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## Heartland BancCorp to Acquire Northern Kentucky/ Cincinnati-Focused Victory Community Bank

Whitehall, OH – December 2, 2019 (GLOBE NEWSWIRE) – Heartland BancCorp (“Heartland”) (OTCQX: HLAN), the holding company for Heartland Bank, an Ohio state member bank, and Victory Bancorp, Inc. (“Victory”), the holding company for Victory Community Bank, a federal savings association with its main office in Ft. Mitchell, Kentucky, today announced the entry into a definitive agreement whereby Victory Community Bank will merge into Heartland Bank, with Heartland Bank surviving (the “merger”). Under the terms of the merger agreement, Victory (as the sole shareholder of Victory Community Bank) will receive 58,934 shares of Heartland common stock and \$35.5 million in cash, subject to adjustment as set forth in the merger agreement, for all shares of Victory Community Bank common stock that Victory owns, resulting in an aggregate transaction value of approximately \$41.1 million based on the closing price of Heartland common stock on November 29, 2019.

The merger has been unanimously approved by the boards of directors of both institutions, Victory (as the sole shareholder of Victory Community Bank) and the shareholders of Victory. The merger is also subject to the receipt of all requisite regulatory approvals and other customary closing conditions and is anticipated to be completed early in the second quarter of 2020. Upon completion of the transaction, John G. “Jack” Kenkel, Jr., currently President and CEO of Victory Community Bank, will join Heartland’s Board of Directors.

The aggregate transaction value equates to approximately 161.3% of Victory’s tangible book value as of September 30, 2019 and 13.0 times its net income for the last twelve months. Based on assumptions prepared by Heartland’s management, the merger is anticipated to be approximately 12.2% accretive to Heartland’s earnings per share (“EPS”) in 2020 and approximately 19.4% accretive to EPS in 2021, resulting in a 3.3-year earnback period. The combined company will have approximately \$1.32 billion in assets.

Victory Community Bank is a 16-year old community bank that serves the Northern Kentucky and Greater Cincinnati area, with a focus on residential mortgage lending. At September 30, 2019, Victory Community Bank had assets of \$179 million, a high-quality loan portfolio of \$154 million, and an attractive deposit base of \$137 million with three banking locations in Boone, Kenton and Campbell counties in Kentucky. Its sister company, Victory Mortgage, which is affiliated with Fischer Homes, has mortgage lending offices in Louisville, Columbus, Indianapolis and Atlanta. As part of the merger, Victory Mortgage has entered into a cooperation agreement with Heartland Bank for certain products and services.

“We are thrilled to have Victory Community Bank and its employees join the Heartland team,” stated G. Scott McComb, Chairman and Chief Executive Officer of Heartland. “This transaction expands Heartland’s presence in the attractive Northern Kentucky and Cincinnati markets and represents a complementary fit, both strategically and culturally, with Heartland’s business model. Victory’s strong non-interest income generation complements our own strategies and its loan portfolio provides diversity to our balance sheet. The combination of our two organizations provides the opportunity to create efficiencies and enhance the value of the combined company while offering Victory customers a broader product offering, increased lending limits and an expanded branch delivery system.”

“Heartland’s ongoing growth strategy over the last several years has been focused on both organic expansion and strategic acquisitions. We are pleased to have found an organization to partner with that aligns with all of our strategic objectives and complements our company so well,” added McComb. “We are excited to leverage our brand of full-service commercial banking with the Northern Kentucky/Cincinnati markets that Victory currently serves.”

“Being able to partner with a strong community bank that is focused on providing great customer service and has a deep commitment to the communities where it operates, is a great opportunity for us,” commented Jack Kenkel. “We look forward to partnering our mortgage business with Heartland for years to come.”

“We believe this strategic partnership with Victory Community Bank will provide the opportunity to attract local talent, grow market share in Northern Kentucky, and present differentiated community banking to the Greater Cincinnati region that is known for entrepreneurial success stories like those of the Fischer and Kenkel families,” said Brian T. Mauntel, President and Chief Operating Officer of Heartland Bank. “Northern Kentucky is where I spent ten years in my career cultivating business friendships and we are thrilled to have a special entry to the region with this opportunity to combine the Victory and Heartland teams.”

Heartland is being advised by D.A. Davidson & Co., as financial advisor, and Hunton Andrews Kurth LLP, as legal counsel. Victory is being advised by Boenning & Scattergood, Inc., as financial advisor, and Dinsmore & Shohl LLP, as legal counsel.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful. The above referenced securities offered and sold by Heartland BancCorp have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold absent registration or an exemption from registration.

### **About Heartland BancCorp**

Heartland BancCorp is a registered Ohio bank holding company that has elected financial holding company status and is the parent of Heartland Bank, which operates 16 full-service banking offices and TransCounty Title Agency, LLC. Heartland BancCorp is currently quoted on the OTC Markets (OTCQX) under the symbol HLAN. Heartland Bank, founded in 1911, provides full-service commercial, small business, and consumer banking services; professional financial planning services; and other financial products and services. Heartland Bank is a member of the Federal Reserve, a member of the FDIC, and an Equal Housing Lender. Learn more about Heartland Bank at [Heartland.Bank](http://Heartland.Bank).

In May 2019, Heartland was ranked #44 on the American Banker Magazine’s list of Top 200 Publicly Traded Community Banks and Thrifts based on three-year average return on equity (“ROE”) as of 12/31/18. In September 2019, Heartland common stock uplisted to the OTCQX® Best Market after previously trading on the OTCQB® Venture Market.

### **About Victory Bancorp, Inc.**

Victory Community Bank was started as a *de novo* bank in 2003 by Jack Kenkel and Henry Fischer. The mission then as it is today is to provide great interest rates accompanied with local service to residents in Northern Kentucky and Greater Cincinnati. It is a market leader in residential mortgage lending.

### **Safe Harbor Statement**

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about (i) the benefits of a merger between Heartland Bank and Victory Community Bank, including future financial and operating results, cost savings enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) Heartland Bank’s and Victory Community Bank’s plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts; and (iii) other statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “targets,” “projects,” or words of similar meaning generally intended to identify forward-looking statements. These forward-looking statements are based upon the current beliefs and expectations of the respective managements of Heartland and Victory and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Heartland and Victory. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements because of possible uncertainties.*

*The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the assumptions and estimates used by Heartland's management include both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments, and thus, may not be realized; (2) the businesses of Heartland Bank and Victory Community Bank may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; (3) the expected growth opportunities or cost savings from the merger may not be fully realized or may take longer to realize than expected; (4) deposit attrition, operating costs, customer losses and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected; (5) the regulatory approvals required for the merger may not be obtained on the proposed terms or on the anticipated schedule; (6) legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which Heartland and Victory are engaged; (7) changes in the interest rate environment may adversely affect net interest income; (8) results may be adversely affected by continued diversification of assets and adverse changes to credit quality; (9) competition from other financial services companies in Heartland Bank's, Victory Community Bank's and Victory Mortgage's markets could adversely affect operations; and (10) the economy could experience a slowdown that could adversely affect credit quality and loan originations.*

*Heartland and Victory caution that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Heartland and Victory or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Heartland and Victory do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.*

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