not vote in favor of the merger agreement and who strictly comply with Subchapter XIII of the Wisconsin Business 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 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 Community Banc-Corp 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 Community Banc-Corp 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) filing with the Secretary of Community Banc-Corp a written notice of revocation, (ii) delivering to Community Banc-Corp 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 the shareholder may vote in person).

Sincerely,

Anthony L. Jovanovich, Chairman and
Chief Executive Officer, of Community
Banc-Corp of Sheboygan, Inc.

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. Community Banc-Corp shareholders requesting documents should do so by December 23, 2014 in order to receive them before the special meeting.

See “Where You Can Find More Information” on page 57.

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 5, 2014. 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 Community Banc-Corp shareholders nor the issuance by Heartland of common stock in connection with the merger will create any implication to the contrary.

TABLE OF CONTENTS

	Page #
REFERENCES TO ADDITIONAL INFORMATION	2
QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER	3
SUMMARY	6
RISK FACTORS	12
FORWARD-LOOKING STATEMENTS	14
THE COMMUNITY BANC-CORP SPECIAL MEETING	15
THE MERGER	17
THE MERGER AGREEMENT	33
INFORMATION ABOUT COMMUNITY BANC-CORP OF SHEBOYGAN, INC.	41
INFORMATION ABOUT HEARTLAND	41
DESCRIPTION OF HEARTLAND COMMON STOCK	42
COMPARISON OF SHAREHOLDERS’ RIGHTS	45
CERTAIN OPINIONS	57
EXPERTS	57
WHERE YOU CAN FIND MORE INFORMATION	57
APPENDIX A - MERGER AGREEMENT	A-1
APPENDIX B - SUBCHAPTER XIII DISSENTERS’ RIGHTS	B-1
APPENDIX C - FAIRNESS OPINION OF THE FINANCIAL ADVISOR OF COMMUNITY BANC-CORP OF SHEBOYGAN, INC.	C-1

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

Q: What Am I Being Asked To Vote On?

Holder of Community Banc-Corp common stock are being asked to approve and adopt a merger agreement entered into between Heartland and Community Banc-Corp. In the merger, Community Banc-Corp will be merged A: with and into Heartland, with Heartland as the surviving corporation, and holders of Community Banc-Corp common stock and preferred stock will receive Heartland common stock, or a combination of cash and Heartland common stock, in exchange for their shares of Community Banc-Corp common stock and preferred stock.

Q: Why Is The Community Banc-Corp Board of Directors Recommending The Merger?

A: The Community Banc-Corp board believes that the merger is advisable, fair to and in the best interest of Community Banc-Corp and its shareholders.

Q: Why Is My Vote Important?

The affirmative vote of the holders of at least a majority of the outstanding shares of Community Banc-Corp common stock is required to approve and adopt the merger agreement. Accordingly, if a holder of Community A: Banc-Corp common stock fails to vote or abstains, this will have the same effect as a vote against approval and adoption of the merger agreement. Holders of Community Banc-Corp preferred stock do not have voting rights with respect to the matters to be considered at the special meeting.

Q: What Will I Receive For My Community Banc-Corp Stock If The Merger Is Completed?

You will receive shares of Heartland common stock, or a combination of cash and shares of Heartland common stock, for your shares of Community Banc-Corp common stock and preferred stock. The aggregate consideration paid to Community Banc-Corp shareholders in the merger will be based upon 155% of our tangible shareholders' equity at the end of the month preceding the merger, as adjusted for expenses we incur, plus \$17,500 for each day that passes since the end of that month. The expense adjustment will include both tax-adjusted transaction expenses we incur in the merger, which we estimate will range from approximately \$381,000 to \$406,000 and tax-adjusted A: severance and similar costs, which we estimate will range from approximately \$2,729,000 to \$3,481,000, and that we have agreed to deduct from our tangible shareholders' equity in the merger agreement. The amount each shareholder will receive will be based upon this aggregate consideration divided by the number of our shares outstanding, assuming conversion of all preferred shares, and will be paid in the form of shares of common stock of Heartland valued at the average closing price of Heartland for the 20 trading days ending five days before the merger. If that average closing price is less than \$22.00, Heartland has the option of paying up to 25% of the consideration in cash.

Although we anticipate income in the fourth quarter of 2014 that will increase the consideration you receive, if we used our September 30, 2014 balance sheet, and assumed no income after that date and the maximum expenses, you would receive merger consideration, payable in the form of Heartland common stock or common stock and cash, of no less than \$20.21 per share of Community Banc-Corp common stock and \$84,225 per share of Community Banc-Corp preferred stock. The precise amount of Heartland common stock and cash that you would receive for this merger consideration depends upon the average closing price of Heartland common stock when the merger is completed. If we used the \$26.13 per share average closing price of Heartland common stock for the twenty trading days ended December 1, 2014, the last practicable trading day before the distribution of this document, this amount of merger consideration would result in your receiving approximately 0.77 shares of Heartland common stock for each share of Community Banc-Corp common stock you hold, and approximately 3,224 shares of Heartland common stock

for each share of Community Banc-Corp preferred stock you hold. These amounts are expected to change prior to the time of the shareholders' meeting and completion of the merger. We provide illustrations of how the financial results of Community Banc-Corp and the closing price of Heartland may affect what you receive in the merger in the attached proxy statement/prospectus under the caption "The Merger Agreement" on page 33.

Q: When Do You Expect To Complete The Merger?

A: We are working to complete the merger as quickly as possible. We cannot complete the merger until a number of conditions are satisfied, including approval of the merger by the Community Banc-Corp shareholders and by the

3

Federal Deposit Insurance Corporation and the Department of Financial Institutions of the State of Wisconsin. We expect to complete the merger in the first quarter of 2015, assuming these and other approvals are received.

Q: Do I Have Dissenters' Rights?

Yes. Under Wisconsin law, Community Banc-Corp's state of incorporation, holders of Community Banc-Corp common stock and preferred stock have the right to assert dissenters' rights and, rather than the merger consideration, demand the "fair value" of their shares. To do so, you must not vote in favor of the merger and must instead follow the procedures set forth below under "The Merger-Notice of Dissenters' Rights." A copy of the Wisconsin statutes governing dissenters' rights is included as Appendix B. 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 Community Banc-Corp common stock cannot be more than 6.0% of the number of outstanding shares of Community Banc-Corp 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?

After you have carefully read this document, indicate on your proxy form how you want your shares of Community Banc-Corp common stock to be voted. Then complete, sign, date and mail your proxy form in the enclosed postage paid return envelope as soon as possible. This will enable your shares of Community Banc-Corp common stock to be represented and voted at the Community Banc-Corp 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 Community Banc-Corp common stock. You should instruct your broker 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 Community Banc-Corp, 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 Community Banc-Corp before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the Community Banc-Corp 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 to vote your shares, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q: Should I Send In My Share Certificates Now?

No. Please do NOT send in your share certificates at this time. After the merger is completed, you will be provided A: with a letter of transmittal explaining what you must do to exchange your Community Banc-Corp share certificates for merger consideration.

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:

Nicholas E. Nett

Executive Vice President, Chief Financial Officer and Secretary of Community Banc-Corp

Telephone: (920) 459-4444

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

You can find more information about Heartland from the various sources described under “Where You Can Find A: More Information.” You can find more information about Community Banc-Corp under “Information about Community Banc-Corp”

5

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 57. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

Our Companies (Page 41)

Community Banc-Corp

Community Banc-Corp is a bank holding company headquartered in Sheboygan, Wisconsin that holds all of the shares of the Community Bank & Trust, a Wisconsin state bank with ten offices in eastern Wisconsin. Community Banc-Corp was incorporated in Wisconsin on May 1, 1980. Community Bank & Trust was formed in 1989 and had assets of approximately \$525 million, deposits of approximately \$429 million and shareholders' equity of approximately \$54.5 million at September 30, 2014.

Community Banc-Corp's principal offices are located at 604 North 8th Street, Sheboygan, Wisconsin 53081, and its telephone number is (888) 582-4440.

Heartland

Heartland is a publicly-held, multi-bank bank holding company headquartered in Dubuque, Iowa with ten bank subsidiaries in the States of Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Missouri and Kansas. Together, Heartland's banking subsidiaries operate a total of 77 banking locations. Heartland also has an active consumer finance subsidiary with offices in Iowa, Illinois and Wisconsin.

Heartland was formed as an Iowa corporation in 1981, and reincorporated in Delaware in 1993. Wisconsin Bank & Trust (formerly Wisconsin Community Bank), has served customers as a Heartland subsidiary in central Wisconsin since 1997. At September 30, 2014, Heartland had total assets of \$5.9 billion, total loans of \$3.8 billion, total deposits of \$4.7 billion and common stockholders' equity of \$483 million.

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

Community Banc-Corp Will be Merged into Heartland (Page 33)

We encourage you to read the merger agreement, which is attached as Appendix A to this document. The merger agreement provides that Community Banc-Corp will be merged with and into Heartland. Heartland will survive the merger and the separate corporate existence of Community Banc-Corp will cease. Simultaneously, Community Bank & Trust, the wholly owned banking subsidiary of Community Banc-Corp, will be merged with and into Wisconsin Bank & Trust, the state banking subsidiary of Heartland in Wisconsin.

What You Will Receive in the Merger (Page 34)

Upon completion of the merger, each Community Banc-Corp shareholder will receive Heartland common stock, or a combination of cash and Heartland common stock, for each share of Community Banc-Corp common stock or preferred stock owned immediately prior to the merger. The aggregate number of shares of Heartland common stock to which Community Banc-Corp shareholders will be entitled upon completion of the merger will be equal to (a) 155% of the tangible shareholders' equity, less tax adjusted merger costs, of Community Banc-Corp on the last day of the month which immediately precedes the merger, plus \$17,500 for each day since month end, (b) divided by the average closing price of Heartland common stock during the 20 trading days ending five days prior to the merger. For such purposes, tangible shareholders' equity will be computed by subtracting liabilities from the tangible assets of Community Banc-Corp and further subtracting transaction costs incurred or to be incurred by Community Banc-Corp and unaccrued expenses paid to employees that are contingent upon the transaction, including expenses under executive employee salary continuation agreements, each as determined on an after-tax basis.

If the average closing price of Heartland common stock is greater than \$22.00, shareholders of Community Banc-Corp will receive only shares of Heartland common stock, and cash for fractional shares, in the merger. If the average closing price is \$22.00 or less, Heartland may elect to pay up to 25% of the merger consideration in cash. Assuming that the consideration is paid solely by delivery of shares, the number of shares of Heartland common stock a Community Banc-Corp shareholder will receive for each share of Community Banc-Corp common stock will be this aggregate number of shares of Heartland common stock divided by the number of shares Community Banc-Corp common stock outstanding, assuming all shares of Community Banc-Corp Series C Perpetual, Convertible Preferred Stock, no par value, are converted into common stock at the 4166 2/3 shares for one conversion ratio of the preferred stock. Holders of Community Banc-Corp preferred stock will receive 4166 2/3 multiplied by the number of shares of Heartland common stock to be received by each holder of Community Banc-Corp common stock. Heartland will not issue any fractional shares, but Community Banc-Corp shareholders entitled to a fractional share will instead receive an amount in cash equal to the fraction of a whole share of Heartland common stock to which such shareholder would otherwise be entitled.

If we based these calculations on the financial position of Community Banc-Corp at September 30, 2014 (assuming tax-adjusted transaction expenses of approximately \$381,000 and unaccrued tax-adjusted severance or similar costs of \$3,481,000) and the average closing price of Heartland common stock for the twenty trading days ended December 1, 2014 (the last practicable trading day before the distribution of this document) of \$26.13 per share, a Community Banc-Corp shareholder would receive approximately 0.77 shares of Heartland common stock for each share of Community Banc-Corp common stock and approximately 3,224 shares of Heartland common stock for each share of Community Banc-Corp preferred stock. We provide illustrations of how the financial results of Community Banc-Corp and the closing price of Heartland may affect what you receive in the merger in the attached proxy statement/prospectus under the caption "The Merger Agreement" on page 33. The financial position of Community Banc-Corp and the market price for Heartland common stock will fluctuate prior to the merger. Accordingly, the actual consideration you will receive will be different from these amounts.

The Community Banc-Corp Board of Directors Unanimously Recommends that You Vote "FOR" the Approval and Adoption of The Merger Agreement (Page 20)

The board of directors of Community Banc-Corp believes that the merger is in the best interests of Community Banc-Corp and its shareholders and has unanimously approved the merger agreement. For the factors considered by the Community Banc-Corp board of directors in reaching its decision to approve the merger agreement, see the section entitled "The Merger-Community Banc-Corp's Reasons for the Merger; Recommendation of Community Banc-Corp's Board of Directors."

Community Banc-Corp's Financial Advisor Has Provided an Opinion to the Community Banc-Corp Board of Directors as to the Fairness of the Merger Consideration, from a Financial Point of View, to Community Banc-Corp Shareholders (Page 20)

In deciding to approve the merger, the board of directors of Community Banc-Corp considered the opinion of its financial advisor, Hovde Group, LLC., which was given to the board of directors of Community Banc-Corp on October 15, 2014, that, as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations described in the opinion, the consideration to be paid pursuant to the merger agreement was fair from a financial point of view to the holders of Community Banc-Corp common stock. A copy of this opinion is attached to this document as Appendix C. Community Banc-Corp shareholders should read the opinion completely and carefully to understand the assumptions made, matters considered and limitations on the review undertaken by Hovde in providing its opinion.

Certain Executive Officers Have Financial Interests in the Merger (Page 26)

Some members of management of Community Banc-Corp have interests in the merger that are in addition to or different from their interests as Community Banc-Corp shareholders. These interests exist because of rights they may have under existing employment agreements and executive salary continuation agreements with Community Banc-Corp or its subsidiaries. The Community Banc-Corp board of directors was aware of these interests and considered them in approving the merger agreement and the merger.

Regulatory Approvals We Must Obtain for the Merger (Page 27)

Community Bank & Trust, the wholly owned Wisconsin state bank operating subsidiary of Community Banc-Corp, will merge with and into Wisconsin Bank & Trust, a subsidiary of Heartland through which it conducts banking operations in Wisconsin, simultaneous with the merger of Community Banc-Corp into Heartland. We cannot complete this bank merger unless we file an application with the Federal Deposit Insurance Corporation and the Wisconsin Department of Financial

7

Institutions. 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 Community Banc-Corp into Heartland. Once the FDIC approves the bank merger, we have to wait anywhere from 15 to 30 days before we can complete the bank merger, during which time the U.S. Department of Justice can challenge the merger on antitrust grounds. We will not be able to complete the merger of Community Banc-Corp into Heartland until we receive regulatory approval for the bank merger and these time periods have 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 the combined company after the completion of the merger.

Completion of the Merger is Subject to Satisfying Several Conditions (Page 36)

Community Banc-Corp's 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 holders of a majority of the common shares of Community Banc-Corp;
- the receipt of governmental and regulatory approvals;
- the receipt of all other material notices, consents and waivers from third parties;
- the absence of any judgment, law or governmental order prohibiting or making the merger illegal;
- the effectiveness of the registration statement pursuant to which the Heartland common stock will be registered;
- the truth and correctness of the other party's representations and warranties, subject to the standard of materiality in the merger agreement; and
- the other party's performance in all material respects of all the obligations required to be performed by it under the merger agreement.

An additional condition to Heartland's obligation to complete the merger is that the total number of dissenting shares of Community Banc-Corp common stock cannot be more than 6.0% of the number of outstanding shares of Community Banc-Corp 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 We Can Terminate the Merger Agreement (Page 37)

Community Banc-Corp 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 Community Banc-Corp shareholders, if a majority of the board of directors of each of Community Banc-Corp and Heartland votes to do so.

In addition, either Heartland or Community Banc-Corp 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 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 March 31, 2015, unless the failure to complete the merger is due to the party seeking to terminate the agreement; or

8

if holders of shares representing a majority of the common stock of Community Banc-Corp fail to approve the merger at the special meeting.

Community Banc-Corp may terminate the merger agreement if, prior to the adoption of the agreement by the Community Banc-Corp shareholders, the Community Banc-Corp board of directors determines to enter into an agreement providing for a superior proposal after complying with applicable provisions of the merger agreement (including providing Heartland with five business day's written notice and paying Heartland a \$2 million termination fee). Heartland also may terminate the merger agreement if Community Banc-Corp changes its recommendation to the Community Banc-Corp shareholders to approve the merger agreement, fails to hold a meeting of shareholders to consider the merger agreement after this proxy statement/prospectus has been available for 20 days, or intentionally and materially breaches the prohibition on solicitation. If Heartland terminates in these instances, Community Banc-Corp would be obligated to reimburse Heartland for its costs, and pay Heartland an additional \$2 million termination fee. Community Banc-Corp may also terminate the merger agreement if the average closing price of Heartland common stock is \$32.00 per share or greater, and Heartland may terminate the merger agreement if the average closing price of Heartland common stock is \$20.00 per share or less.

You have Dissenters' Rights under the Wisconsin Business Corporation Law (Page 31)

Pursuant to Sections 1301 to 1331 of the Wisconsin Business Corporation Law ("WBCL"), holders of Community Banc-Corp common stock or preferred 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 Community Banc-Corp common stock and preferred stock individually appraised and paid to them if the merger is completed and if they comply with the requirements of Sections 1301 to 1331 of the WBCL, a copy of which is attached hereto as Appendix B. See "The Merger-Notice of Dissenters' Rights."

Community Banc-Corp Special Meeting (Page 15)

The Community Banc-Corp special meeting will be held at the Town & Country Club, West 1945 County Trunk J, Sheboygan, Wisconsin, at 6:00 P.M. local time, on December 29, 2014. At the Community Banc-Corp special meeting, holders of Community Banc-Corp common stock will be asked:

- to approve and adopt the merger agreement; and

- to approve the adjournment of the Community Banc-Corp special meeting, if necessary or appropriate, to solicit additional proxies.

Record Date. Community Banc-Corp shareholders may cast one vote at the Community Banc-Corp special meeting for each share of Community Banc-Corp common stock owned at the close of business on December 4, 2014. At that date, there were 1,926,907 shares of Community Banc-Corp common stock entitled to be voted at the special meeting. As of the record date for the Community Banc-Corp special meeting, directors and executive officers of Community Banc-Corp and their affiliates had the right to vote 243,577 shares of Community Banc-Corp common stock, or 12.6% of the outstanding Community Banc-Corp common stock entitled to be voted at the special meeting.

Required Vote. To approve and adopt the merger agreement, the holders of a majority of the outstanding shares of Community Banc-Corp common stock entitled to vote must vote in favor of the approval and adoption of the merger agreement. A Community Banc-Corp 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. Holders of Community Banc-Corp preferred stock do not have voting rights with respect to the matters to be considered at the special meeting

The Merger is Intended to be Generally Tax-Free With Respect to the shares of Heartland Common Stock (Page 28)
The merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes, and assuming the merger will so qualify, holders of Community Banc-Corp common stock and preferred stock generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their Community Banc-Corp stock for Heartland common stock in the merger. Gain or loss will result from the receipt by Community Banc-Corp shareholders of cash in the merger, including cash issued for fractional shares of Heartland common stock.

To review the tax consequences to Community Banc-Corp shareholders in greater detail, see “The Merger-Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 28.

Comparative Per Share Data

The following table presents comparative historical per share data of Heartland and Community Banc-Corp and unaudited pro forma per share data that reflect the combination of Heartland and Community Banc-Corp 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 0.77. This exchange ratio is based on the financial position of Community Banc-Corp at September 30, 2014, assuming no income after that date and the maximum deduction for expense (approximately \$3,865,000) and on the average closing price of Heartland common stock for the twenty trading days ending December 1, 2014 of \$26.13. However, as explained in this proxy statement/prospectus, the exchange ratio may go up or down as the tangible shareholders’ equity of Community Banc-Corp changes (including any changes due to income or loss prior to closing that would increase or decrease shareholders’ equity, and any changes in anticipated transaction expenses and severance costs) and the market price of the Heartland common stock changes.

We expect that we will incur merger and integration charges as a result of combining our companies. 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 our companies been combined as of the dates or for the periods presented.

	As of and for the Nine Months Ended September 30, 2104				As of and for the Year Ended December 31, 2013			
	Heartland	Community Banc-Corp	Pro Forma Comb.	Community Banc-Corp Equiv.	Heartland	Community Banc-Corp	Pro Forma Comb.	Community Banc-Corp Equiv.
Net income per common share								
Basic	\$1.57	\$2.03	\$1.65	\$1.27	\$2.08	\$3.42	\$2.26	\$1.74
Diluted	1.55	1.67	1.60	1.23	2.04	2.81	2.19	1.69
Dividends per common share	0.30	—	0.28	0.21	0.40	—	0.37	0.28
Book value per common share	21.74	15.78	21.64	16.67	19.44	13.88	19.34	14.89

All information in the table above for Community Banc-Corp, except for basic earnings per common share and book value per common share, assumes that all 98 shares of Community Banc-Corp preferred stock have been converted into 408,333 additional shares of Community Banc-Corp common stock.

Market Price Information

Heartland common stock is quoted on the NASDAQ Global Select Market under the symbol “HTLF.” Community Banc-Corp common stock is not publicly traded. The following table sets forth the closing sale prices per share of Heartland common stock on October 22, 2014, the last trading day before we announced the merger, and on December 1, 2014, the last practicable trading day before the distribution of this document, and the equivalent price per share of Community Banc-Corp common stock giving effect to the merger.

	Closing Sale Price		
	Heartland Common Stock	Community Banc-Corp Common Stock	Equivalent Price per share of Community Banc-Corp Common Stock
October 22, 2014	\$23.99	(1)	\$18.47
December 1, 2014	\$24.23	(1)	\$18.65

(1) There is no trading market for Community Banc-Corp common stock

The “Equivalent Price per share of Community Banc-Corp 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 0.77, which is the number of shares of Heartland common stock that a Community Banc-Corp shareholder would receive for each share of Community Banc-Corp common stock owned based upon the estimated adjusted tangible shareholders’ equity of Community Banc-Corp at September 30, 2014, and 1,926,907 shares of common stock and 98 shares of preferred stock of Community Banc-Corp outstanding, and the closing sales price as of each respective date. 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 document 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 Community Banc-Corp 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 it contemplates, holders of Community Banc-Corp common stock will be choosing to invest in Heartland because they will receive Heartland common stock in exchange for their shares of Community Banc-Corp 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 in “Forwarding-Looking Statements” beginning on page 14, Community Banc-Corp shareholders should carefully consider the matters described below in “Risk Factors” beginning on page 12 when determining whether to approve the merger agreement and the transactions it contemplates.

Historical Market Prices and Dividend Information

Heartland. The following table sets forth, for the calendar quarter indicated, the high and low closing market prices per share of Heartland common stock as reported on the Nasdaq National Market System, and the dividends per share of Heartland common stock:

Calendar Quarter	High	Low	Dividends
2012:			
First	\$17.70	\$13.37	\$0.10
Second	\$24.00	\$15.10	\$0.10
Third	\$30.00	\$26.50	\$0.10
Fourth	\$28.70	\$24.98	\$0.20
2013:			
First	\$27.58	\$23.13	\$0.10
Second	\$28.00	\$22.29	\$0.10
Third	\$30.00	\$26.50	\$0.10
Fourth	\$29.81	\$26.18	\$0.10
2014:			
First	\$28.10	\$24.52	\$0.10
Second	\$28.02	\$23.34	\$0.10
Third	\$25.28	\$23.37	\$0.10
Through December 1	\$27.05	\$23.46	\$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.

Community Banc-Corp. There is no trading market for shares of common stock of Community Banc-Corp and it does not make a market in its stock. During the past three years, there have been two sales of shares of common stock among holders for a total of 9,000 shares at \$9.25 per share

Community Banc-Corp, like many financial institutions, suffered losses during the recession as a result of provisions for loan losses during 2008, 2009, 2010 and 2011, causing it to seek equity capital through private offerings.

Community Banc-Corp sold 500 shares of its Series B Cumulative Nonvoting Preferred Stock from May 2008

through November 2008, and then allowed conversion of the Series B Preferred Stock into common stock and conducted a private offering of up to \$10 million of

11

its common stock from December 2008 through December 2009 at varying prices equal to 125% of book value. Community Banc-Corp sold an aggregate of 77,261 shares of common stock at an average price of \$19.51 per share through this offering, and allowed conversion of 24 shares of preferred stock at an average price of \$19.90 per share of common stock, in this offering. From November 2011 through December 2012, Community Banc-Corp sold an aggregate of 98 shares of its Series C Perpetual Convertible Preferred Stock in private transactions at a price of \$25,000 per share. These shares which remain outstanding, are convertible at any time into common stock at a price of \$6.00 per share.

From November 2012 through January 2013, Community Banc-Corp sold a total of 55,596 shares of common stock to six investors at \$9.00 per share. In May and June 2013, Community Banc-Corp sold 21,000 shares of common stock to three individuals at \$10.00 per share. In September 2013, Community Banc-Corp issued 35,712 shares of common stock to four individuals upon conversion of subordinated debt securities at a conversion price of \$9.80 per share of common stock. In March through April 2014, Community Banc-Corp sold 19,220 shares to four individuals including two officers, at a price of \$10.19 per share. In August 2014, Community Banc-Corp sold 1,884 shares of its common stock for \$13.27 per share.

Community Banc-Corp has not repurchased any of its shares in the past three years. As part of its ongoing capital preservation plans Community Banc-Corp has not paid dividends since 2008.

RISK FACTORS

By voting in favor of the merger, 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 Community Banc-Corp, 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 changes in the adjusted tangible shareholders' equity of Community Banc-Corp.

The number of shares of Heartland common stock that will be issued in the merger is dependent upon the adjusted tangible shareholders' equity of Community Banc-Corp as of the last day of the month preceding the closing date of the merger. Changes in adjusted tangible shareholders' equity may result from ordinary business conditions or more general market and economic conditions that impact Community Banc-Corp operations. If the adjusted tangible shareholders' equity of Community Banc-Corp declines before the end of the month preceding the closing date, the amount of merger consideration received by a shareholder of Community Banc-Corp in the merger will decline. The merger consideration is subject to reduction for certain expenses and adjustments prior to the closing date. In calculating the adjusted tangible shareholders' equity for purposes of computing the merger consideration, Community Banc-Corp must subtract expenses incurred in connection with the transaction, including expenses associated with obtaining shareholder approval, estimated at between \$381,000 and \$406,000 on a tax adjusted basis; and unaccrued severance costs for six executives estimated at between \$2,729,000 and \$3,481,000 on a tax adjusted basis. To the extent that Community Banc-Corp incurs unanticipated expenses or severance costs prior to the closing of the merger, the amount of merger consideration received by shareholders may decline.

Because of the formula for determining the merger consideration, and because the market price of Heartland common stock may fluctuate, a Community Banc-Corp shareholder cannot be sure of the value of the merger consideration that he or she will receive.

Depending upon the average trading price of Heartland common stock, upon completion of the merger, each share of Community Banc-Corp common stock and preferred stock will be converted into Heartland common stock, or a combination of Heartland common stock and cash, under the terms of the merger agreement. The total value of the

consideration will depend upon Community Banc-Corp's final adjusted tangible shareholders' equity, and will further depend upon the average closing price of Heartland common stock during the 20 trading day measurement period ending on the fifth day prior to completion 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 considerations. Any change in Community Banc-Corp's adjusted tangible shareholders' equity prior to the end of the month preceding completion of the merger and/or in the price of Heartland common stock will affect the merger consideration that a Community Banc-Corp shareholder will receive upon completion of the merger. Further, adjusted tangible shareholders' equity will be adjusted for transaction expenses which could reduce the

amount of merger consideration that a Community Banc-Corp shareholder will receive in the merger. Many of these factors are beyond the control of Community Banc-Corp and Heartland.

You will not know when you vote or decide whether to exercise dissenters' rights 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. Moreover, the market value of Heartland common stock at the time of the merger and afterwards could be substantially higher or lower than the current market value. You are urged to obtain current market quotations for Heartland common stock and to consult with your financial advisors before you vote or decide to exercise dissenters' rights.

The interests of certain management officials of Community Banc-Corp may be different from those of other shareholders.

Community Banc-Corp's current executive officers, including Anthony Jovanovich, Nicholas Nett and Scott Moseley (each of whom is also a director of Community Banc-Corp), Joel Sandee, a current executive of Community Bank & Trust, Paul Farrelly, a former executive of Community Banc-Corp, Richard Gruenke, a former executive and current director of Community Banc-Corp, and Thomas Schueller, a former executive of Community Bank & Trust, have interests in the merger other than their interests as Community Banc-Corp shareholders. These executives and former executives (in the case of all such persons other than Mr. Moseley) have salary continuation agreements that provide them with the right to salary continuation and retirement payments in certain circumstances, in the case of Mr. Nett severance rights under an employment agreement and in the case of Mr. Moseley a letter agreement to pay him \$100,000 if the merger is completed. As part of the negotiation of the merger agreement, Heartland and Community Banc-Corp calculated an agreed upon present value of future benefits under the salary continuation agreements and Mr. Nett's severance rights under his employment agreement and Community Banc-Corp expects that prior to the merger it will either seek the agreement of each such current or former executive with a salary continuation agreement to receive a lump sum pay-out of this present value prior to the merger or fund a Rabbi Trust with such present value so that the Rabbi Trust can fund the bank's payment obligations to the current and former executives. These interests may cause Community Banc-Corp's executive officers to view the merger proposal differently than you may view it. The board of directors of Community Banc-Corp was aware of these interests at the time it approved the merger. See "The Merger-Certain Executive Officers Have Financial Interests in the Merger."

Post-Merger Risks

Difficulties in combining the operations of Community Banc-Corp and Heartland may prevent the combined company from achieving the expected benefits from its acquisition.

The combination of Community Banc-Corp into Heartland may cause Heartland difficulty achieving fully 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 Community Banc-Corp into Heartland;
- maintain existing relationships with depositors so as to minimize withdrawals of deposits after the merger
- maintain and enhance existing relationships with borrowers so as to limit unanticipated losses from loans of Community Banc-Corp;
- control the incremental non-interest expense so as to maintain overall operating efficiencies;
- retain and attract qualified personnel; and
- compete effectively in the communities served by Community Banc-Corp 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 shareholders including the former shareholders of Community Banc-Corp, 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:

13

- 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

We have made forward-looking statements in this document (and in documents to which we 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 our operations or the performance of Heartland after the merger is completed. When we use any of the words "believes," "expects," "anticipates," "plans," "intends," "estimates," "may," "will," "would," "could," or similar expressions, we are making forward-looking statements. Many events or factors could affect the future financial results and performance of Heartland after the merger 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 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 conducts its operations which may be less favorable than expected and may result in, among other things, a deterioration in the credit quality and value of Heartland's 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.

• Heartland's 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 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 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.

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

Heartland's ability to retain key executives and employees and the difficulty that Heartland 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 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 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.

Heartland's independent registered public accounting firm has not examined, compiled or otherwise applied procedures to the forward-looking earnings estimates presented herein and, accordingly, does not express an opinion or any other formal assurance on them. The forward-looking statements included in this proxy statement/prospectus are made only as of the date of this proxy statement/prospectus and Heartland undertakes 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 Securities and Exchange Commission. See “Where You Can Find More Information” on page 57.

THE COMMUNITY BANC-CORP SPECIAL MEETING

Date, Time and Place

The Community Banc-Corp special meeting will be held at the Town & Country Club, West 1945 County Trunk J, Sheboygan, Wisconsin, at 6:00 P.M. local time, on December 29, 2014.

Matters to be Considered

At the Community Banc-Corp Special Meeting, holders of Community Banc-Corp common stock will be asked to:

• approve and adopt the merger agreement; and

• approve the adjournment of the Community Banc-Corp 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 Community Banc-Corp special meeting, regardless of whether you plan to attend the Community Banc-Corp special meeting. If your shares of Community Banc-Corp 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 Community Banc-Corp 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 Community Banc-Corp a written notice of revocation, (ii) delivering to Community Banc-Corp 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 the shareholder may vote in person). All written notices of revocation and other communications with respect to revocation of proxies in connection with the Community Banc-Corp special meeting should be addressed as follows:

Nicholas E. Nett

Executive Vice President, Chief Financial
Officer and Secretary

Community Banc-Corp of Sheboygan, Inc.

604 8th Street
Sheboygan, WI 53081

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

15

All shares of Community Banc-Corp 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 Community Banc-Corp 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

Community Banc-Corp will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Community Banc-Corp will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Community Banc-Corp common stock and secure their voting instructions, if necessary. Community Banc-Corp will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Community Banc-Corp may also use several of its regular employees, who will not be specially compensated, to solicit proxies from holders of Community Banc-Corp common stock, either personally or by telephone, facsimile or letter.

Record Date

The Community Banc-Corp board of directors has fixed the close of business on December 4, 2014 as the record date for determining the holders of Community Banc-Corp common stock entitled to receive notice of and to vote at the Community Banc-Corp special meeting. At that time, 1,926,907 shares of Community Banc-Corp common stock were outstanding, held by approximately 433 holders of record. As of the record date, directors and executive officers of Community Banc-Corp and their affiliates had the right to vote 243,577 shares of Community Banc-Corp common stock representing approximately 12.6% of the shares entitled to vote at the Community Banc-Corp special meeting. Community Banc-Corp currently expects that its directors and executive officers will vote such shares "FOR" approval and adoption of the merger agreement.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Community Banc-Corp common stock 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 Community Banc-Corp common stock. Approval of the proposal relating to the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies requires that the votes cast in favor of the proposal exceed the votes cast in opposition. You are entitled to one vote for each share of Community Banc-Corp common stock you held as of the record date. Holders of Community Banc-Corp preferred stock do not have voting rights with respect to matters to be considered at the special meeting.

Because the affirmative vote of the holders a majority of the outstanding shares of Community Banc-Corp 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 Community Banc-Corp board of directors urges holders of Community Banc-Corp 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

Community Banc-Corp 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 document as Appendix A and is incorporated into this section 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 Community Banc-Corp will be merged with and into Heartland. Each share of Community Banc-Corp common stock and each share of Community Banc-Corp preferred stock outstanding prior to the merger will be converted, upon completion of the merger, into the right to receive Heartland common stock, or a combination of cash and Heartland common stock. Shares of Community Banc-Corp common stock and Community Banc-Corp preferred stock outstanding immediately prior to the merger will be cancelled and represent only the right to receive this consideration after the merger is effective.

Background of the Merger

The following chronology summarizes the key meetings and events that led to Community Banc-Corp signing the merger agreement. In this process, Community Banc-Corp held many conversations, both by telephone and in-person, about possible strategic alternatives. The chronology below covers only the key events leading up to the merger agreement and does not purport to catalogue every conversation among representatives of Community Banc-Corp or between Community Banc-Corp and other parties.

As part of Community Banc-Corp's ongoing strategic planning process, its board of directors and members of its management have regularly reviewed and evaluated its business and operations, competitive position, and strategic plans and alternatives. Given trends in the banking industry, including competition and increasingly complex regulatory and market conditions, Community Banc-Corp's board of directors has discussed from time to time alternatives for the company, including the possibility of combining with another bank holding company.

At a February 28, 2008 meeting, Community Banc-Corp's board of directors decided to engage an investment banking firm after having been approached by several potential merger partners. On March 5, 2008, Community Banc-Corp engaged Hovde Group, LLC to provide financial advisory services as part of the board's strategic planning process. During the next few months, Hovde contacted approximately 14 potential buyers, principally consisting of bank holding companies in the Midwest, concerning their possible interest in acquiring Community Banc-Corp. Most of these companies indicated no interest in a transaction, with none expressing interest at a level that the board considered to be attractive.

As this process continued in 2008, the recession intensified and Community Banc-Corp began to experience a significant increase in its level of non-performing assets. The Community Banc-Corp board of directors decided to cease its efforts to sell the company and focus on improving Community Banc-Corp's balance sheet and financial performance.

In the midst of the recession in 2010, the Community Banc-Corp board of directors considered a possible business combination with a modestly larger financial institution but decided not to continue discussions for various reasons including capital and regulatory constraints.

In the first quarter of 2011, Community Banc-Corp received a proposed letter of intent for an acquisition at a valuation below book value, which the board of directors rejected.

During the period from 2011 through the end of 2013, several parties, including Heartland, conducted loan due diligence to determine an interest level in pursuing a possible acquisition of Community Banc-Corp, but none of these parties made a definitive proposal during this time period.

After the posting of favorable financial results in 2013, three parties, including Heartland, expressed interest in pursuing discussions with Community Banc-Corp. Between April and August 2014, several meetings took place between representatives of Heartland and Community Banc-Corp to provide Heartland with additional information to enable it to make a preliminary evaluation of Community Banc-Corp. The other two parties indicated that the timing

was not good for them to pursue a transaction with Community Banc-Corp and neither party submitted proposed terms for a transaction.

On May 27, 2014, Heartland provided Community Banc-Corp with a preliminary draft of a non-binding letter of intent for an acquisition of Community Banc-Corp by Heartland. Following subsequent discussions over the next two months regarding the proposed terms in the letter of intent, on August 12, 2014, Heartland proposed a revised letter of intent reflecting a significantly higher valuation than Heartland's initial draft. This letter of intent was approved by Community Banc-Corp's board of directors on August 20, 2014 and executed by Heartland and Community Banc-Corp on August 26, 2014.

The letter of intent contemplated a 60-day term for Heartland to conduct due diligence and the parties to negotiate the merger agreement before it would expire. During this period, Heartland completed on-site and off-site due diligence on Community Banc-Corp, its loan portfolio and other items as requested.

On September 15, 2014, Heartland sent a draft of the merger agreement prepared with the assistance of Dorsey & Whitney LLP, Heartland's outside counsel, to Reinhart Boerner Van Deuren s.c., Community Banc-Corp's outside counsel. After several meetings with Community Banc-Corp, Reinhart sent a responsive draft to Dorsey & Whitney on September 29, 2014. During the following three weeks, the terms of the merger agreement were negotiated between the parties.

Community Banc-Corp's board of directors held a meeting on October 15, 2014, with representatives of Hovde and Reinhart attending. Reinhart advised the board of its fiduciary duties in connection with the potential transaction and then reviewed the proposed terms of the merger agreement. Representatives from Hovde made a financial presentation to the board, and responded to questions from members of board with respect to this information and the transaction. At the conclusion of its presentation, Hovde delivered an oral opinion, confirmed in writing by an opinion dated October 15, 2014, that the proposed merger consideration set forth in the merger agreement was fair to the Community Banc-Corp shareholders as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations described in the opinion. By a unanimous vote, Community Banc-Corp's board of directors determined that the merger is in the best interests of Community Banc-Corp and its shareholders, adopted and approved the merger agreement and recommended that the holders of Community Banc-Corp common stock approve the merger agreement.

On October 22, 2014, after the close of trading on the NASDAQ Global Select Market, Heartland and Community Banc-Corp executed and delivered the merger agreement and the following morning Heartland issued a press release announcing the proposed merger.

Community Banc-Corp's Reasons for the Merger and Recommendations of the Board of Community Banc-Corp
At a meeting held on October 15, 2014, Community Banc-Corp's board of directors determined that the merger is in the best interests of Community Banc-Corp and its shareholders. Accordingly, Community Banc-Corp's board of directors, by a unanimous vote, adopted and approved the merger agreement and recommends that holders of Community Banc-Corp common stock vote "FOR" adoption and approval of the merger agreement.

In its deliberations and in making its determination to unanimously adopt and approve the merger agreement, Community Banc-Corp's board of directors evaluated the merger and the merger agreement, in consultation with Community Banc-Corp's management and its financial and legal advisers, and considered a number of factors, including the following:

Its knowledge of Community Banc-Corp's business, operations, financial and regulatory condition, earnings and prospects and of Heartland's business, operations, financial and regulatory condition, earnings and prospects, including the recent performance of Heartland's common stock.

Its knowledge of the current environment in the financial services industry, including economic conditions, regulatory conditions, evolving trends in technology, increasing competition and consolidation trends, and the likely effects of these factors on the potential growth of Community Banc-Corp and Heartland.

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Its belief that the resources and expertise of Heartland as a larger organization will benefit the customers and employees of Community Banc-Corp.

The compatibility of Community Banc-Corp's and Heartland's operating philosophies and the similarities between the markets served by each of Community Banc-Corp and Heartland.

Its review, with the assistance of Community Banc-Corp's financial and legal advisers, of strategic alternatives to the merger, including the prospects of a superior offer from another strategic bidder and the possibility of Community Banc-Corp remaining an independent company.

The prices and premiums paid in other recent acquisitions of financial institutions as presented by Hovde Group, LLC to Community Banc-Corp's board of directors.

An evaluation of the value of the merger consideration (based on recent trading prices for the Heartland common stock) as compared to Community Banc-Corp's financial metrics, including net income and book value.

The fact that shareholders of Community Banc-Corp will receive merger consideration largely or entirely in the form of Heartland common stock, which will allow Community Banc-Corp's shareholders to participate in the future performance of the combined company's business and synergies resulting from the merger.

The fact that Heartland's common stock is publicly traded on the NASDAQ Global Select Market and would provide greater liquidity than Community Banc-Corp's stock, which is not publicly traded.

The cash dividends historically paid by Heartland on its common stock.

The opinion of Hovde Group, LLC that the aggregate merger consideration to be paid in connection with the merger was fair to the shareholders of Community Banc-Corp from a financial point of view as of the date of the issuance of the opinion and subject to the assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde Group, LLC.

The likelihood of the merger receiving treatment as a tax free reorganization for U.S. federal income tax purposes to the extent shares of Community Banc-Corp stock are exchanged for shares of Heartland common stock in the merger. The expected tax treatment of the merger is described in more detail under "- Material U.S. Federal Income Tax Consequences of the Merger."

The financial terms of the merger, including the basis for determining the merger consideration and the valuation of the Heartland common stock.

The allocation of the merger consideration between the Community Banc-Corp preferred stock and the Community Banc-Corp common stock, which is based on the conversion ratio for the preferred stock.

Community Banc-Corp's right to terminate the merger agreement if the average trading price of the Heartland common stock is \$32 or greater and Heartland's right to terminate the merger agreement if the average closing price of the Heartland common stock is \$20 or less.

The regulatory and other approvals required in connection with the merger and the likelihood that the approvals needed to complete the merger will be obtained within a reasonable time and without unacceptable conditions.

Community Banc-Corp's board of directors also considered potential risks and uncertainties concerning the merger in connection with its deliberations regarding the proposed transaction, including the following:

- The challenges of integrating the business, assets and workforce of Community Banc-Corp with those of Heartland.
- Restrictions in the merger agreement on the Community Banc-Corp's operations prior to completion of the transaction.
- The costs involved in connection with the merger and the risk of diverting management's attention and resources from other opportunities and operational matters while working to implement the merger.
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The provisions of the merger agreement restricting Community Banc-Corp's solicitation of third party acquisition proposals, requiring Community Banc-Corp to hold a special meeting of its shareholders to vote on approval of the merger agreement and providing for the payment of a termination fee of \$2,000,000 in certain circumstances, which Community Banc-Corp's board of directors understood, while potentially limiting the willingness of a third party to propose a competing business combination transaction with Community Banc-Corp, were a condition to Heartland's willingness to enter into the merger agreement.

The fact that some of Community Banc-Corp's directors and executive officers have other interests in the merger that are different from, or in addition to, their interests as Community Banc-Corp shareholders. See "Certain Executive Officers Have Financial Interests in the Merger."

• The risks associated with possible delays in obtaining necessary approvals and the terms of such approvals.

• The fact that any cash portion of the merger consideration would be taxable to the holders of shares of Community Banc-Corp stock for U.S. federal income tax purposes.

After considering these factors, Community Banc-Corp's board of directors believed that, in the aggregate, the potential benefits to the shareholders of Community Banc-Corp resulting from the merger outweigh the risks of the merger. Community Banc-Corp's board of directors collectively reached the conclusion to approve the merger agreement after careful consideration of the factors described above and other factors that the members of Community Banc-Corp's board of directors believed to be appropriate.

The foregoing discussion of the factors considered by Community Banc-Corp's board of directors is not intended to be exhaustive, but is believed to include all material factors considered by Community Banc-Corp's board of directors. In view of the variety of factors considered by Community Banc-Corp's board of directors in connection with its evaluation of the proposed merger and the complexity of the negotiation of the merger agreement, Community Banc-Corp's board of directors did not consider it practical, and did not, quantify, rank or otherwise assign relative weights to the specific factors it considered in approving the transaction and reaching its recommendation. Rather, Community Banc-Corp's board of directors made its decision to adopt and approve the merger agreement and make its recommendation that Community Banc-Corp's shareholders approve the merger agreement based on the totality of information presented and the investigation conducted by Community Banc-Corp's board of directors and its legal and financial advisers. In considering the factors discussed above, individual members of Community Banc-Corp's board of directors applied their own judgment and may have given different weights to different factors.

For the reasons described above, Community Banc-Corp's board of directors recommends that holders of Community Banc-Corp common stock vote "FOR" adoption and approval of the merger agreement.

Opinion of Community Banc-Corp's Financial Advisor

The fairness opinion of Community Banc-Corp's financial advisor, Hovde Group, LLC, is described below. The description contains projections, estimates and other forward-looking statements about the future earnings or other measures of the future performance of Community Banc-Corp. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. You should not rely on any of these statements as having been made or adopted by Community Banc-Corp or Heartland. You should review the copy of the fairness opinion, which is attached as Appendix C.

Hovde has acted as Community Banc-Corp's financial advisor in connection with the proposed merger. Hovde is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Community Banc-Corp and its operations. As part of its investment banking business, Hovde is continually engaged in the valuation of businesses and their securities in connection with, among other things, mergers and acquisitions.

Hovde reviewed the financial aspects of the proposed merger with Community Banc-Corp's board of directors, and, on October 15, 2014, delivered a written opinion to Community Banc-Corp's board of directors that the aggregate merger consideration to be paid in connection with the merger was fair to the shareholders of Community Banc-Corp from a financial point of view.

The full text of Hovde's written opinion is included in this proxy statement as Appendix C and is incorporated herein by reference. You are urged to read the opinion in its entirety for a description of the procedures followed,

assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde. The summary of the opinion of Hovde set forth in this proxy statement is qualified in its entirety by reference to the full text of such opinion. Hovde's opinion is directed to Community Banc-Corp's board of directors and addresses only the fairness, from a financial point of view, of the aggregate merger consideration to be paid in connection with the merger to Community Banc-Corp's shareholders. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any of the shareholders as to how such shareholder should vote at the special meeting on the merger or any related matter.

During the course of its engagement, and as a basis for arriving at its opinion, Hovde reviewed and analyzed material bearing upon the financial and operating conditions of Community Banc-Corp and Heartland and material prepared in connection with the merger, including, among other things, the following:

a draft of the merger agreement dated October 10, 2014, as provided to Hovde by Community Banc-Corp;

certain unaudited financial statements for Community Banc-Corp and Heartland for the nine-month period ended September 30, 2014;

certain historical annual reports of each of Community Banc-Corp and Heartland, including audited annual reports for Community Banc-Corp and Heartland for the year ended December 31, 2013;

certain historical publicly available business and financial information concerning each of Community Banc-Corp and Heartland;

certain internal financial statements and other financial and operating data concerning of Community Banc-Corp, including, without limitation, internal financial analyses and forecasts prepared by management of Community Banc-Corp, and held discussions with senior management of Community Banc-Corp regarding recent developments and regulatory matters;

financial projections prepared by certain members of senior management of Community Banc-Corp;

the terms of recent merger, acquisition and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that we considered relevant;

the general economic, market and financial conditions; and

certain publicly available financial and stock market data relating to selected public companies that Hovde deemed relevant to its analysis.

Additionally, Hovde held discussions with members of senior management of Community Banc-Corp for purposes of reviewing the business, financial condition, results of operations and future prospects of Community Banc-Corp, as well as the history and past and current operations of Community Banc-Corp, Community Banc-Corp's historical financial performance and Community Banc-Corp's outlook and future prospects. In addition, Hovde held discussions with senior management of Community Banc-Corp regarding recent business developments and regulatory matters. Hovde also discussed with management of Community Banc-Corp its assessment of the rationale for the merger. Hovde also performed such other analyses and considered such other factors as Hovde deemed appropriate and took into account its experience in other transactions, as well as its knowledge of the banking and financial services industry and its general experience in securities valuations.

In rendering its opinion, Hovde assumed, without independent verification, the accuracy and completeness of the financial and other information and representations contained in the materials provided to it by Community Banc-Corp and in the discussions it had with the management of Community Banc-Corp. Hovde relied upon the reasonableness and achievability of the financial forecasts and projections (and the assumptions and bases therein) provided to Hovde by Community Banc-Corp and assumed that the financial forecasts, including without limitation, the projections regarding under-performing and non-performing assets and net charge-offs, were reasonably prepared by Community Banc-Corp on a basis reflecting the best currently available information and judgments and estimates by Community Banc-Corp, and that such forecasts will be realized in the amounts and at the times contemplated thereby. Hovde did not assume any responsibility to verify such information or assumptions independently.

Hovde is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for loan losses with respect thereto. Hovde assumed that such allowances for Community Banc-Corp and Heartland are, in the aggregate, adequate to cover such losses, and will be adequate on a pro forma basis for the combined entity. Hovde was not requested to conduct, and did not conduct, an independent evaluation, physical inspection or appraisal of the assets, properties, facilities or liabilities (contingent or otherwise) of Community Banc-Corp or Heartland, the collateral securing any such assets or liabilities, or the collectability of any such assets, and Hovde was not furnished with any such evaluations or appraisals, nor did Hovde review any loan or credit files of Community Banc-Corp or Heartland.

Hovde assumed that the merger will be consummated substantially in accordance with the terms set forth in the merger agreement, without any waiver of material terms or conditions by Community Banc-Corp or any other party to the merger agreement, and that the final merger agreement would not differ materially from the draft Hovde reviewed. Hovde assumed that the merger is, and will be, in compliance with all laws and regulations that are applicable to Community Banc-Corp and Heartland. Community Banc-Corp has advised Hovde that there are no factors that would impede any necessary regulatory or governmental approval of the merger. Hovde further assumed that, in the course of obtaining the necessary regulatory and government approvals, no restriction will be imposed on Community Banc-Corp or Heartland that would have a material adverse effect on the contemplated benefits of the merger. Hovde also assumed that no changes in applicable law or regulation will occur that will cause a material adverse change in the prospects or operations of Community Banc-Corp and Heartland after the merger.

Community Banc-Corp engaged Hovde on March 6, 2008, to provide Community Banc-Corp with financial advisory services. Pursuant to the terms of the engagement, Hovde will receive consideration from Community Banc-Corp for services provided, including a fee of \$25,000 for the delivery of its fairness opinion regardless of the conclusions reached in such opinion (such fee to be creditable against the completion fee described below). At the time the merger is completed, Community Banc-Corp will pay Hovde a completion fee, which is contingent upon the completion of the merger. Based upon the projected merger consideration determined using the assumptions described under “The Merger Agreement-The Merger” on page 34 of this proxy statement/prospectus, Hovde’s completion fee would range from approximately \$426,000 to approximately \$467,000. Pursuant to the engagement agreement, in addition to its fees and regardless of whether the merger is consummated, Community Banc-Corp has agreed to reimburse Hovde for certain reasonable out-of-pocket expenses incurred in performing its services and to indemnify Hovde against certain claims, losses, and expenses arising out of the merger or Hovde’s engagement.

In performing its analyses, Hovde made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Hovde and Community Banc-Corp and Heartland. Hovde’s opinion was necessarily based on financial, economic, market, and other conditions and circumstances as they existed on, and on the information made available to Hovde as of, the dates used in its opinion. Hovde has no obligation to update or reaffirm its opinion at any time. Any estimates contained in the analyses performed by Hovde are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities may be sold or the prices at which any securities may trade at any time in the future. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Hovde’s opinion does not address the relative merits of the merger as compared to any other business combination in which Community Banc-Corp might engage. In addition, Hovde’s fairness opinion was among several factors taken into consideration by Community Banc-Corp’s board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as solely determinative of the decision of Community Banc-Corp’s board of directors or Community Banc-Corp’s management with respect to the fairness of the aggregate merger consideration to be paid, or any consideration to be received, in connection with the merger.

The following is a summary of the material analyses prepared by Hovde and delivered to Community Banc-Corp’s board of directors on October 15, 2014, in connection with the fairness opinion. This summary is not a complete description of the analyses underlying the fairness opinion or the presentation prepared by Hovde, but it summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Hovde did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include the information presented in tabular format. The analyses and the summary of the analyses must be considered as a whole, and selecting portions of the analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the

methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying the analyses and opinion of Hovde. The tables alone are not a complete description of the financial analyses.

Precedent Transactions Analysis. As part of its analysis, Hovde reviewed publicly available information related to three comparable groups, Group A, Group B, and Group C, of select acquisition transactions of banks. Group A consisted of acquisition transactions of banks headquartered in the Upper Midwest region of the United States (consisting of the states of Illinois, Iowa, Michigan, Minnesota, and Wisconsin) announced since January 1, 2012, in which the target had assets between \$300 million and \$1.0 billion, non-performing assets less than 6.0% of total assets, and a return on average assets greater than

0.0% over the last twelve months. Group B consisted of acquisition transactions of banks headquartered in the Midwest region of the United States (consisting of the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin) announced since January 1, 2012, in which the target had assets between \$300 million and \$1.0 billion, non-performing assets less than 6.0% of total assets, and a return on average assets greater than 0.5% over the last twelve months. Group C consisted of acquisition transactions of banks in the United States announced since January 1, 2012, in which the target had assets between \$300 million and \$1.0 billion, non performing assets less than 6.0% of total assets, a return on average assets greater than 0.0% over the last twelve months, and a tangible equity-to-tangible assets ratio less than 7.0%. Information for the target institutions was based on data as of the most recent quarter prior to announcement of the transaction. The resulting three groups consisted of the following transactions: seven transactions for Group A; eleven transactions for Group B; and six transactions for Group C:

Group A:

Buyer (State)

Old National Bancorp (IN)

First Midwest Bancorp, Inc. (IL)

Auto Club Insurance Association (MI)

Old National Bancorp (IL)

Triumph Consolidated Cos., LLC (TX)

Wintrust Financial Corporation (IL)

National Australia Bank, Limited

Group B:

Buyer (State)

Peoples Bancorp Inc. (OH)

Old National Bancorp (IN)

First Midwest Bancorp, Inc. (IL)

Auto Club Insurance Association (MI)

Old National Bancorp (IL)

Huntington Bancshares Incorporated (OH)

Old National Bancorp (IN)

Heartland Financial USA, Inc. (IA)

Triumph Consolidated Cos., LLC (TX)

CNB Financial Corporation (PA)

National Australia Bank, Limited

Group C:

Buyer (State)

Community Bank Shares of Indiana, Inc. (IN)

Heartland Financial USA, Inc. (IA)

Ameris Bancorp (GA)

Triumph Consolidated Cos., LLC (TX)

Equity Bancshares, Inc. (KS)

Carlisle Bancshares, Inc. (TX)

Target (State)

Founders Financial Corporation (MI)

Great Lakes Financial Resources, Inc. (IL)

National Bancorp, Inc. (IL)

United Bancorp, Inc. (MI)

National Bancshares, Inc. (IA)

HPK Financial Corporation (IL)

North Central Bancshares, Inc. (IA)

Target (State)

NB&T Financial Group, Inc. (OH)

Founders Financial Corporation (MI)

Great Lakes Financial Resources, Inc. (IL)

National Bancorp, Inc. (IL)

United Bancorp, Inc. (MI)

Camco Financial Corporation (OH)

Tower Financial Corporation (IN)

Morrill Bancshares, Inc. (KS)

National Bancshares, Inc. (IA)

FC Banc Corp. (OH)

North Central Bancshares, Inc. (IA)

Target (State)

First Financial Service Corporation (KY)

Morrill Bancshares, Inc. (KS)

Prosperity Banking Company (FL)

National Bancshares, Inc. (IA)

First Community Bancshares, Inc. (KS)

Northstar Financial Corporation (TX)

For each precedent transaction, Hovde derived and compared the median implied ratio of deal value to certain financial characteristics of Community Banc-Corp as follows:

• the multiple of the purchase consideration to the acquired company's book value (the "Price to-Book Value Multiple");

• the multiple of the purchase consideration to the acquired company's tangible book value (the "Price-to-Tangible Book Value Multiple");

the multiple of the purchase consideration to the acquired company's last twelve months' net income (the "Price-to-LTM Earnings Multiple"); and

23

the multiple of the difference between the purchase consideration and the acquired company's tangible book value to the acquired company's core deposits (the "Premium-to-Core Deposits Multiple").

The results of the analysis are set forth in the table below. Transaction multiples for the merger were derived from implied estimated aggregate merger consideration of approximately \$47.322 million for Community Banc-Corp based on September 30, 2014 financials for Community Banc-Corp.

Implied Value for Community Banc-Corp Based On:	Implied Transaction Value (\$mm)	Price-to-Book Value Multiple	Price-to-Tangible Book Value Multiple	Price-to-LTM Earnings Multiple ⁽¹⁾	Premium-to-Core Deposits Multiple ⁽²⁾
Merger Agreement	\$47.3	144.1%	144.1%	13.7x	3.7%
Group A Median:	\$42.9	113.1%	117.5%	15.7x	2.2%
Group B Median:	\$44.8	120.3%	124.9%	15.7x	2.9%
Group C Median:	\$37.8	98.5%	110.4%	14.0x	0.3%

(1) Income of Subchapter-S companies was adjusted to reflect C-Corporation taxation at an effective rate of 40%. Community Banc-Corp's LTM earnings are adjusted to eliminate a tax-effected \$968 thousand securities gain and the \$650 thousand gain on the branch sale, both of which were recognized in 2014 Q1; as these are one-time items that a buyer typically would not deem to be core earnings, it is necessary to eliminate them to avoid skewing the pricing multiples for purposes of analysis.

(2) Core deposits include all deposits less time deposits with balances above \$100 thousand.

Using publicly available information, Hovde compared the financial performance of Community Banc-Corp with that of the median of the targets sold in precedent transaction Groups A, B, and C. The targets' performance highlights in Groups A, B, and C are based on financial information as of the quarter-end preceding announcement of each transaction. Community Banc-Corp's performance highlights are based on the quarter-end information as of September 30, 2014.

	Tang. Equity/ Tang. Assets	Core Deposits	LTM ⁽¹⁾ ROAA	LTM ⁽¹⁾ ROAE	Effic. Ratio	Nonint. Inc. / Avg. Assets	NPAs/ Assets	LLR/ NPLs
Community Banc-Corp	6.24%	92.29%	0.66%	12.30%	63.50%	1.91%	3.27%	62.94%
Group A Median:	8.95%	88.31%	0.76%	7.91%	71.11%	1.24%	2.80%	54.63%
Group B Median:	9.03%	88.52%	0.85%	10.52%	71.11%	1.24%	2.79%	58.24%
Group C Median:	5.96%	83.58%	0.42%	7.90%	80.24%	1.07%	3.99%	45.67%

(1) Income of Subchapter-S companies was adjusted to reflect C-Corporation taxation at an effective rate of 40.0%. Community Banc-Corp's LTM earnings are adjusted to eliminate a tax-effected \$968 thousand securities gain and the \$650 thousand gain on the branch sale, both of which were recognized in 2014 Q1; as these are one-time items that a buyer typically would not deem to be core earnings, it is necessary to eliminate them to avoid skewing the pricing multiples for purposes of analysis.

No company or transaction used as a comparison in the above transaction analyses is identical to Community Banc-Corp, and no transaction was consummated on terms identical to the terms of the merger agreement. Accordingly, an analysis of these results is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies. Discounted Cash Flow Analysis. Taking into account various factors including, but not limited to, the recent performance of Community Banc-Corp, the current banking environment and the local economy in which Community Banc-Corp operates, Hovde utilized earnings estimates for a forward-looking five-year period with the assistance of information, projections and guidance provided by the management of Community Banc-Corp

Hovde applied the assumptions and estimates for years 2014 to 2019. Management and Hovde assumed asset growth of 2% in 2015, 2016, 2017, 2018 and 2019, and based on this, projected net income for 2015, 2016, 2017, 2018 and 2019 of \$5.7 million, \$6.0 million, \$6.1 million, \$6.2 million, and \$6.3 million, respectively. Management assumed a distribution to shareholders equal to 22.5% of net income in 2016, 2017, 2018 and 2019.

In order to determine a value for Community Banc-Corp on a discounted cash flow (“DCF”) basis, Hovde utilized three different methods of discounted cash flow analysis: (a) present value of future free cash flows into perpetuity at a terminal growth rate of 2%, (b) present value of future free cash flows based off of a terminal price-to-LTM earnings takeout multiple of 14.0x, and (c) present value of future free cash flows based off of a terminal price-to-tangible book value takeout multiple of 1.10x. In order to derive the terminal value in the takeout multiple methods, Hovde multiplied Community Banc-Corp’s projected 2019 earnings and tangible book value by their respective takeout multiples, as mentioned above. The LTM earnings takeout multiple was derived from the median LTM earnings multiple from precedent transactions in Group C. Similarly, the tangible book value takeout multiple was derived from the median tangible book value multiple from precedent transactions in Group C. In all three discounted cash flow analyses, Hovde employed a range of discount rates between 14% and 16%. These rates were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Community Banc-Corp’s common stock.

The discounted cash flow analyses and their underlying assumptions yielded different values for Community Banc-Corp, which are outlined in the table below:

Implied Value for
Community Banc-Corp
Based On: