
Section 1: 8-K (8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 of 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

June 9, 2020

Heartland Financial USA, Inc.

(Exact name of Registrant as specified in its charter)

Commission File Number: 001-15393

Delaware

(State or other jurisdiction of incorporation)

42-1405748

(I.R.S. Employer Identification Number)

1398 Central Avenue
Dubuque, Iowa 52001

(Address of principal executive offices)

(563) 589-2100

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	HTLF	Nasdaq Stock Market

Item 7.01 Regulation FD Disclosure

On June 9, 2020, Heartland Financial USA, Inc. (“Heartland”) issued a press release announcing that Arizona Bank & Trust (AB&T”), a wholly owned subsidiary of Heartland, entered into a purchase and assumption agreement, pursuant to which AB&T will acquire certain assets and will assume substantially all of the deposits and certain other liabilities of Johnson Bank’s Arizona banking operations (the “Branch Acquisition”). A copy of the press release announcing the Branch Acquisition is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The press release is furnished pursuant to Item 7.01 as part of this Current Report on Form 8-K and is not to be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such Section 18.

Item 8.01 Other Events

Arizona Branch Acquisition

On June 9, 2020, Arizona Bank & Trust (“AB&T”), a wholly-owned subsidiary of Heartland Financial USA, Inc. (“Heartland”) headquartered in Phoenix, Arizona, entered into a purchase and assumption agreement, pursuant to which AB&T will acquire certain assets and will assume substantially all of the deposits and certain other liabilities of Johnson Bank’s Arizona banking operations (the “Branch Acquisition”). Johnson Bank is a wholly owned subsidiary of Racine, WI-based Johnson Financial Group, Inc. (“JFG”). Under the terms of the purchase and assumption agreement, AB&T will acquire Johnson Bank’s four Arizona banking centers, which had deposits of approximately \$362 million and loans of approximately \$186 million as of March 31, 2020. The actual amount of deposits assumed and loans acquired will be determined at closing.

The Branch Acquisition is subject to the satisfaction of customary closing conditions, including receipt of bank regulatory approvals. Heartland anticipates that the Branch Acquisition will be completed in the fourth quarter of 2020. Each of AB&T and Johnson Bank have the right to terminate the Merger Agreement if the Branch Acquisition is not completed by December 31, 2020.

Forward-Looking Statements

This release, and future oral and written statements of Heartland and JFG and their management, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about AB&T’s acquisition of Johnson Bank’s Arizona banking operations. These forward-looking statements may include statements about the benefits of the transaction, including anticipated future results, cost savings and accretion to earnings. Risks relating to the acquisition include the following: the businesses of Johnson Bank’s Arizona banking operations and AB&T may not be combined successfully, or such combination may take longer than expected; the cost savings from the acquisition may be less than anticipated; credit and interest rate risks of Johnson Bank’s Arizona banking operations may be greater than anticipated; and various difficulties associated with achieving anticipated future financial results of AB&T after the transaction may occur.

In addition, this release, and future oral and written statements of Heartland and its management, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Heartland’s financial condition, results of operations, plans, objectives, future performance and business. Although these forward-looking statements are based upon the beliefs, expectations and assumptions of Heartland’s management, there are a number of factors, many of which are beyond the ability of management to control or predict, that could cause actual results to differ materially from those in its forward-looking statements. These factors, which are detailed below and in the risk factors in Heartland’s Annual Report on Form 10-K filed with the Securities and Exchange Commission, contained, among others: (i) the strength of the local and national economy, including to the extent that they are affected by the COVID-19 pandemic and related restrictions on business and consumer activities; (ii) the economic impact of past and any future terrorist threats and attacks and any acts of war; (iii) changes in state and federal laws, regulations and governmental policies as they impact the company’s general business, including government programs offering relief from the COVID-19 pandemic; (iv) changes in interest rates and prepayment rates of the company’s assets; (v) increased competition in the financial services sector and the inability to attract new customers; (vi) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vii) the potential impact of acquisitions and Heartland’s ability to successfully integrate acquired banks; (viii) the loss of key executives or employees; (ix) changes in consumer spending, including changes resulting from the COVID-19 pandemic; (x) unexpected outcomes of existing or new litigation involving the company, including claims resulting from our participation in and execution of government programs related to the COVID-19 pandemic; and (xi) changes in accounting policies and practices.

The COVID-19 pandemic is adversely affecting Heartland and its customers, counterparties, employees and third-party service providers. The pandemic’s severity, its duration and the extent of its impact on Heartland’s business, financial condition, results of operations, liquidity and prospects remain uncertain. Continued deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect Heartland’s net income and the value of its assets and liabilities, reduce the availability of funding to Heartland, lead to a tightening of credit and increase stock price volatility. Some economists and investment banks also predict that a recession or depression may result from the continued spread of COVID-19 and the economic consequences.

All statements in this release, including forward-looking statements, speak only as of the date they are made, and Heartland undertakes no obligation to update any statement in light of new information or future events.

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Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Business Acquired.
None.

(b) Pro Forma Financial Information.
None.

(c) Exhibits.

[99.1 Press Release dated June 9, 2020](#)

104 The cover page of this Current Report on Form 8-K, formatted as Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 9, 2020

HEARTLAND FINANCIAL USA, INC.

By: /s/ Bryan R. McKeag
Bryan R. McKeag
Executive Vice President
Chief Financial Officer

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Section 2: EX-99.1 (EX-99.1)



CONTACT:

FOR IMMEDIATE RELEASE

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news

**HEARTLAND FINANCIAL USA, INC. AND JOHNSON FINANCIAL GROUP, INC.
ANNOUNCE THAT ARIZONA BANK & TRUST WILL ACQUIRE
JOHNSON BANK'S ARIZONA BRANCHES**

Dubuque, Iowa, & Racine, Wisconsin, June 9, 2020 — Dubuque, IA-based Heartland Financial USA, Inc. (“Heartland”) (NASDAQ: HTLF) and Racine, WI-based Johnson Financial Group, Inc. (“JFG”) jointly announced today that Arizona Bank & Trust (“AB&T”), a wholly-owned subsidiary of Heartland headquartered in Phoenix, Arizona, has entered into a purchase and assumption agreement, pursuant to which AB&T will acquire certain assets and will assume substantially all of the deposits and certain other liabilities of Johnson Bank’s Arizona operations. Johnson Bank is a wholly-owned subsidiary of JFG. Johnson Insurance Services is not a part of this transaction.

Johnson Bank, which had \$5.52 billion in total assets and \$4.28 billion in deposits as of March 31, 2020, operates more than 40 banking centers in Wisconsin and four full-service banking centers in Phoenix and Scottsdale, Arizona. Under the terms of the purchase and assumption agreement, AB&T will acquire Johnson Bank’s four Arizona banking centers, which had deposits of approximately \$362 million and loans of approximately \$186 million as of March 31, 2020. The actual amount of deposits assumed and loans acquired will be determined at closing.

AB&T had \$866 million in total assets and \$754 million in deposits as of March 31, 2020. It operates six full-service banking centers in the East Valley of the Phoenix market. When the transaction is complete, AB&T will become Heartland’s eighth bank subsidiary to cross a billion in assets with approximately \$1.2 billion in assets and 10 banking centers. AB&T will continue to operate under the Arizona Bank & Trust brand.

After completing the acquisition of Johnson Bank's four Arizona branches and the previously announced acquisition of AIM Bancshares, Inc. in Levelland, TX, Heartland will have total assets over \$15 billion with 143 full-service banking locations operating in 12 states.

"We are growing our presence and adding additional scale in the Phoenix market," said Lynn B. Fuller, Executive Operating Chairman of Heartland. "We are pleased Johnson Bank's Arizona team will be joining with the Arizona Bank & Trust team to expand and continue our success in this market."

Bruce Lee, Heartland's President and CEO, added, "Johnson Bank's four office locations will be a natural fit with the geographic footprint and culture of Arizona Bank & Trust, and we look forward to growing our relationships in the Phoenix market. We extend a warm welcome to Johnson Bank's Arizona customers and employees to our organization. The leadership teams of the two institutions will be integrally working together to preserve our commitment to a quality customer experience. We are very fortunate to be joining two talented teams of commercial banking professionals and staff with an excellent knowledge of the community and the clients they serve."

"We have tremendous respect for the team at Heartland and their community banking values. Heartland's culture is very similar to Johnson Financial Group's culture in the way in which it engages its employees, serves its customers, and supports its communities," said Jim Popp, JFG's President and CEO. "We look forward to the successful transition of our business to a local partner. Our Arizona team has been an integral part of the JFG family for more than 30 years. We are thankful to our Arizona associates for building a strong, vibrant, and diversified business in one of the most dynamic growth markets in the country."

The branch transaction is subject to approval by federal and state bank regulators and to customary closing conditions, and is expected to be completed in the fourth quarter of 2020.

Advisors:

In connection with the transaction, Panoramic Capital Advisors, Inc. served as Heartland's financial advisor and Dorsey & Whitney LLP served as Heartland's legal counsel. Keefe, Bruyette & Woods served as JFG's financial advisor and Reinhart Boerner Van Deuren s.c. served as JFG's legal counsel.

About Heartland Financial USA, Inc.

Heartland is a diversified financial services company with assets of \$13.29 billion as of March 31, 2020. The company provides banking, mortgage, private client, investment, insurance and consumer finance services to individuals and businesses. Heartland currently has 114 banking locations serving 83 communities in Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Kansas, Missouri, Texas and California. Additional information about Heartland Financial USA, Inc. is available at www.htlf.com.

About Arizona Bank & Trust

Arizona Bank & Trust, a wholly-owned subsidiary of Heartland, is a full-service commercial bank with assets of more than \$866 million. Arizona Bank & Trust operates six banking centers across the vibrant Phoenix market. AB&T blends the intimacy and responsiveness of a community bank with the resources of a large financial services company. For more information, visit www.arizonabank.com. AB&T is a member of the FDIC and an Equal Housing Lender.

About Johnson Financial Group, Inc.

Johnson Financial Group, with offices in Wisconsin, Arizona and Minnesota, is a privately owned financial services company offering banking, wealth and insurance solutions through its subsidiaries, Johnson Bank, Johnson Wealth, and Johnson Insurance Services. For more information visit www.johnsonfinancial.com.

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