



# Heartland BancCorp

Columbus, Ohio



OTCQX Financial Services Companies  
2019 Virtual Investor Conference



**(OTCQX: HLAN)**

# Safe Harbor Statement

*This release contains forward-looking statements that reflect management's current views of future events and operations.*

*These forward-looking statements are based on information currently available to the Company as of the date of this release. It is important to note that these forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including, but not limited to, the ability of the Company to implement its strategy and expand its lending operations.*



# Heartland BancCorp

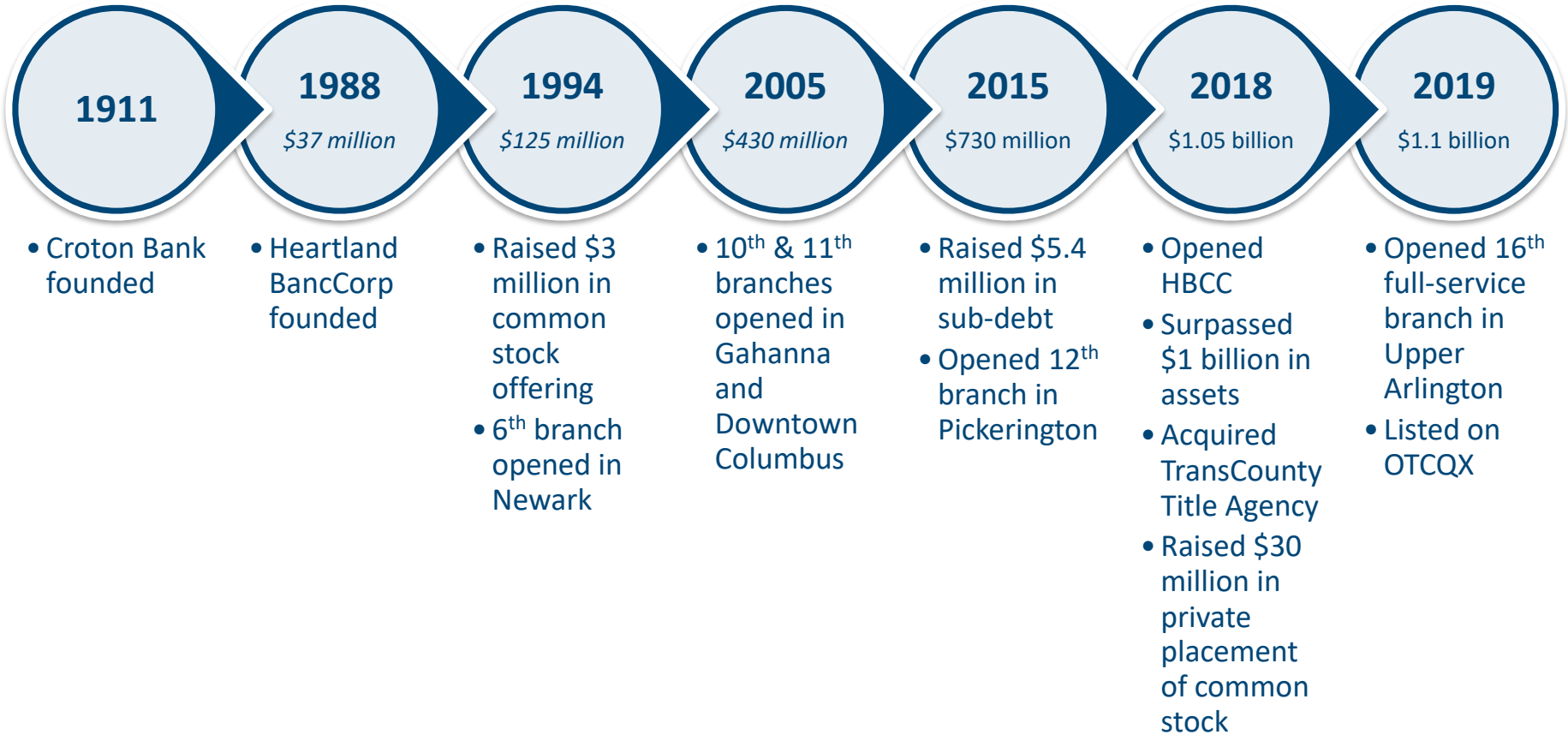
(OTCQX: HLAN)

It is Heartland Bank's mission to provide the best-personalized financial services at competitive prices for the economic growth and well-being of individuals and businesses within our communities. This goal shall be accomplished through well-trained, caring employees, with unquestionable integrity, who practice sound and innovative banking principles, which will maximize bank profits and growth.



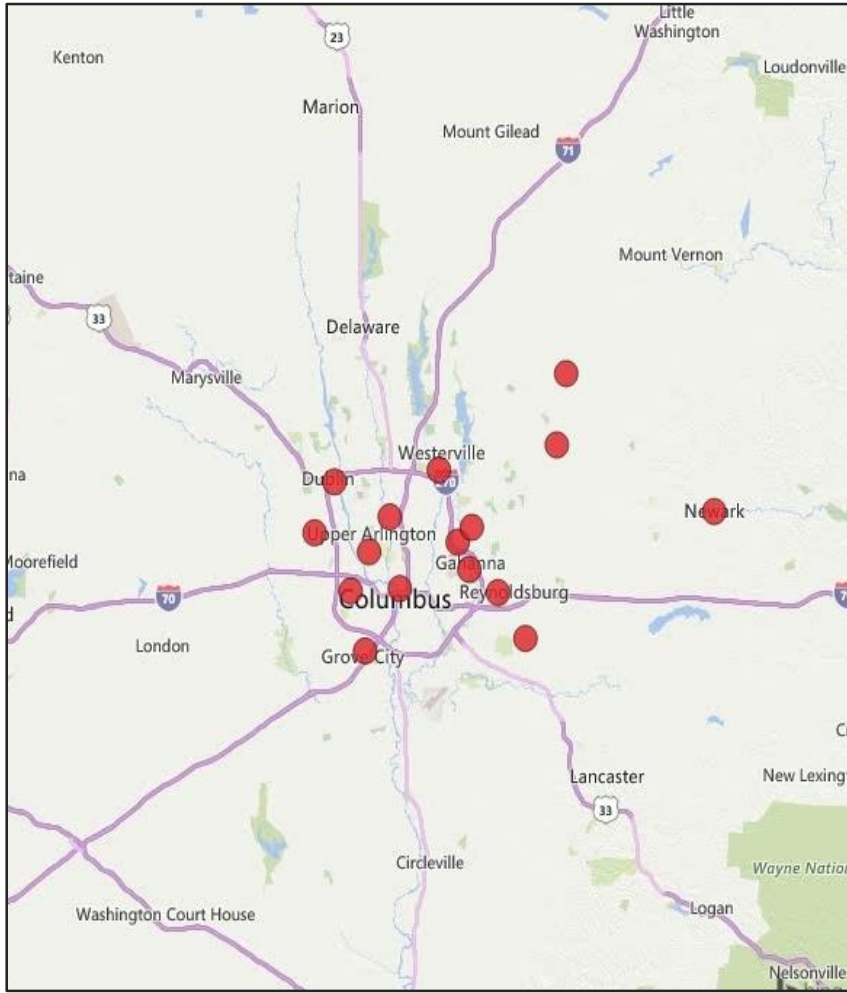
# Heartland BancCorp

(OTCQX: HLAN)



# Overview of Heartland BancCorp

## Branch Footprint<sup>1</sup>



## Financial Snapshot – As of 6/30/2019

### Balance Sheet (\$ in Millions)

Assets	\$1,101.0
Net Loans	\$860.2
Deposits	\$925.9
Equity	\$122.6

### Asset Quality (%)

NPAs / Assets	0.15%
NPLs / Loans	0.22%

### YTD Profitability (%)

ROAA	1.14%
ROAE	10.32%
Net Interest Margin	3.94%
Efficiency Ratio	64.53%



(1) Excludes 3 limited service branches located within retirement centers

# Experienced Management Team



**G. Scott McComb**

Chairman and  
Chief Executive Officer

- Has served as Chairman since 2011 and Chief Executive Officer since 2009
- 20 years with the Bank
- 20 years of banking experience



**Brian T. Mauntel**

President and  
Chief Operating Officer

- Has served as President since April 2019 and Chief Operating Officer since June 2015
- 4 years with the Bank
- 25 years of banking experience



**Carrie Almendinger**

EVP and  
Chief Financial Officer

- Has served as EVP and Chief Financial Officer since April 2015
- 23 years with the Bank
- 27 years of accounting experience



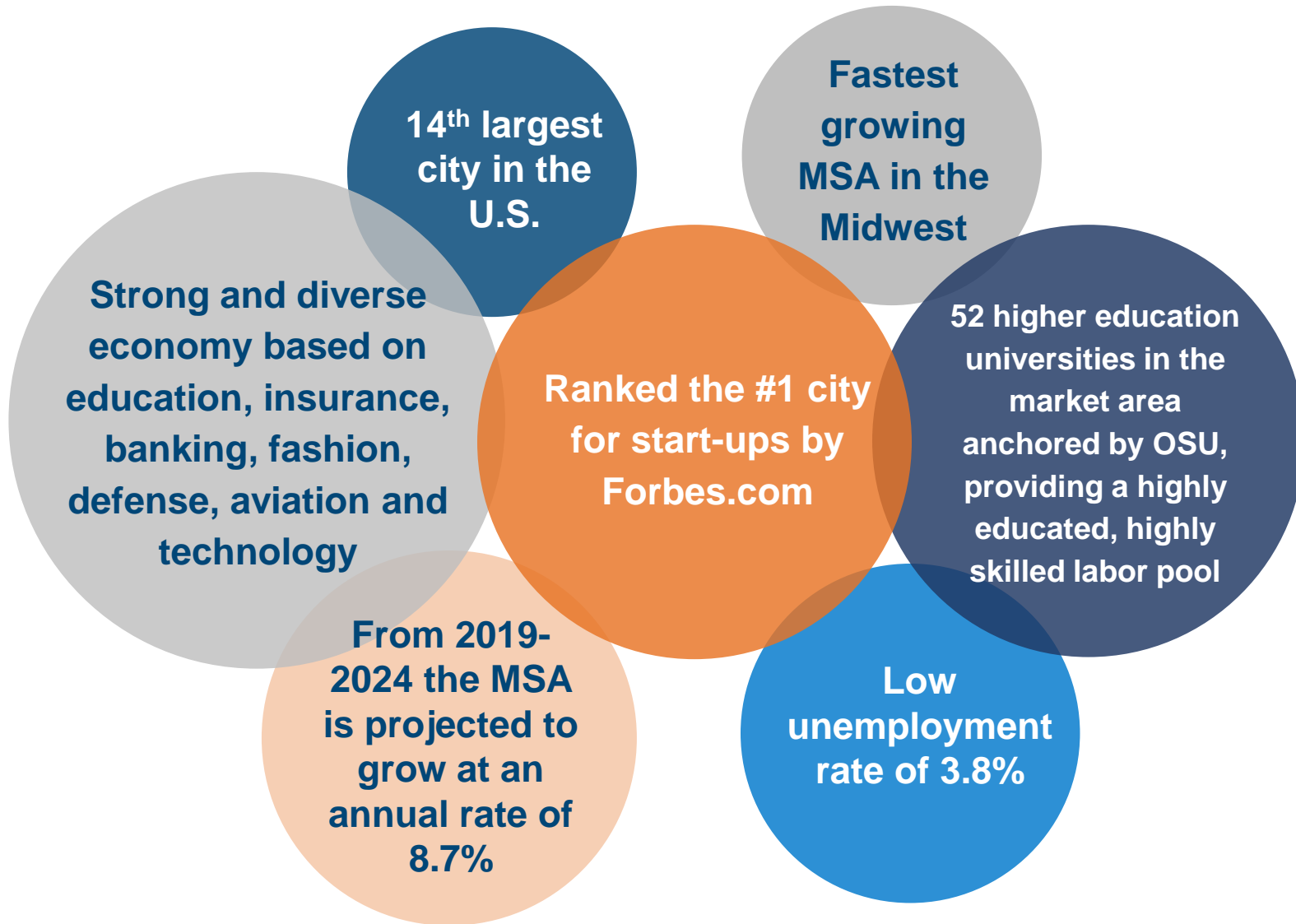
**Jennifer Eckert**

SVP and  
Head of Investor Relations

- Has served as SVP and Head of Investor Relations since January 2015
- 8 years with the Bank
- 24 years of banking experience



# Columbus (OH) MSA - Market Overview



# Vibrant Market Demographics

	HLAN Presence					Market Statistics			
	Market Rank	# of Branches	Deposits in Market (\$000s)	2019 Deposit Market Share	2015 Deposit Market Share	2018 Total Pop. (Actual)	2019-2024 Projected Pop. Change (%)	2018 Median Household Income (\$)	2019-2024 Projected HH Income Change (%)
<b>Franklin County</b>	7	12	769,022	1.53	0.95	1,288,513	5.03	58,980	9.04
<b>Licking County</b>	5	3	136,276	5.04	4.79	173,941	2.79	63,737	8.08
<b>Fairfield County</b>	14	1	29,142	1.26	0.48	154,325	3.54	65,759	11.81
<b>Columbus MSA</b>	8	16	934,440	1.51	1.01	2,075,642	4.45	63,009	8.74





# Heartland BancCorp

## Highlights



**Best Bank in  
Columbus**  
Columbus Dispatch



**Ranked #44 on Top  
200 Community  
Banks & Thrifts list**  
American Banker



**S. McComb  
Community Banker  
of the Year**  
*Eastern Region*  
Independent Community  
Bankers of America



**2018 Bank of the Year**  
Ohio Statewide  
Development Corporation

## Strategic Strengths

### **Team:**

- Leadership team is disciplined, visible, accessible and respected within marketplace
- Experienced leadership team with average tenure of 7.5 years
- Competent & Empowered staff

### **Community Banking Culture and Focus:**

- Flexible business model
- Holistic relationship approach
- Disciplined credit culture

### **Service Offerings:**

- Competitive product offering with full treasury management suite
- Ability to call on middle market companies
- Provide value for our clients to build relationships that last

### **Financial Strength:**

- Profitable each of the past 30 years, since formation of Heartland BancCorp
- Dividend paid consistently for the past 25 years, or 100 consecutive quarters
- Pristine credit quality



# History of Financial Success

From 2015 to 2019...

Strong asset growth driven by organic loan growth

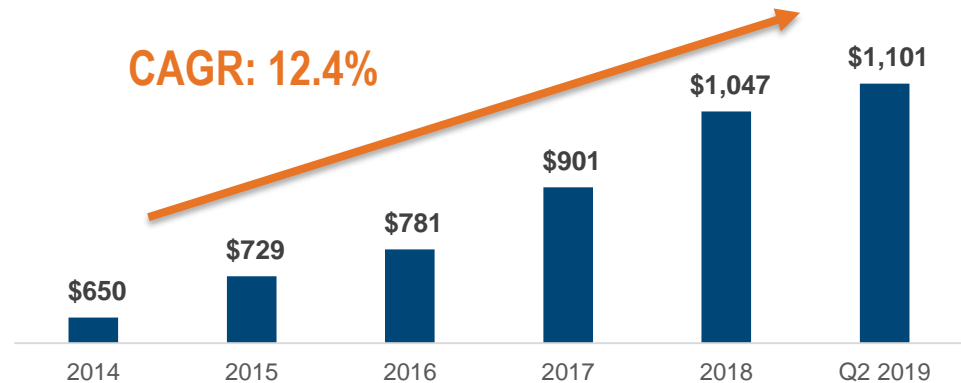
Expanded footprint to 5 new central Ohio communities

Consistent earnings growth, 5-year CAGR of 17.0%

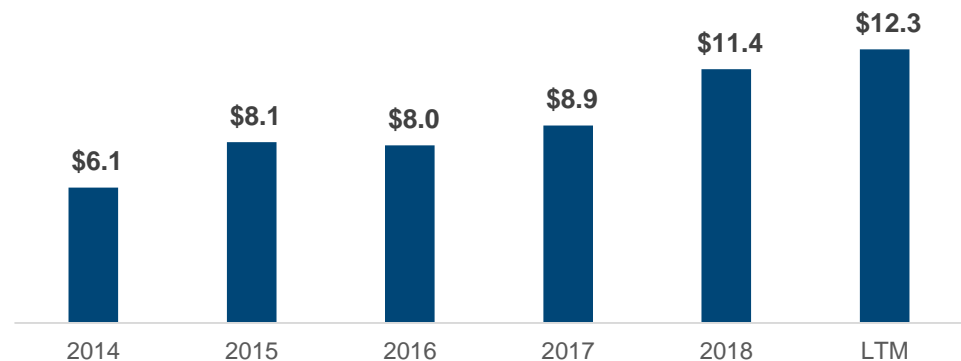
Focus on top quartile performance relative to peers

Diversified revenue with Heartland Planning Associates and TransCounty Title Agency

## Asset Growth (in millions)



## Net Income Growth (in millions)



# Infrastructure Supports Continued Growth

## Growth Strategies

### Acquire new customer relationships

- Continue branch expansion model
- Positioned well for strategic acquisitions
- Technology to enhance digital delivery, expanding reach beyond physical branches

### Retain customers for life

- World class customer experience
- Product offerings to service customer throughout lifecycle –Branch network, digital banking, financial planning, title

### Deepen customer relationships

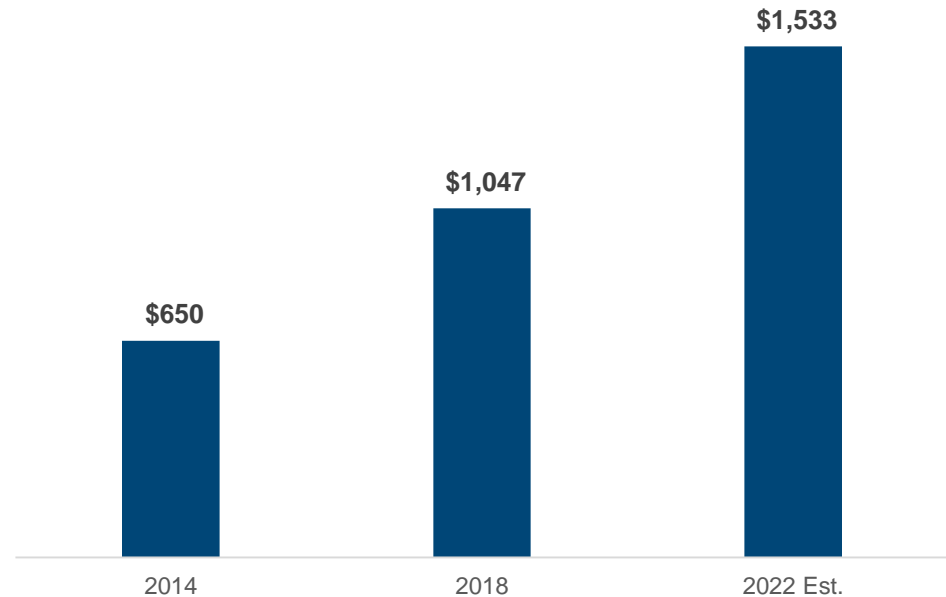
- High touch team approach
- Increase products and services utilized

### Maintain top-notch talent

- Attract and retain talent
- Commitment to associate growth through development and leadership
- Best in class employee benefit offerings

Heartland is focused on expanding in growth markets with strong small business density and exploiting favorable market dynamics. Heartland has invested in an infrastructure to scale beyond \$1.5 billion in assets.

Heartland continues to win by aligning ourselves with clients that understand *value*.



# Disciplined, Robust Loan Growth

## Highlights

Strategic focus on small business companies with \$1 - \$25 million in sales

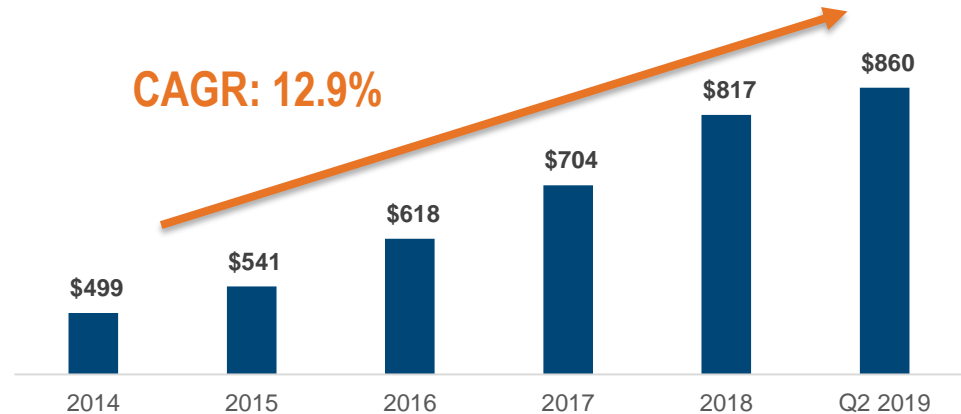
Holistic relationship approach

Consistent, disciplined credit culture during all economic cycles

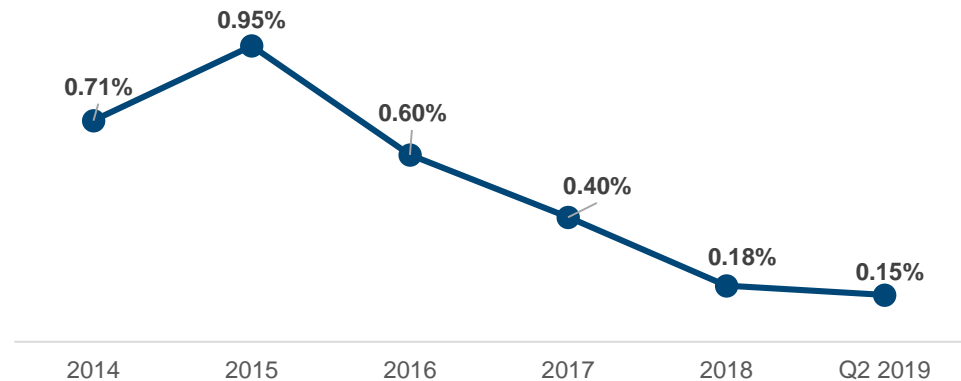
Creation of loan syndication desk

Managed Ag Portfolio of \$147 million, 59% off balance sheet

## Net Loan Growth (in millions)



## NPAs



# Focused, Strong Deposit Growth

## Highlights

Expanded Treasury Management suite to enhance small business offering

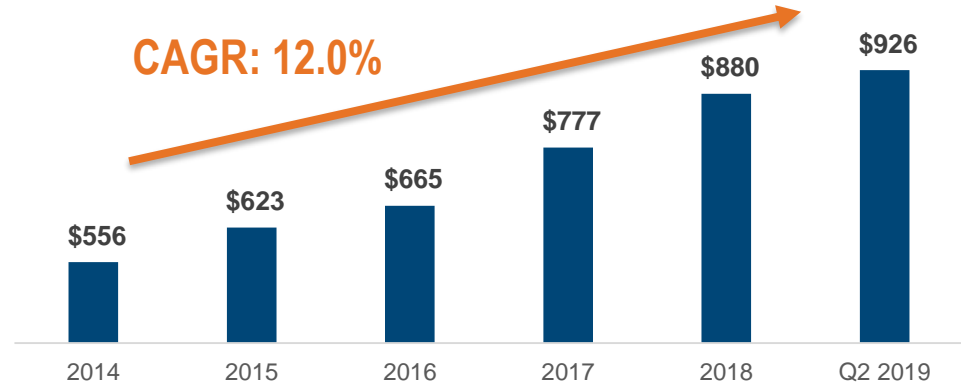
Positive shift in deposit mix, noninterest deposits increased from 19.4% to 23.3%

Providing value to our clients and building relationships

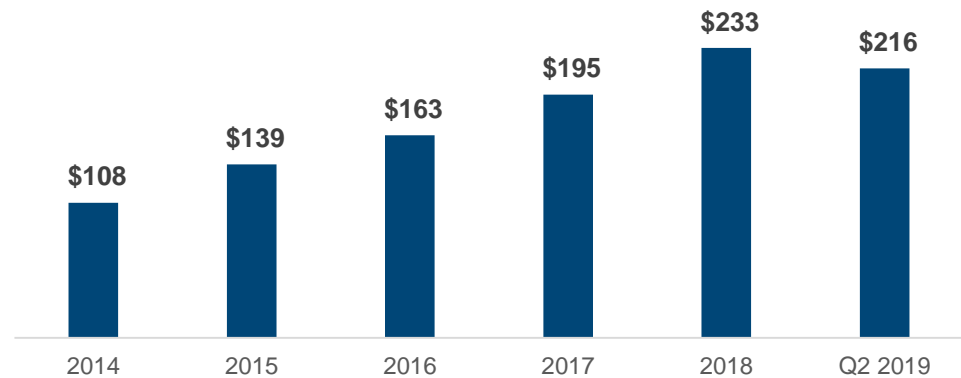
Visible and accessible within the communities that we serve

Creation of new public funds division

## Total Deposit Growth (in millions)

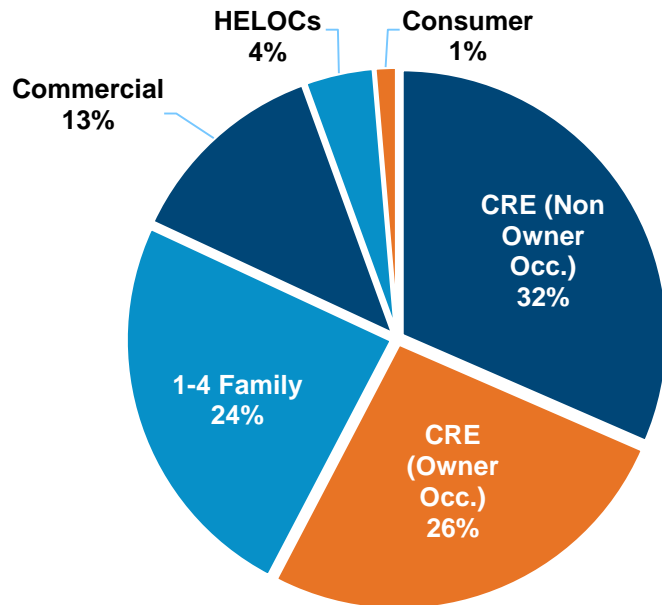


## Noninterest Bearing DDA (in millions)



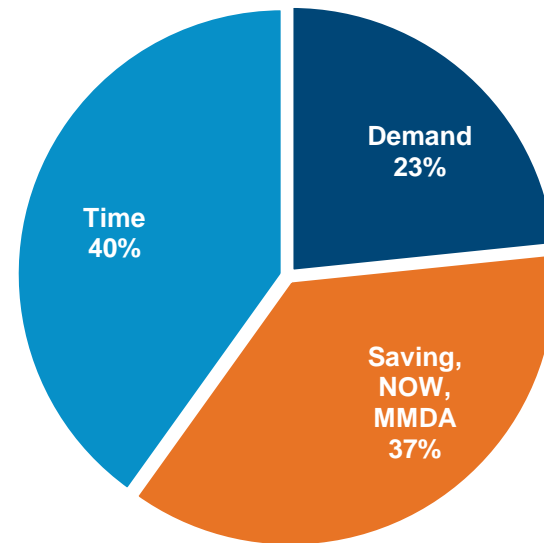
# Diversified Portfolio Mixes

## Total Loan Portfolio



**Yield on Loans: 5.35%**

## Total Deposit Portfolio



**Cost of Deposits: 1.08%**



# Enhancing Shareholder Value & Liquidity

## Highlights

ROAA (MRQ) – 1.17%  
ROAE (MRQ) – 10.51%

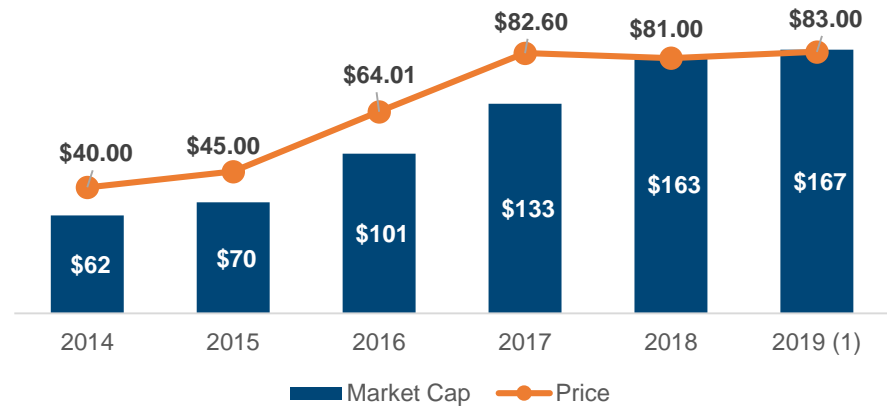
Price/TBV – 138%

P/E Ratio (ttm) – 12.7x

Q4 2018 – Completed \$30 million private placement

Dividend Yield of 2.51%

## Market Cap & Stock Price



(1) As of September 16, 2019

## Dividends Per Share

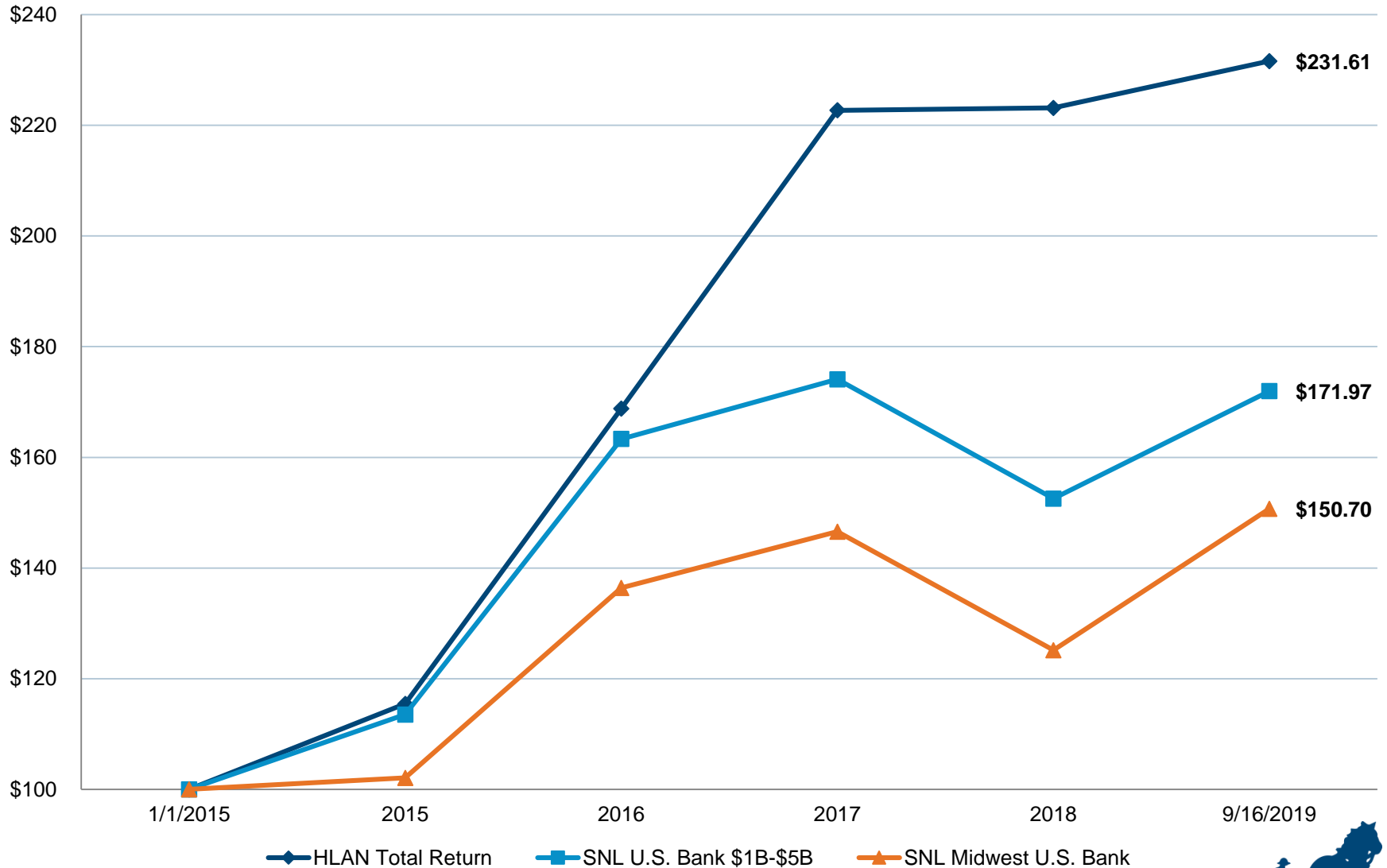


(1) 2019 dividend amount annualized



# Heartland BancCorp Total Return

Value of \$100 invested at January 1, 2015





# Heartland BancCorp (OTCQX: HLAN)

## Investment Metrics

Stock Price	\$83.00
Shares Outstanding	2.02 M
Market Cap	\$167.5 M
P/E Ratio (ttm)	12.7x
TBV per Share (MRQ)	\$60.00
Price/TBV	138%
ROAA (MRQ)	1.17%
ROAE (MRQ)	10.51%
Efficiency Ratio (MRQ)	63.92%
Dividend Yield	2.51%

## Investment Value

*Sustained track record of increased earnings performance - strong NIM, healthy NII, attractive dividend yield*

*Strong management team*

*Infrastructure in place for future expansion*

*Solid credit quality & CRE risk management culture*

*Focus on growing core deposit franchise*

*Enhancing branch efficiency*

*Poised for strategic bank or branch acquisitions*



# Contact Information

## **G. Scott McComb**

Chairman & Chief Executive Officer  
614-337-4600  
Scott.McComb@heartland.bank

## **Brian T. Mauntel**

President & Chief Operating Officer  
614-337-4600  
Brian.Mauntel@heartland.bank

## **Carrie Almendinger**

EVP & Chief Financial Officer  
614-337-4600  
Carrie.Almendinger@heartland.bank

## **Jennifer Eckert**

SVP & Head of Investor Relations  
614-337-4600  
Jennifer.Eckert@heartland.bank





## Appendix

# HLAN Financial Highlights

(Dollars in Thousands)	At or for the year ended,					At or YTD,	
	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	6/30/2018	6/30/2019
<b>Balance Sheet</b>							
Total Assets	649,682	729,497	781,302	900,935	1,047,177	1,002,110	1,101,028
Total Net Loans	498,585	540,958	617,861	703,542	816,783	784,378	860,150
Total Deposits	556,157	622,954	664,674	776,806	880,441	844,425	925,907
Noninterest Bearing Deposits	108,395	139,226	162,690	195,365	232,682	206,013	216,392
Total Equity	60,709	66,661	71,400	78,556	114,985	80,279	122,626
<b>Balance Sheet Ratios</b>							
Loans/Deposits (%)	90.6	87.8	93.8	91.4	93.6	93.7	93.7
TCE/TA	9.29	9.09	9.09	8.68	10.86	7.97	11.01
Leverage Ratio (%)	9.11	9.20	9.14	8.71	11.14	8.52	11.16
Tier 1 Ratio (%)	N/A	11.95	11.39	10.80	13.78	10.13	13.46
Total Capital Ratio (%)	13.86	13.99	13.16	12.42	15.33	11.65	14.97
<b>Income Statement</b>							
Net Interest Income	22,847	25,449	27,758	31,032	35,955	16,933	19,746
Provision for Loan Losses	1,255	760	645	1,095	1,500	750	750
Noninterest Income	3,106	3,950	3,560	4,663	5,264	2,347	3,558
Noninterest Expense	16,331	17,556	19,538	21,649	25,775	12,167	15,039
Net Income	6,081	8,128	7,988	8,873	11,415	5,240	6,128
<b>Profitability Ratios</b>							
ROAA (%)	0.99	1.18	1.05	1.05	1.16	1.11	1.14
ROAE (%)	10.57	12.91	11.49	11.82	13.15	13.25	10.32
Net Interest Margin (%)	4.00	4.02	3.94	3.87	3.90	3.80	3.94
Efficiency Ratio (%)	63.3	59.8	62.8	60.7	62.4	62.9	64.5
<b>Asset Quality</b>							
NPAs/Assets (%)	0.71	0.95	0.60	0.40	0.18	0.84	0.15
NPA Excl. Restructured/Assets (%)	0.40	0.35	0.36	0.21	0.15	0.65	0.12
Nonaccrual Loans/Assets (%)	0.39	0.35	0.31	0.20	0.16	0.66	0.14
NCOs/Avg. Loans (%)	0.13	0.07	0.11	0.09	0.02	0.01	0.04
LLR/Gross Loans (%)	1.06	1.05	0.91	0.88	0.92	0.87	0.92
<b>Per Share Data</b>							
Tangible Book Value per Share	38.79	42.34	44.83	48.51	56.30	48.99	60.00
Earnings per Common Diluted Share	3.87	5.13	4.97	5.40	6.67	3.15	3.00

