Risk Factors Comparison 2024-02-23 to 2023-02-23 Form: 10-K

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An investment in our securities is subject to risks inherent in our business. The material risks and uncertainties that management believes affect us are described below. Additional risks and uncertainties that management is not aware of or that management currently deems immaterial may also impair our business operations. If any of the events described in the risk factors occur, our financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of our securities could decline significantly, and you could lose all or part of your investment. Summary of Risk Factors Below is a summary of the principal factors that make an investment in our common stock risky or speculative. This summary does not address all the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in this Form 10- K and our other filings with the SEC, before making an investment decision regarding our common stock. These risks include, but are not limited to, the following: Economic and Overall Market Condition Risks • ~~The current or future pandemics and measures intended to prevent their spread may adversely affect our business activities, financial condition, and results of operations and such effects will depend on future developments, which are highly uncertain and difficult to predict. •~~ Our business and financial performance are significantly affected by general business and economic conditions, including those related to increased inflation, recessionary conditions, or domestic **or** ~~political~~ **geopolitical** factors. • Our business and financial performance depend upon the continued growth and welfare of the various geographic markets that we serve. • Our business and financial performance are vulnerable to the impact of volatility in debt and equity markets. • ~~Changes in interest rates, including continued~~ **Continued** actions by the Federal Reserve Board ~~,~~ **affecting interest rates** and other conditions could negatively impact net interest income ~~,~~ **and** net interest margin ~~, and liquidity. • We may be adversely impacted by the phasing out of the London Interbank Offered Rate (" LIBOR") as a reference rate~~ . • We have recorded goodwill as a result of acquisitions, and if it becomes impaired, our earnings could be significantly impacted. • We have substantial deferred tax assets that could require a valuation allowance and a charge against earnings if we conclude that the tax benefits represented by the assets are unlikely to be realized. • Changes in the federal, state or local tax laws may negatively impact our financial performance. • Our business and financial performance could be adversely affected, directly or indirectly, by natural disasters, pandemics, terrorist activities, domestic disturbances or international hostilities. • Climate change ~~manifesting as~~ **regulation and climate change risks, including** transition, physical or other risks could adversely affect our operations, businesses, customers, reputation and financial condition. • Our framework for managing risks may not be effective in identifying or mitigating risk and losses. Credit Risks • If we do not properly manage our credit risk, we could suffer material credit losses. • We are subject to lending concentration risks. • We depend on the accuracy and completeness of information about our customers and counterparties. • Our loan portfolio has a large concentration of commercial real estate loans, a segment that can be subject to volatile cash flows and collateral values which may be impacted by changes in industry trends or regional or national market conditions. • We may encounter issues with environmental law compliance if we take possession, through foreclosure or otherwise, of the real property that secures a commercial real estate loan. • The ability of a borrower to repay agricultural loans may be especially affected by many factors outside of the borrower' s control. • ~~We hold one- to four- family first- lien residential mortgage loans in our loan portfolio, and the ability of the borrower to repay may be difficult to estimate. • Government programs established in response to the COVID- 19 pandemic may delay but not avoid the realization of credit losses that result from the economic disruption caused by the COVID- 19 pandemic. •~~ Our allowance for credit losses may prove to be insufficient to absorb losses in our loan portfolio. Liquidity and Interest Rate Risks • **Our** ~~Liquidity is essential to our business, and our~~ financial ~~performance~~ **results are significantly impacted by interest rate levels and fluctuation. • We may not be able to meet the cash flow requirements of our depositors or borrowers, or be able to meet our obligations or the cash needs for growth or other strategic corporate activities. • Significant reductions in our core deposits or increases in our cost of funding** could **adversely affect our liquidity or profitability. • We use brokered deposits and other wholesale funding, which may** be ~~adversely affected~~ **unstable and / or expensive, to fund earning asset growth. • Our investment securities portfolio may be impacted** by **interest rate volatility and market conditions** ~~constraints in or increased costs for funding~~ . • The required accounting treatment of loans we acquire through acquisitions could result in lower net interest margins and interest income in future periods. • Our growth may create the need to raise additional capital in the future, but that capital may not be available when it is needed. • We rely on dividends from ~~our subsidiaries~~ **HTLF Bank** for most of our revenue and are subject to restrictions on payment of dividends ~~. • Reduction in the value, or impairment of our investment securities, can impact our earnings and common stockholders' equity~~ . Operational Risks • We have a continuing need for technology investments, and we may not have the resources to effectively implement new technology. • Our operations are affected by risks associated with our use of vendors and other third- party service providers. • Security breaches, cyber- attacks or other similar incidents with respect to our or our vendors' systems or network security, as well as the resulting theft or compromise of business and customer information, including personal information, could adversely affect our business or reputation, and create significant legal, regulatory or financial exposure. • The potential for business interruption or failure exists throughout our organization. • We are subject to risks from employee errors, customer or employee fraud and data processing system failures and errors. • Our Bank Markets and growth strategy rely heavily on our management team, and the unexpected loss of key managers may adversely affect our operations. • New lines of business, products **,** and services are essential to our ability to compete **,** but may subject us to additional risks. • Our analytical and forecasting models may be improper or ineffective. • Our internal controls may be ineffective. Strategic and External Risks • The soundness of other financial institutions could adversely affect our liquidity and operations. • We may experience difficulties in achieving and managing our growth and our growth strategy involves risks that may negatively impact our net income. ~~Strong organic growth is an integral component to allow us to achieve business and financial results necessary to make appropriate investments in people, processes and systems which allow HTLF to remain competitive in attracting and retaining employees and customers.~~ • Attractive acquisition opportunities may not be available to us in the future. • We face intense competition in all phases of our business **,** and competitive factors could adversely affect our business. Legal, Compliance and Reputational Risks • ~~Government regulation can result in limitations on our growth strategy. •~~ We are subject to extensive and evolving government regulation and supervision, which can increase the cost of doing business **, limit our ability to grow,** and lead to enforcement actions. • Stringent requirements related to capital may limit our ability to return earnings to stockholders or operate or invest in our business. • We are becoming subject to additional regulatory requirements as our total assets increase, and these additional requirements could have an adverse effect on our financial condition or results of operations. • We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations regarding data privacy and cybersecurity, which can increase the cost of doing business, compliance risks **,** and potential liability ~~. • Our participation as lenders in the PPP could result in reputational harm, claims and litigation~~ . • Litigation and enforcement actions could result in negative publicity and could adversely impact our business and financial results. • Our reputation and our business are subject to negative publicity risk. Risks of Owning Stock in HTLF • Our stock price can be volatile **and can be affected by a variety of factors that are outside of our control** . • Stockholders may experience dilution as a result of future equity offerings and acquisitions. • Certain banking laws may have an anti- takeover effect. **Our business** ~~Although the U. S.~~ and ~~global~~ **financial performance are significantly affected by general business and** ~~economies~~ **economic** ~~have recovered from~~ **conditions, including** ~~the~~ **those related to** ~~initial impacts of the COVID- 19 pandemic as many health and safety restrictions have been lifted and vaccine distribution has~~ increased ~~, certain adverse consequences of the pandemic may continue to impact the macroeconomic environment and may persist for some time, including labor shortages and disruptions of global supply chains. The growth in economic activity and demand for goods and services, alongside labor shortages, wage pressure and supply chain complications, have also contributed to rising inflationary~~ **inflation** ~~pressures. The extent to which the COVID- 19 pandemic or another similar event could impact our business~~ , **recessionary** ~~results of operations and financial condition~~ **conditions** ~~in the future will depend on future developments~~ , ~~which are highly uncertain and are difficult to predict, and may include increased credit losses due to financial strain on our~~ **or domestic** ~~customers as a result of the pandemic and governmental actions; increases in our loan loss provision and net charge- offs resulting from increased credit losses; declines in collateral values; an~~ **and geopolitical factors** ~~impairment of goodwill or core deposit and customer relationship intangibles that could result in charges being recorded and restrictions on the ability of our Banks to pay dividends to us; loan modifications and loan payment deferrals resulting in reduced earnings; increased demand on our liquidity as we meet borrowers' needs; negative effects on capital and leverage ratios as a result of reduced liquidity which, although not currently contemplated, could reduce or force suspension of dividends; stock price volatility; third- party disruptions, including negative effects on network providers and other suppliers, which may affect their ability to perform under the terms of agreements or provide essential services; and other operational failures due to changes in our normal business practices because of the pandemic and governmental actions to contain it~~ . Our business activities and earnings are affected by general business conditions in the United States and particularly in our Bank Markets. **Our business is impacted by** ~~Factors~~ **factors** such as **economic, political and market conditions, including both general conditions and** ~~the~~ **those specific to** ~~volatility of interest rates, home prices and real estate values, inflation and~~ the ~~response of~~ **banking industry, changes in** the Federal Reserve Board **monetary** ~~to it, unemployment, credit defaults, increased bankruptcies, decreased consumer spending~~ and ~~household income~~ **other governmental fiscal policies** , **inflation, and interest rate and financial market** volatility **, all of which may be beyond our control. Future economic conditions cannot be predicted, and any further deterioration** in the ~~securities~~ **national economy or in our Bank** markets **could have** ~~, persistent inflation, supply chain issues caused by the COVID- 19 pandemic and~~ **an adverse effect** ~~geopolitical conflict such as the war in Ukraine~~ , ~~labor shortages~~ **which could be material** , ~~and the~~ **on our business, financial condition, operational results. The** cost and availability of capital have negatively impacted our business in the past and may adversely impact us in the future. In addition, domestic political factors, including potential future federal government shutdowns and the possibility of the federal government defaulting on its obligations due to debt ceiling limitations, could have a serious impact on general economic conditions or the value of financial instruments owned by us that are issued or guaranteed by the federal government. Over the past year, the economy has experienced persistent inflation and higher interest rates. Prolonged periods of inflation may negatively affect our expenses by increasing funding costs and ~~expense~~ **expenses** related to talent acquisition and retention. Increased interest rates may adversely affect numerous aspects of our business, including by reducing demand for our financial products and services, restricting the ability of our consumer and business customers to repay loans, and ~~diminishing~~ **decreasing** the value of our investment portfolio **and collateral securing our loans** , and may lead to economic deterioration or recession. Economic deterioration and recessionary conditions that affect household and / or corporate incomes could result in renewed credit deterioration, reduced demand for credit or fee- based products and services and turmoil and volatility in the financial markets, which could, negatively impact our performance. In addition, changes in securities market conditions and monetary fluctuations could adversely affect the availability and terms of funding necessary to meet our liquidity needs. We operate in Bank Markets in **Arizona, California, Colorado, Illinois,** Iowa, ~~Illinois~~ **Kansas** , ~~Wisconsin~~ **Minnesota** , ~~Arizona~~ **Missouri, Montana** , New Mexico, ~~Montana, Colorado, Minnesota, Kansas, Missouri,~~ Texas and ~~California~~ **Wisconsin** , and our financial condition, results of operations and cash flows ~~are subject to changes in the economic conditions in those markets. Our success depends~~ **depend** upon the economic vitality, growth prospects, business activity, population, income levels, deposits and real estate activity in those areas ~~and may be impacted by the effects of past and future civil unrest and domestic disturbances in the communities that we serve~~ .

~~Although our customers' business and financial interests may extend well beyond our market areas, adverse~~ **Adverse** economic conditions that affect our specific ~~market~~ **markets** ~~area~~ could ~~reduce our growth rate,~~ affect the ability of our customers to repay their loans to us ~~and~~ **,** impact the stability of our deposit funding sources ~~. Consequently~~ , **and adversely** ~~declines in economic conditions in those Bank Markets could generally~~ affect our financial condition and results of operations **. We are vulnerable to the impact of volatility in debt and equity markets** . As most of our assets and liabilities are financial in nature, our performance is sensitive to the performance of the financial markets. Turmoil and volatility in the domestic and global financial markets can be a major contributory factor to overall weak economic conditions, including the impaired ability of borrowers and other counterparties to meet obligations to us. Financial market volatility may: • Affect the value or liquidity of **the** ~~our on-balance sheet and off- balance sheet~~ financial instruments **we hold** ~~. • Affect the value of capitalized servicing assets~~ . • Affect our ability to access capital markets to raise funds ~~. Inability to access capital markets if needed,~~ at cost effective rates ~~, could adversely affect our~~ - **or at all** ~~liquidity and results of operations~~ . • Affect the value of the assets that we manage or otherwise administer or service for others ~~. Although we are not directly impacted by changes in the value of such assets~~ , **which could** ~~decreases~~ - **decrease** ~~in the value of those assets would affect related~~ fee income **,** ~~and could~~ result in decreased demand for our services ~~. Changes in interest rates~~ , ~~including continued actions by the Federal Reserve Board,~~ and **/ or decrease the ability of our customers to repay** ~~other~~ - **their** ~~conditions~~ **loans to us. Any of the above** could **adversely** ~~negatively impact net interest income and net interest margin. We are exposed to interest rate risk in our core banking activities of lending and deposit taking, and changes in prevailing interest rates~~ affect ~~the value of our assets and liabilities. Changes in interest rates, in the shape of the yield curve or~~ **our** ~~in spreads between different market interest rates, can have a material effect on our net income and~~ financial ~~performance. Our profitability is in part a function of the spread between the interest rates earned on investments and loans and the interest rates paid on deposits and other interest- bearing liabilities. Like most banking institutions, our net interest spread and margin will be affected by general economic conditions~~ - **condition** and **results** ~~other factors, including fiscal and monetary policies~~ of **operations** ~~the Federal Reserve that influence market interest rates, and our ability to respond to changes in such rates~~ . The Federal Reserve System regulates the supply of money and credit in the United States, and it influences interest rates by changing the discount rate at which it lends money to banks and by adjusting the target for the federal funds rate at which banks borrow from other banks. ~~Its~~ **While out of our control, the Fed' s** fiscal and monetary policies **significantly affect** ~~determine, in a large part,~~ our cost of funds for lending and investing and the return that can be earned on ~~those~~ **our** loans and investments, both of which affect our net interest margin. In addition, decisions by the Federal Reserve to increase or reduce the size of its balance sheet or to engage in tapering its purchase of assets may also affect interest rates. In response to the persistent inflation experienced in the past year, the Federal Reserve Board ~~has~~ reacted by implementing ~~multiple~~ **significant rate hikes. While these** interest rate increases **have resulted in** ~~. These interest rate increases may fail to reduce~~ **reduced** inflation ~~and may~~ **, there is continued uncertainty as to whether these actions could** lead to **an** economic downturn ~~or recession~~ . **Further,** ~~Federal Reserve Board policies can also materially affect the value of financial instruments that~~ we ~~hold, such as debt securities and mortgage servicing rights. At any given time, our assets and liabilities may be affected differently by a given change in interest rates. Asset values, especially commercial real estate collateral, securities or other fixed rate earning assets, can decline significantly with relatively minor changes in interest rates. As a result, an increase or decrease in rates, the length of loan terms or the mix of adjustable and fixed rate loans in our portfolio could have a positive or negative effect on our net income, capital and liquidity. We measure interest rate risk under various rate scenarios using specific criteria and assumptions. A summary of this process, along with the results of our net interest income simulations, is presented under the caption" Quantitative and Qualitative Disclosures About Market Risk" included under Item 7A of Part II of this Annual Report on Form 10- K. Although we believe our current level of interest rate sensitivity is reasonable and effectively managed, significant fluctuations in interest rates may have an adverse effect on our business, financial condition and results of operations, and specifically, our net interest income. Also, our interest rate risk modeling techniques and assumptions may not fully predict or capture the impact of actual interest rate changes on our financial condition and results of operations. We~~ cannot predict the nature or timing of future changes in monetary policies or the precise effects that they may have on our activities and financial results ~~. We have borrowings, variable rate loans, derivative contracts, and other financial instruments with attributes that either directly or indirectly depend on LIBOR. The publication of most LIBOR rates ceased as of the end of December 2021. While all remaining tenors of LIBOR will cease to be published immediately after June 30, 2023, the Alternative Reference Rate Committee developed a paced transition plan with specific steps and timelines to encourage the adoption of the Secured Overnight Financing Rate (" SOFR") and to create a forward- looking term rate based on SOFR. The Board of Governors of the Federal Reserve (" Fed Board") selected SOFR as the replacement for LIBOR at the end of 2021. The transition from LIBOR to SOFR could have a range of adverse impacts on us and financial contracts worldwide. In particular, any such transition could, among other things, (i) adversely affect the value of, return on and trading for financial assets or liabilities that are linked to LIBOR, including securities, loans or derivatives; (ii) require renegotiation of outstanding financial assets and liabilities; (iii) result in additional inquiries or other actions from regulators in respect to for the status of the LIBOR transition; (iv) increase the risks of disputes or litigation and / or increase expenses related to the transition; (v) adversely impact our reputation as we work with customers to transition loans and financial instruments from LIBOR; and (vi) cause disruption in financial markets that are relevant to our business. To address the permanent cessation of LIBOR, Congress enacted the Adjustable Interest Rate (LIBOR) Act (" AIRLA") on March 15, 2022, to provide a federal solution for replacing references to LIBOR in existing contracts that either lack, or contain insufficient, LIBOR fallback provisions. AIRLA required the Fed Board to issue implementing regulations that would apply to financial contracts that lack or contain insufficient fallback provisions. The Fed Board adopted the final rule, which becomes effective February 27, 2023 (" Regulation ZZ"). Regulation ZZ expressly provides safe harbor protections in the use of Board- selected benchmark replacement rates of SOFR where there is a benchmark replacement problem in existing contracts, and further pre- empts any state or local law or standard relating to the selection of benchmark~~

~~replacement rates. Regulation ZZ also includes the relevant tenor spread adjustments specified in AIRLA. HTLF has a formal working group responsible for the planning, assessment and execution of the transition from LIBOR to SOFR. HTLF ceased using LIBOR as a reference rate for new contracts effective December 31, 2021. Currently, HTLF has identified borrowings, adjustable- rate loans, and derivative instruments which reference LIBOR- based tenors maturing beyond the LIBOR replacement date. HTLF is assessing each financial contract to determine whether the legislative solution afforded by Regulation ZZ is applicable or if there is a hardwired fallback provision. While HTLF will continue to execute on its transition plan, there can be no assurance that actions taken by us and third parties to address these market risks or effectively transition from LIBOR will be successful~~ . Under current accounting standards, goodwill is not amortized but, instead, is subject to impairment tests on at least an annual basis or more frequently if an event occurs or circumstances change that reduce the fair value of a reporting unit below its carrying amount. Although we do not anticipate impairment charges, if we conclude that some portion of our goodwill is impaired, a non- cash charge for the amount of such impairment would be recorded against earnings. A goodwill impairment charge could be caused by a decline in our stock price or occurrence of a triggering event that compounds ~~the~~ negative **financial** results ~~in an unfavorable quarter~~ . At December 31, ~~2022~~ **2023** , we had goodwill of $ 576. 0 million, representing approximately ~~33~~ **30** % of stockholders' equity. We record deferred tax assets on our consolidated balance sheet, which represent differences in the timing of the benefit of deductions, credits and other items for accounting purposes and the benefit for tax purposes. To the extent we conclude that the value of this asset is not more likely than not to be realized, we would be obligated to record a valuation allowance against the asset, impacting our earnings during the period in which the valuation allowance is recorded. Assessing the need for, or the sufficiency of, a valuation allowance requires management to evaluate all available evidence, both negative and positive. Positive evidence necessary to overcome the negative evidence includes whether future taxable income in sufficient amounts and character within the carryback and carryforward periods is available under the tax law. When negative evidence (e. g., cumulative losses in recent years, history of operating losses or tax credit carryforwards expiring unused) exists, more positive evidence than negative evidence will be necessary. If the positive evidence is not sufficient to exceed the negative evidence, a valuation allowance for deferred tax assets is established. The creation of a substantial valuation allowance could have a significant negative impact on our reported results in the period in which it is recorded. The impact of the impairment of HTLF' s deferred tax assets could have a material adverse effect on our business, results of operations and financial condition. We are subject to changes in tax law that could increase our effective tax rates. The enactment of such legislation including provisions impacting tax rates, apportionment, consolidation or combination, income, expenses, credits and exemptions may have a material impact on our business, financial conditions and results of operations. These tax law changes may also be retroactive to previous periods and could negatively affect our current and future financial performance. There is no assurance that tax rates will remain at current levels or that presently anticipated benefits will be realized in future years' financial performance. Neither the occurrence nor the potential impact of natural disasters, pandemics, terrorist activities, domestic disturbances or international hostilities can be predicted. However, these occurrences could impact us directly (for example, by interrupting our systems, which could prevent us from obtaining deposits, originating loans and processing and controlling the flow of business; causing significant damage to our facilities; or otherwise preventing us from conducting business in the ordinary course), or indirectly as a result of their impact on our borrowers, depositors, other customers, vendors or other counterparties (for example, by damaging properties pledged as collateral for our loans or impairing the ability of certain borrowers to repay their loans). We could also suffer adverse consequences to the extent that natural disasters, pandemics, terrorist activities, domestic disturbances or international hostilities affect the financial markets or the economy in general or in any particular region. These types of impacts could lead, for example, to an increase in delinquencies, bankruptcies or defaults that could result in higher levels of nonperforming assets, net charge- offs and provisions for credit losses. Our ability to mitigate the adverse consequences of these occurrences ~~is~~ in part ~~dependent~~ **depends** on the quality of our resiliency planning, and our ability, if any, to anticipate the nature of any such event that occurs. The adverse impact of natural disasters, pandemics, terrorist activities, domestic disturbances or international hostilities also could ~~be increased~~ - **increase** to the extent that there is a lack of preparedness on the part of national or regional emergency responders or on the part of other organizations and businesses that we transact with, particularly those that we depend upon, but have no control over. **We may also be subject to compliance with governmental measures taken to address the impact of natural disasters, pandemics, terrorist activities or other occurrences of this nature. Climate regulation and climate change risks, including transition, physical or other risks could adversely affect our operations, businesses, customers, reputation and financial condition.** There is an increasing concern over the risks of climate change and related environmental sustainability matters **. For example, the Federal Reserve Board in its Financial Stability Report of November 2020, specifically addressed the implications of climate change for markets, financial exposures, financial institutions, and financial stability. As a result of these concerns, Congress, state legislatures and federal and state regulatory agencies have continued to propose legislative and regulatory initiatives seeking to mitigate the effects of climate change, including disclosure requirements regarding greenhouse gas emissions. Further, the SEC has proposed climate- related disclosure rules, which if finalized, would require new climate- related disclosures in SEC filings and audited financial statements, including certain climate- related metrics and direct and indirect greenhouse gas emissions data, information about climate- related targets and goals, transition plans, if any, and would have attestation requirements. The State of California has enacted, and other states may enact, laws and regulations requiring expanded measurement and disclosure of greenhouse gas emissions, including scopes 1, 2, and 3 emissions, and requiring third- party assurance of their reports. Disclosure requirements imposed by different regulators may not always be uniform, which may result in increased complexity, increased compliance costs, and other compliance- related risks. On October 24, 2023, the federal banking agencies issued interagency guidance on principles for climate- related financial risk management by large financial institutions. The guidance reiterates the agencies' view that financial institutions are likely to be affected by both the physical risks and**

transition risks associated with climate change . The physical risks of climate change include not only discrete events such as natural disaster events described above, the force and frequency of which are increasing as the climate changes, but also longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. **We do not yet know all the ways that climate change may affect us and our customers, however weather disasters, shifts in local climates and other disruptions related to climate change may adversely affect our customers, particularly agricultural customers, or the value of real properties securing our loans, any of which could diminish the value of our loan portfolio.** Attempts to mitigate climate change, such as transitioning to a low- carbon economy, may include extensive policy, legal, technology and market initiatives. Transition risks, including changes in consumer preferences, additional regulatory, governance, and disclosure requirements or taxes and additional counterparty or customer requirements, could increase our expenses, ~~undermine~~ **require changes to** our strategies and impact our financial condition. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. Our risk management framework seeks to **identify, monitor, manage and** mitigate risk ~~and~~ **of material** loss. We have established processes and procedures **and dedicated resources** intended to identify, measure, monitor, report, and analyze the types of risk to which we are subject, including liquidity risk, credit risk, market risk (including interest rate and price risk), compliance risk, strategic risk, reputation risk, and operational risk related to our employees, systems, processes and vendors, among others. However, as with any risk management framework, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that it has not appropriately anticipated or identified **or that are out of our control** . We must also develop and maintain a culture of risk management among our employees, as well as manage risks associated with third parties, and could fail to do so effectively. If our risk management framework proves ineffective, we could incur litigation and negative regulatory consequences, and suffer unexpected **material** losses that could affect ~~its~~ **our** financial condition or results of operations. There are substantial risks inherent in making any loan, including, but not limited to: • risks resulting from changes in economic and industry conditions, including those precipitated by climate change or climate transition in the economy; • risks inherent in dealing with individual borrowers **, including fraud- related risks** ; • uncertainties as to the future value of collateral; and • the risk of non- payment of loans. Although we attempt to properly establish limits, measure, monitor and manage our credit risk through prudent **loan policies,** loan underwriting procedures and by monitoring concentrations of our loans, there can be no assurance that these **policies,** underwriting and monitoring procedures will effectively reduce these risks. Moreover, if we expand into new markets, credit administration and loan underwriting policies and procedures may need to be adapted **further** to local conditions. The inability to properly manage our credit risk or appropriately adapt our credit administration and loan underwriting policies and procedures to local market conditions or to changing economic circumstances could have an adverse impact on our allowance and provision for credit losses and our financial condition, results of operations and liquidity. In **addition, certain of our investment securities may carry material credit risk, and as a result, we may have to record provision expense to establish an allowance for credit losses on our carried at fair value debt securities. In** the ordinary course of business, we have credit exposures to ~~particular~~ **specific** industries, regions, financial markets, or individual borrowers. As an example, loans secured by commercial and residential real estate typically represent a significant percentage of our overall credit portfolio. Although there are established limitations on the extent of total exposure to an individual consumer or business borrower, events adversely affecting specific customers or counterparties, industries, regions **,** or financial markets, including a decline in their creditworthiness or a worsening overall risk profile, could materially and adversely affect us. Declining economic conditions also may **disproportionately** impact **different types of customers** ~~commercial borrowers more than consumer borrowers, or vice versa~~ . Certain of our credit exposures are concentrated in industries and may share similar characteristics which can make them more susceptible to **different adverse events and** ~~the long- term risks of climate change, climate regulation, natural disasters, global pandemics or deteriorating economic~~ conditions. Thus, the concentration and mix of our loan portfolio may affect the severity of the impact of a recession or other adverse events on us and our financial performance **in ways that we cannot anticipate** . In deciding whether to extend credit or enter into other transactions, we rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. We may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, regarding the accuracy and completeness of that information ~~. As a result of the current economic environment, we are engaging in more frequent communication with borrowers to better understand their creditworthiness and the challenges faced. These communications should allow HTLF to respond proactively as borrower needs and issues arise~~ . Reliance on inaccurate or misleading financial statements, credit reports or other financial information could cause us to make uncollectible loans or enter into other unfavorable transactions, which could have a material adverse effect on our financial condition and results of operations. Our loan portfolio has a large concentration of commercial real estate loans, a segment that can be subject to volatile cash flows and collateral values which may be impacted by changes in industry trends or regional and national market conditions. Commercial real estate lending, which is comprised of owner-occupied, non- owner occupied, and real estate construction loans, represents a large portion of our commercial loan portfolio. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in any of our geographic Bank Markets in which the real estate is located. Adverse developments in nationwide or regional market conditions affecting real estate values could negatively impact our commercial real estate loans, and other developments could increase the credit risk associated with our loan portfolio. For example, the decrease in demand for physical office space has reduced, and may continue to reduce, the value of certain commercial space, which increases the risk of default and the severity of defaults associated with loans secured by such properties. Non- owner occupied commercial real estate loans typically depend, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. **With recent**

increases ~~Although our outstanding loans have not yet been significantly impacted by changes in economic activity, such changes, including an economic downturn or volatility~~ in interest rates, **borrowers with variable rate loans may not have sufficient cash flows to absorb the impact of higher interest rates on their payments. In addition, increases in interest rates** could **also** ~~have a negative~~ **negatively** impact ~~on some commercial real estate loan sectors~~ **the cash flows and repayment ability of our borrowers** . Real estate construction loans involve additional risks because funds are advanced based upon estimates of costs and the estimated value of the completed project and therefore have a greater risk of default in a weaker economy. Construction projects require prudent underwriting including determination of a borrower' s ability to complete the project, while staying within budget and on time in accordance with construction plans. ~~Project feasibility is an important consideration, since these loans present project completion risks, as well as the risks applicable to other commercial real estate loans.~~ While we follow prudent underwriting practices, including determining project feasibility on construction projects we finance, economic events, supply chain issues, labor market disruptions, ~~or governmental regulations~~ and other factors outside of the control of HTLF or our borrowers could negatively impact the future cash flow and market values of the affected properties. A significant portion of our loan portfolio is secured by real property. During the ordinary course of business, we may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If previously unknown or undisclosed hazardous or toxic substances are discovered, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require us to incur substantial expenses which may materially reduce the affected property' s value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. Although we have policies and procedures to perform an environmental review at the time of underwriting a loan secured by real property and also before initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on our financial condition and results of operations. Payments on agricultural and agricultural real estate loans ~~are dependent~~ --- **depend** on the profitable operation or management of the farm property securing the loan. If the cash flow from a farming operation is diminished, the borrower' s ability to repay the loan may be impaired. Loans that are unsecured or secured by rapidly depreciating assets such as farm equipment or assets such as livestock or crops may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage to or depreciation in the value of crops or livestock. The success of a farm may be affected by many factors outside the control of the borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields (such as hail, **extreme weather or temperatures,** drought **,** and floods), loss of livestock due to disease or other factors, declines in market prices for agricultural products (both domestically and internationally) and the impact of government regulations (including changes to global trade agreements, **tariffs,** price supports, subsidies and environmental regulations). In addition, many farms ~~are dependent~~ --- **depend** on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. ~~The residential mortgage loans that we hold in our loan portfolio are primarily to borrowers we believe to be credit worthy based on internal standards and guidelines. Repayment is dependent upon the borrower' s ability to repay the loan and the underlying value of the collateral. If we have overestimated or improperly calculated the abilities of the borrowers to repay those loans, default rates could be high, and we could face more legal process and costs to enforce collection of the loan obligations. If the value of the collateral is incorrect, we could face higher losses on the loans. Many of our customers experienced adverse effects as a result of the COVID- 19 pandemic, particularly those customers in or affected by the lodging, retail trade, retail properties, restaurants and bars, and oil and gas segments. In some cases, these negative effects may have been temporary, whereas in other cases these impacts, or other changes in the economy as a result of the pandemic, may have permanent adverse effects on customers of ours. Pursuant to the Coronavirus Aid, Relief and Economic Security Act (the" CARES Act"), beginning at the end of March 2020, the SBA made principal and interest payments on behalf of borrowers on certain qualifying SBA guaranteed loans for a period of time and established the PPP. The foregoing programs were intended to increase the likelihood that the affected borrowers operate through and recover following the COVID- 19 pandemic, after which their loans would return to a normal repayment schedule and perform in accordance with their original terms or in the case of PPP loans, will be forgiven. There can be no assurance, however, that customers who have suffered more permanent adverse effects as a result of the COVID- 19 pandemic and economic changes related thereto will be able to sustain their repayment ability.~~ We establish our allowance for credit losses in consultation with management of ~~the~~ **HTLF** ~~Banks~~ - **Bank** and maintain it at a level considered appropriate by management to absorb current expected credit losses and risks inherent in the portfolio. While the level of allowance for credit losses reflects management' s continuing evaluation of quantitative and qualitative factors including industry concentrations, loan portfolio quality and economic conditions, the amount of future loan losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates, levels of inflation, and other factors which may be beyond our control, and such losses may exceed current estimates. At December 31, ~~2022~~ **2023** , our allowance for credit losses as a percentage of total loans was ~~0~~ **1** . ~~96~~ **02** % and as a percentage of total nonperforming loans was approximately ~~187~~ **125** %. Although we believe that the allowance for credit losses is appropriate to absorb current expected credit losses on any existing loans that may become uncollectible, we cannot predict loan losses with certainty, and we cannot provide assurance that our allowance for credit losses will prove sufficient to cover actual loan losses in the future. Further significant provisions, or charge- offs against our allowance that result in provisions, **may adversely affect our business, financial condition and results of operations. Our financial results are significantly affected by interest rate levels and fluctuation. Our financial results depend to a large extent on net interest income, which is the difference between interest income earned on loans and investment securities and interest expense paid on deposits, subordinated notes, borrowings, and other liabilities. Due to differences in maturities and repricing characteristics of our interest-earning assets and interest- bearing liabilities, changes in interest rates may not produce equivalent changes in interest**

income earned on interest- earning assets and interest paid on interest- bearing liabilities. For example, asset values, especially values of commercial real estate collateral, securities, or other fixed rate earning assets, can decline significantly with relatively minor changes in interest rates. As a result, an increase or decrease in rates, loan portfolio duration, the mix of adjustable and fixed rate loans in our portfolio, and the cost, stability, and mix of deposits on our balance sheet all could have a ~~significant~~ negative ~~impact~~ effect on our financial condition, results ~~profitability. Credit losses in excess~~ of ~~our reserves may~~ operation, and liquidity. Ongoing fluctuations in interest rates could adversely affect our interest rate spread, and, in turn, our profitability. Future monetary actions taken by the Federal Reserve to address various economic factors can further constrain our interest rate spread and impact the mix of noninterest and interest- bearing accounts. If the interest we pay on liabilities increases at a faster pace than the interest that we receive on our interest- earning assets, the result could be a reduction in net income. In addition, the failure to match the durations of our assets and liabilities could result in us being unable to mitigate the impact of changes in interest rates. We measure interest rate risk under various rate scenarios using specific criteria and assumptions. A summary of this process, along with the results of our net interest income simulations, is presented under the caption" Quantitative and Qualitative Disclosures About Market Risk" included under Item 7A of Part II of this Annual Report on Form 10- K. Although we believe our current level of interest rate sensitivity is reasonable and effectively managed, significant fluctuations in interest rates may have an adverse effect on our business, financial condition and results of operations , and specifically, our net interest income. Also, our interest rate risk modeling techniques and assumptions may not fully predict or capture the impact of actual interest rate changes on our financial condition and results of operations . We ~~require~~ cannot control nor predict future changes in the Federal Reserve' s monetary policy or actions taken to address inflation, recession, unemployment, money supply and other changes in financial markets. We may not be able to meet the cash flow requirements of our depositors or borrowers, or be able to meet our obligations or the cash needs for expansion or other strategic corporate activities. ~~liquidity~~ Liquidity represents our ability to provide ~~fund~~ funds ~~our~~ to satisfy demands from ~~deposit~~ depositors , and facilitates our ability to extend loans to borrowers and meet our contractual debt obligations by either converting assets into cash or accessing new or existing sources of incremental funds. Liquidity risk is the potential that we will be unable to meet our obligations as they ~~come~~ become due because ~~. A number~~ of ~~factors beyond~~ an inability to liquidate assets ~~our~~ - or ~~control could have a detrimental impact~~ obtain adequate funding. We manage liquidity risk with the primary objective of meeting our cash flow requirements including those from our depositors and creditors, and having sufficient cash to satisfy our operating needs, strategic initiatives and loan growth objectives while maintaining reasonable funding costs. We primarily rely on deposits ~~the availability or costs of that funding. These include market disruptions~~ , repayments ~~changes in our credit ratings or the sentiment~~ of loans ~~investors, the state of the regulatory environment~~ and cash flows from ~~monetary and fiscal policies, declines in the value of~~ our investment securities ~~, loss~~ as our primary sources of ~~substantial~~ funds. Our principal deposit sources include consumer and commercial customers in our markets. We have used these funds, together with public funds customers, brokered deposits ~~or customer relationships, financial or systemic shocks, significant counterparty failures or reputational damage. Our ability~~ and Federal Home Loan Bank (" FHLB") advances as well as federal funds purchased and other sources of short- term borrowings to ~~meet current financial obligations is~~ make loans, acquire investment securities and other assets and to fund continuing operations. Deposit levels may be affected by a ~~function~~ number of factors ~~our balance sheet structure~~ , ~~ability~~ including competition, general interest rate levels, returns available to customers on ~~liquidate assets and access to~~ alternative ~~sources~~ investments, concerns about the stability of ~~funds~~ banks, general economic and market conditions and other factors . Our access to deposits can be impacted by the liquidity needs and financial condition of our customers, particularly large customers, as a substantial portion of our deposit liabilities are ~~on~~ demand deposits , while a significant portion of our assets are loans that cannot be sold in the same timeframe or are investment securities ~~that~~ the value of which may be impaired, or which we may not be readily ~~saleable~~ able to sell if there is disruption in capital markets. Although we maintain asset / liability management policies and a related contingency funding plan that, among other things, include policies and procedures for managing and monitoring liquidity risk, there can be no assurance that these will prove adequate to our needs. If we ~~become~~ are unable to ~~obtain funds~~ access additional funding sources when needed , we might be unable to meet ~~or~~ our ~~lose~~ depositors', borrowers' or creditors' needs, which would adversely affect our financial condition, results of operations and liquidity. Our profitability depends in part on successfully gathering and retaining a ~~significant portion~~ stable base of ~~our~~ relatively low- cost deposits, ~~it~~ as deposits have traditionally served as our largest, least costly source of funding. The competition for these deposits has increased dramatically in the last year, and our deposit levels might fall, or our cost of deposits may significantly increase, if the total supply of deposits decreases due to economic events, or if competition increases to attract deposits, either of which could ~~increase our cost of funding and~~ have an ~~a material~~ adverse effect on our financial position, results of operations and liquidity. We use wholesale and institutional deposits, including brokered deposits, as a source of funding to augment deposits generated from our branch network. At December 31, 2023, we had $ 1. 35 billion in wholesale and institutional deposits, of which $ 1. 16 billion consisted of brokered deposits. Our ability to use these deposits is limited by our own internal policies as well as regulatory limitations, and there can be no assurance that such sources will be available, or will remain available, or that the cost of such funding sources will be reasonable. For example, if we are no longer considered well- capitalized, our ability to access new brokered deposits or retain existing brokered deposits could be adversely affected by regulatory requirements, the unwillingness of counterparties to do business with us , or both, which could result in most, if not all, brokered deposit sources being unavailable. In addition, we also utilize other wholesale funding sources to provide us with liquidity and fund our asset growth. As of December 31, 2023, we had approximately $ 521 million in borrowings from the FHLB, which represents a significant source of our wholesale borrowings. In the event of market disruptions, changes in our creditworthiness, or other unavailability of

FHLB borrowings in the future, sources of wholesale funding may not be available to us on reasonable terms, or at all. The inability to utilize wholesale deposits, including brokered deposits, or other wholesale funding could have an adverse effect on our financial position, results of operations and liquidity. As of December 31, 2023, $ 5. 58 billion, or 29 %, of the assets on our balance sheet consisted of investment securities. Changes in interest rates can negatively affect the value of most of our investment securities. Interest rates are highly sensitive to many factors including monetary policies, domestic and international economic and geopolitical issues, and other factors beyond our control as interest volatility can result in unrealized gains or losses in our portfolio. Additionally, actual investment income and cash flows from investment securities that carry prepayment risk, such as mortgage- backed securities and callable securities, may materially differ from our initial expectations due to changes in interest rates and market conditions. Our investment securities portfolio is also subject to potential credit deterioration as financial distress is another risk that may impact the ability of a security to pay principal and interest in a timely manner. Factors such as deteriorating financial conditions of the issuer, changes in the issuer' s creditworthiness, or adverse market conditions can contribute to financial distress. We may need to establish an allowance for credit losses on our debt securities carried at fair value. This assessment involves testing at the security level, considering factors such as changes in security ratings, the financial condition **of the issuer, payment structure, cash flow analyses,** and **security and industry- specific economic conditions. Although the reduction in value from temporary increases in market rates does not affect our income until the security is sold, it does** ~~results~~ **result in an unrealized loss recorded in other comprehensive income that can reduce our common stockholders' equity. Other factors such as changes in market conditions, regulatory changes, counterparty risk could also impact the performance and value** of ~~operations~~ **our investment portfolio and potentially result in financial losses** . Under United States GAAP, we are required to record loans acquired through acquisitions, at fair value. Estimating the fair value of such loans requires management to make estimates based on available information and facts and circumstances on the acquisition date. Any net discount, which is the excess of the amount of reasonably estimable and probable discounted future cash collections over the purchase price, is accreted into interest income over the weighted average remaining contractual life of the loans. As acquired loans pay down, mature, or if they are not replaced with higher- yielding loans, we may have a lower net interest margin and interest income in future periods. We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. We anticipate that our existing capital resources will satisfy our capital requirements for the foreseeable future. However, from time to time, we raise additional capital to support continued growth, both internally and through acquisitions. Our ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside of our control, and on our financial performance. Accordingly, we cannot provide assurance that we will be able to raise additional capital if needed on terms acceptable to us. If we cannot raise additional capital when needed, our ability to further expand our operations through internal growth and acquisitions could be materially impaired. **We rely on dividends from HTLF Bank for most of our liquidity and are subject to restrictions on payment of dividends.** The primary source of funds for HTLF is dividends from ~~the~~ **HTLF** ~~Banks~~ **Bank** . In general, ~~the~~ **HTLF** ~~Banks~~ **Bank** may only pay dividends either out of their historical net income after any required transfers to surplus or reserves have been made or out of their retained earnings. The payment of dividends by any financial institution is affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations, and a financial institution generally is prohibited from paying any dividends if, following payment thereof, the institution would be undercapitalized. These dividends are the principal source of funds to pay dividends on HTLF' s common and preferred stock and to pay interest and principal on our debt. Dividends payable on common shares are also subject to **the requirement that we must pay** quarterly dividends ~~payable~~ on **our** outstanding preferred ~~shares~~ **stock** at the applicable dividend rate ~~. We maintained a balance of $ 7. 05 billion, or 35 % of our assets,~~ in **order to declare dividends on** ~~investment securities at December 31, 2022. Changes in market interest rates can affect the value of these investment securities, with increasing interest rates generally resulting in a reduction of value. Although the reduction in value from temporary increases in market rates does not affect our income until the security is sold, it does result in an unrealized loss recorded in other comprehensive income that can reduce~~ our common **stock** ~~stockholders' equity. Further, we may have to record provision expense to establish an allowance for credit losses on our carried at fair value debt securities, and we must periodically test our investment securities at the security level for potential credit losses, which takes into consideration numerous factors, and the relative significance of any single factor can vary by security. In assessing if an investment security is impaired, we may consider factors such as changes in security ratings, financial condition of the issuer, payment structure, cash flow analyses, security and industry specific economic conditions, as well as our intent and ability to retain our investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value in the near term~~ . The financial services industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. In addition to being able to better serve customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands for convenience, as well as to create additional efficiencies in our operations as we continue to grow and expand our market areas. Many of our larger competitors have substantially greater resources to invest in technological improvements. As a result, they may be able to offer additional or superior products and services to those that we will be able to offer, which would put us at a competitive disadvantage. In addition, our need to address the changing needs, preferences, and best interests of our employees, customers, and business partners has accelerated the need to implement technological changes. We rely on vendor and third-party relationships for a variety of products and services necessary to maintain our day- to- day activities, particularly in the areas of correspondent relationships, operations, treasury management, information technology and security. This reliance exposes us to risks of those third parties failing to perform financially or contractually or to our expectations. These risks could include material adverse impacts on our business, such as credit loss or fraud loss, disruption or interruption of business activities, cyber- attacks and information security breaches, poor performance of services affecting our customer relationships and / or reputation, and possibilities that we could be responsible to our customers for legal or regulatory violations committed by those third parties while performing services on our behalf. In addition, changes to work preferences and environments have increased the risk of third- party disruptions, including negative effects on network providers and other suppliers, which have been, and may further be, affected by, market volatility and other factors that increase their risks of business disruption or that may otherwise affect their ability to perform under the terms of any agreements with us or provide essential services. While we have implemented an active program of oversight to address this risk, there can be no assurance that our vendor and third- party relationships will not have a material adverse impact on our business. We rely heavily on communications and information systems and networks to conduct our business, and as part of our business, we collect, maintain and otherwise process significant amounts of data (including confidential, personal, proprietary and other information) about our business, our customers and the products and services they use. Our operations depend upon our ability to protect our communications and information systems and networks against damage from physical theft, fire, power loss, telecommunications failure or a similar catastrophic event, as well as from security breaches, cyber- attacks or other similar incidents. Our business relies on the secure processing, transmission, storage and retrieval of confidential, personal, proprietary and other information in our communication and information systems and networks, and in communication and information systems and networks of third parties with which we do business. We, our customers, our vendors and other third parties, including other financial service institutions and companies engaging in data processing, have been subject to, and are likely to continue to be the target of ~~security breaches,~~ cyber- attacks **, attempts to breach our network security,** and other similar incidents. These ~~security breaches,~~ cyber- attacks **, attempts to breach our network security,** and other similar incidents include, denial of service attacks, worms, computer viruses, malicious or destructive code, social engineering, phishing attacks, ransomware, malware, theft, malfeasance or improper access by employees or vendors, human error, fraud, attacks on personal emails of employees or other disruptive problems that could result in material disruptions, damage to systems or networks **,** or the unauthorized release, accessing, gathering, monitoring, loss, destruction modification, acquisition, transfer, use or other processing of confidential, personal, proprietary **,** or ~~any~~ other information of ours, our employees, our customers, our vendors, or other third parties with which we do business. Attacks of this nature are increasing in frequency, levels of persistence, sophistication **,** and intensity, are evolving in nature, and are conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise, including organized criminal groups," hacktivists," terrorists, nation states, nation state- supported actors, and others. As cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate or remediate any information security vulnerabilities, threats, security breaches, cyber- attacks or other similar incidents. Despite efforts to protect our systems and networks and implement controls, processes, policies, and other measures, we may not be able to anticipate all security breaches, cyber- attacks or other similar incidents, **or be able to** detect or react to such incidents in a timely manner, implement guaranteed preventive measures against such incidents, or adequately remediate any such incident. Cybersecurity **and payment fraud** risks for banking organizations have significantly increased in recent years in part because of the proliferation and rapid evolution of new technologies, **increased remote work,** and the use of the internet and telecommunication technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile- payment and other internet- based products offerings and increase our internal usage of web- based products and applications. Given the continued and rapid evolution of cybersecurity threats, we may not be able to anticipate or prevent, and could be held liable for, any security breach, cyber- attack or other similar incident. Additionally, concerns **or perceptions** regarding the effectiveness **or adequacy** of our measures to safeguard our communications and information systems and networks, and information stored therein, ~~or even the perception that those measures are inadequate,~~ could cause us to lose existing or potential customers and thereby reduce our revenues ~~. Further, cybersecurity and payment fraud risk due to increased online and remote work and remote customer activity~~ . We also face indirect technology, cybersecurity and operational risks relating to the vendors, customers, clients and other third parties with whom we do business or upon whom we rely to facilitate or enable our business activities, including for example financial counterparties, regulators, and providers of critical infrastructure such as internet access or electrical power. Due to the increasing consolidation, interdependence, and complexity of financial entities and technology systems, a security breach, cyber- attack or other similar incident that significantly degrades, ~~deletes~~ **destroys,** or comprises the systems, networks or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. This consolidation, interconnectivity and complexity may increase the risk of operational failure on both an individual and industry- wide basis. ~~While~~ **Although** we ~~generally~~ perform cybersecurity diligence **through our Third Party Risk Management group** on our key vendors, ~~because we do not control our vendors and~~ our ability to monitor their cybersecurity is limited, **and** we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share with them. Due to applicable laws and regulations or contractual obligations, we may be held responsible for security breaches, cyber- attacks or other similar incidents **affecting** ~~attributed to~~ our vendors ~~as~~ **because** they relate to the information we share with them. The occurrence of any security breach, cyber- attack or other similar incident with respect to our or our vendors' communications or information systems or networks, or our failure to make adequate or timely disclosures to the public, regulators, or law enforcement agencies following any such event, could result in violations of applicable data privacy, cybersecurity and other laws and regulations, notification obligations, **and could result in** damage to our reputation ~~,~~ and loss of customer business, or subject us to additional regulatory scrutiny or ~~expose us to~~ civil litigation, fines, damages **,** or injunctions, any of which could have a material adverse effect on our business, financial condition and results of operations. We cannot ensure that any limitations of liability provisions in our agreements with customers, vendors and other third parties with which we do business would be enforceable or adequate **,** or would otherwise protect us from any liabilities or damages with respect to any particular claim in connection with a security breach, cyber- attack or other similar incident. **We also** ~~Additionally, we~~ cannot be certain that our insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim. Integral to our performance is the continued efficacy of our technical systems, operational infrastructure, **and** relationships with third parties ~~and~~ **, as well as** the ability of our employees to perform their jobs day- to- day to support our on- going operations. Failure by any or all these resources subjects us to risks that may vary in size, scale and scope. These risks include, but are not limited to, operational or technical failures, ~~ineffectiveness or exposure due to interruption~~ **interruptions** in third **-** party support, **and** ~~as well as~~ the loss of key individuals, including those with specialized skills, or ~~in general,~~ the failure of key individuals to perform properly. These risks are heightened during necessary data system changes or conversions and system integrations of newly acquired entities. Although management has established policies and procedures to address such interruptions or failures, the occurrence of any such event could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations. Employee errors and employee or customer misconduct could subject us to financial losses or regulatory **enforcement** ~~sanctions~~ -- **actions,** and ~~seriously~~ **could** harm our reputation. Misconduct by our employees could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers **,** or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence. ~~We~~ **Although we** maintain a system of internal controls and insurance coverage to mitigate ~~against~~ **these** operational risks, including data processing system failures and errors and customer or employee fraud **, these** ~~. Should our~~ internal controls **may** fail to prevent or detect an occurrence, or **the** ~~if any~~ resulting loss ~~is~~ **may** not ~~insured~~ **be covered** or **may** ~~exceeds~~ - **exceed** applicable insurance limits, **any of which** it could have a material adverse effect on our business, financial condition and results of operations. Much of our success to date has been influenced strongly by our ability to attract and to retain senior management experienced in banking and financial services and familiar with the communities in our different market areas. Because our service areas are spread over such a wide geographical area, our executive management depends on the effective leadership and capabilities of the senior management in our Bank Markets for ~~the~~ **our** continued success ~~of HTLF~~ . Our ability to retain executive officers, ~~the current~~ senior management teams **,** and **other key personnel,** ~~loan officers of our operating subsidiaries~~ will continue to be important to ~~the~~ **our** ~~successful~~ --- **success,** ~~implementation of our strategy~~ and could be difficult during times of low unemployment. It is also critical ~~, as we grow,~~ **to the success of our banking strategy** to be able to attract and retain qualified ~~additional~~ management and ~~loan officers~~ **key personnel** with the appropriate level of experience and knowledge about our market ~~area~~ **areas** ~~to implement our community- based operating strategy~~ . The unexpected loss ~~of services~~ of any key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition and results of operations. We may implement new lines of business and offer new products and services within existing lines of business to offer our customers a competitive array of products and services. There can be substantial risks and uncertainties associated with these efforts, particularly in instances where such products and services are still developing. In developing and marketing new lines of business and / or new products or services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and / or new products or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service ~~. Furthermore~~ , **and** any new line of business and / or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on our business, financial condition and results of operations. The processes we use to estimate our current expected credit losses and to measure the fair value of financial instruments, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, ~~depends~~ - **depend** upon the use of analytical and forecasting models. These models could reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are adequate, the models may prove to be inadequate or inaccurate because of other flaws and limitations in their design or their implementation. If the models we use to guide management' s decisions and oversight relating to interest rate risk and asset- liability management are inadequate, we may incur increased or unexpected losses upon changes in market interest rates or other market measures. If the models we use for determining our probable loan losses are inadequate, the allowance for credit losses may not be appropriate to support future charge- offs. If the models we use to measure the fair value of financial instruments are inadequate, the fair value of such financial instruments may fluctuate unexpectedly **,** or may not accurately reflect what we could realize upon sale or settlement of such financial instruments. Any such failure in our analytical or forecasting models could have a material adverse effect on our business, financial condition and results of operations. Management regularly reviews and updates our internal controls, disclosure controls and procedures and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the controls are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls, policies and procedures could have a material adverse effect on our business, financial condition and results of operation. Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, government sponsored entities, investment banks, and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market- wide liquidity problems and could lead to losses or defaults by HTLF or ~~the~~ **HTLF** ~~Banks~~ - **Bank** or by other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due us. There is no assurance that any such losses would not materially and adversely affect our results of operations. **Growth is an integral component of achieving business and financial scale and results necessary to make appropriate investments in people, processes and systems which allow HTLF to remain competitive in attracting and retaining employees and customers.** As part of our general growth strategy, we have acquired, and may acquire, additional banks, fee income businesses and other financial services businesses that we believe provide a strategic and geographic fit with our business. We expect to continue to make such acquisitions in the future. We cannot predict the number, size or timing of acquisitions **,and failure to successfully** identify and complete meaningful **and accretive** acquisitions likely may result in HTLF achieving slower growth.To the extent that we grow through acquisitions,we cannot provide assurance that we will be able to manage this growth adequately and profitably.Acquiring other banks and businesses will involve risks commonly associated with acquisitions,including:• potential exposure to unknown or contingent liabilities of the banks and businesses we acquire;• exposure to potential asset quality issues of the acquired bank or related business;• difficulty and expense of integrating the operations and personnel of banks and businesses we acquire;• potential disruption to our business;• potential restrictions on our business resulting from the regulatory approval process;• inability to realize the expected revenue increases,costs savings,market presence and / or other anticipated benefits;• potential diversion of our management' s time and attention;and • the possible loss of key employees and customers of the banks and businesses we acquire.In addition to acquisitions,we may expand into additional communities or attempt to strengthen our position in our current Bank Markets by undertaking additional ~~de novo bank formations or~~ branch openings.Based on our experience,we believe that it generally takes three years or more for new banking facilities to first achieve operational profitability,due to the impact of ~~organization~~ **organizational** and overhead expenses and the start- up phase of generating loans and deposits.To the extent that we undertake additional branching and ~~de novo bank and~~ business formations,we are likely to continue to experience the effects of higher operating expenses relative to operating income from the new operations,which ~~may~~ **could** have ~~an~~ **a material** adverse effect on our **business** ~~levels of reported net income~~ , ~~return~~ **financial condition and results of operation.While our focus is** on ~~average equity and return on average assets.While we seek~~ continued organic growth,we anticipate continuing to evaluate merger and acquisition opportunities presented **to us in our Bank Markets** . Economic conditions as well as the need for technological investment by regional banks could result in increased competition for merger or acquisition partners , potentially resulting in higher acquisition prices...... presented to us in our Bank Markets . We expect that other banking and financial companies, many of which have significantly greater resources, will compete with us to acquire financial services businesses. This competition, as the number of ~~appropriate~~ **attractive** merger targets decreases, could increase prices for potential acquisitions **,** which could reduce our potential returns, and reduce the attractiveness of these opportunities to us. ~~In addition, acquisitions~~ **Acquisitions also** are subject to various regulatory approvals, and if we fail to receive the appropriate regulatory approvals, we will not be able to consummate an acquisition that we believe is in our best interests. Among other things, our regulators consider our capital, liquidity, profitability, risk management, regulatory compliance, including with respect to BSA / AML, consumer protection laws, CRA obligations, and levels of goodwill and intangibles when considering acquisition and expansion proposals. The federal banking agencies are currently reevaluating their existing requirements and policies for reviewing mergers and acquisitions involving banking organizations, which could make it more difficult for us to pursue mergers and acquisitions in the future. Any acquisition could be dilutive to our earnings and shareholders' equity per share of our common stock. The banking and financial services business in ~~our~~ **HTLF** Bank **' s** Markets is highly competitive and is currently undergoing significant change. Our competitors include ~~large regional~~ **other commercial** banks, **credit unions** ~~local community banks, online banks~~ , thrifts, fintech firms, **stockbrokers,** securities and brokerage companies, **mutual Fund companies,** mortgage companies, insurance companies ~~, finance companies, money market mutual funds, credit unions~~ and other non- bank financial service **companies.** ~~providers, and increasingly~~ **Increasingly** these competitors provide integrated financial services over a broad geographic area. ~~In particular, technology~~ **Technology** companies are increasingly focusing on the financial sector, either in partnership with ~~competitor~~ **competing** banking organizations or on their own. These companies generally are not subject to the same regulatory ~~burdens~~ **requirements** as traditional financial institutions and may **therefore have** ~~accordingly realize certain~~ cost ~~strategies~~ **advantages over us** and offer products and services at more favorable rates and with greater convenience to the client. This competition could result in the loss of clients and revenue in areas where ~~fintechs~~ - **Fintech ' s, many of which operate nationally without physical locations,** are operating. As the pace of technology and change advance, continuous innovation is expected to exert long- term pressure on the financial services industry. Some of our competitors may also have a competitive advantage over us due to their access to governmental programs that we do not have access to that impact their position in the marketplace favorably. The adoption of new technologies **and products** by competitors, including internet banking services, mobile applications, advanced ATM functionality and cryptocurrencies could require ~~HTLF~~ **us** to make substantial investments to modify or adapt ~~its~~ **our** existing products and services or even radically alter the way ~~HTLF~~ **we** ~~conducts~~ - **conduct** business. These and other capital investments in **our** ~~HTLF' s~~ business may not produce **the** expected growth in earnings anticipated at the time of the expenditure. Increased competition in our Bank Markets may result in changes in our business model, sales of certain assets or business units, decreases in the amounts of our loans and deposits, reduced spreads between loan rates and deposit rates or loan terms that are more favorable to the borrower. Any of these ~~results~~ **could impact our ability to grow and scale our business, which** could have **an** ~~a material~~ adverse effect on our ability to ~~grow and remain profitable~~ **profitably compete** ~~. We operate in a highly regulated environment and are subject to supervision and regulation by a number of governmental regulatory agencies, including the Federal Reserve, the FDIC, Housing and Urban Development (" HUD") and the various state agencies where we have a bank presence. We will also become subject to~~

~~regulation by the CFPB when the assets of HTLF Bank, the Bank into which the eleven charters are consolidating, exceed $ 10 billion. Regulations adopted by these agencies, which are generally intended to provide protection for depositors and customers rather than for the benefit of stockholders, govern a comprehensive range of matters relating to ownership and control of our shares, our acquisition of other companies and businesses, our ability to offer new products and services, our ability to obtain financing and other aspects of our strategy. In addition, the federal banking agencies are currently reevaluating their existing requirements and policies for reviewing mergers and acquisitions involving banking organizations, which could make it more difficult for us to pursue mergers and acquisitions in the future~~ . Federal and state banking laws impose a comprehensive system of supervision, regulation and enforcement on the operations of FDIC- insured institutions, their holding companies and affiliates that is intended primarily for the protection of the FDIC- insured deposits and depositors of banks, rather than shareholders. These laws, and the regulations of the bank regulatory agencies issued under them, affect, among other things, the scope of our business, the kinds and amounts of investments that we ~~and the Banks~~ may make, **our** reserve requirements ~~,~~ **and** required capital levels ~~relative to assets~~ , the nature and amount of collateral for loans, the establishment of branches, our ability to merge, consolidate and acquire, **our** dealings with our ~~and the Banks'~~ insiders and affiliates **,** and our payment of dividends. Both the scope of the laws and regulations and the intensity of the supervision to which our business is subject have increased in recent years, as ~~well as~~ **has** ~~other~~ -- **the** ~~factors such as~~ **complexity of our business and the risks to which we are subjected due to** technological and market changes. For example, as cybersecurity and data privacy risks for banking organizations and the broader financial system have significantly increased in recent years, cybersecurity and data privacy issues have become the subject of increasing legislative and regulatory focus. Regulatory enforcement and fines **have increased** ~~also remain high~~ across the banking and financial services ~~sector~~ **sectors** ~~. We expect that our business will remain subject to extensive regulation and supervision~~ . We expect a continued emphasis on regulatory reform, including a heightened focus on consumer protection, fair lending, the regulation of loan portfolios and credit concentrations to borrowers impacted by climate change, heightened scrutiny on Bank Secrecy Act ~~and~~ **(" BSA") / Anti- Money Laundering ("** AML **") and Countering the Financing of Terrorism (" CFT")** requirements, topics related to social equity, executive compensation, and increased capital and liquidity, as well as limits on share buybacks and dividends. For example, **recent changes in** ~~we currently derive a portion of~~ our **overdraft practices resulting from regulatory and competitive pressures will result in lower future** noninterest income ~~from consumer overdraft fees~~ **. Other products or services of ours may be subjected to increased regulation in the future** , **and such regulation may impact our ability to profitably provide services to our customers, which may result in difficulties competing with larger institutions** which have **more resources** ~~recently come under scrutiny by regulators, members of Congress and consumer rights groups. Regulators or Congress could impose additional restrictions on overdraft fee programs, which could reduce our noninterest income~~ . It is uncertain **how** ~~whether and to what extent the regulatory burden on us will increase, and~~ changes in existing regulations and their enforcement may require modification to HTLF' s existing **business strategy,** regulatory compliance **,** and risk management infrastructure and practices **, and how these may impact our financial results in the future** . In the routine course of regulatory oversight, proposals to change the laws and regulations governing the operations of banks and other financial institutions are frequently raised in the U. S. Congress, state legislatures and before bank regulatory authorities. Similarly, proposals to change the accounting and financial reporting requirements applicable to banks and other depository financial institutions are frequently raised by the SEC, the federal banking agencies and other authorities. ~~The likelihood of significant~~ **We expect that the recent failures in the banking industry are likely to increase future regulations on banks, and the specific** changes in laws and regulations in the future and the effect such changes might have on our **results of** operations **and financial condition** are impossible to determine ~~. Recent changes in the laws and regulations that apply to us have been significant, and changes in statutes, regulations or policies could affect us in substantial and unpredictable ways, including limiting the types of financial products and services that we offer and / or increasing the ability of non- banks to offer competing financial products and services~~ . As a banking organization, we are subject to regulations that require us to maintain certain capital ratios, such as the ratio of our Tier 1 capital to our risk- weighted assets. Failure to satisfy certain capital requirements could result in restrictions on our ability to make capital distributions. If our regulatory capital ratios decline, **because** ~~as a result~~ of decreases in the value of our loan portfolio, **investment** ~~carried at fair value securities~~ portfolio **,** or otherwise, we may be required to improve such ratios by either raising additional capital or by disposing of assets. If we choose to dispose of assets, we cannot be certain that we will be able to do so at prices that we believe to be appropriate, and our future operating results could be negatively affected. If we choose to raise additional capital, we may accomplish this by selling additional shares of common stock, or securities convertible into or exchangeable for common stock, which could significantly dilute the ownership percentage of holders of our common stock and cause the market price of our common stock to decline. Additionally, events or circumstances in the capital markets generally may increase our capital costs and impair our ability to raise capital at any given time. Additional requirements may be imposed **on us** in the future. The Basel Committee continues to examine ways to strengthen the regulation, supervision and practices of banks and has produced, and continues to produce consultation and discussion papers which point to a significant revision of the Basel Framework, including improvements to the calculation of risk- weighted assets and the comparability of capital ratios. The ultimate impact on our capital and liquidity will depend on the implementation of further changes in the United States **banking sector** . Various federal banking laws and regulations impose heightened requirements on larger banks and bank holding companies. These heightened requirements have added, and will continue to add, restrictions **on,** and complexity to **,** our business operations, as we expand. For example, ~~when we complete the consolidation of our Banks, we will become subject to additional regulation~~ as a ~~bank with assets over $ 10 billion~~ **result of consolidation of our Banks in 2023, we became subject to CFPB supervision** . Although the Economic Growth Act exempted bank holding companies under $ 100 billion in assets from certain Dodd- Frank Act requirements that were otherwise applicable to bank holding companies with greater than $ 10 billion and $ 50 billion in total consolidated assets, federal banking agencies have indicated through interagency guidance that the capital planning and risk management practices of institutions with total assets less than $ 100 billion would continue to be reviewed through the regular supervisory process, which may offset the impact of the relief from stress testing and risk management requirements provided by the Economic Growth Act. We are subject to complex and evolving laws, regulations, rules and standards governing the privacy and protection of personal information of individuals. Such individuals include our customers, our employees, and the employees of our vendors, counterparties and other third parties with which we do business. Ensuring that our collection, use, transfer, storage and other processing of personal information complies with applicable laws, regulations, rules and standards regarding data privacy and cybersecurity in relevant jurisdictions can increase operating costs, impact the development of new products or services, and reduce operational efficiency. Any actual or perceived mishandling or misuse of ~~the~~ personal information by HTLF or a third party affiliated with HTLF could expose us to litigation, regulatory fines, penalties or other sanctions, reputational harm, and other adverse impacts. At the federal level, we are subject to the GLBA, which requires financial institutions to, among other things, periodically disclose their privacy policies and practices relating to sharing personal information and, in some cases, enables retail customers to opt out of the sharing of certain personal information with unaffiliated third parties. The GLBA also requires financial institutions to implement an information security program **which is overseen by the HTLF Risk Committee** that includes administrative, technical and physical safeguards to ensure the security and confidentiality of customer records and information. Additionally, like other lenders, ~~the~~ **HTLF** ~~Banks~~ **Bank** ~~use~~ **uses** credit bureau data in ~~their~~ **its** underwriting activities. Use of such data is regulated under the Fair Credit Reporting Act (" FCRA"), and the FCRA also regulates reporting information to credit bureaus, prescreening individuals for credit offers, sharing of information between affiliates, and using affiliate data for marketing purposes. We are also subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and cybersecurity. Moreover, the United States Congress has recently considered, and is currently considering, various proposals for more comprehensive data privacy and cybersecurity legislation, to which we may be subject if passed. Additionally, the federal banking regulators, as well as the SEC and related self-regulatory organizations, regularly issue guidance regarding cybersecurity that is intended to enhance cyber risk management among financial institutions. Data privacy and cybersecurity are also areas of increasing state legislative focus, and we are, or may in the future become, subject to various state laws and regulations regarding data privacy and cybersecurity. For example, the California Consumer Protection Act of 2018 (the" CCPA"), which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. The CCPA gives California residents the right to, among other things, request disclosure of information collected about them and whether that information has been sold to others, request deletion of personal information (subject to certain exceptions), opt out of the sale of their personal information, and not be discriminated against for exercising these rights. The CCPA contains several exemptions, including an exemption applicable to personal information that is collected, processed, sold or disclosed pursuant to the GLBA. In addition, the California Privacy Rights Act (" CPRA") which went into effect on January 1, 2023, significantly modifies the CCPA, including by expanding California residents' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency which will be vested with authority to implement and enforce the CCPA and the CPRA. Other states where we do business, or may in the future do business, or from which we otherwise collect, or may in the future otherwise collect, personal information of residents have adopted or are considering adopting similar laws. ~~For example, Virginia and Colorado have recently adopted comprehensive data privacy laws similar to the CCPA, which went into effect in January 2023 and will go into effect in July 2023, respectively.~~ In addition, laws in all 50 U. S. states generally require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. Certain state laws and regulations may be more stringent, broader in scope, or offer greater individual rights, with respect to personal information than federal or other state laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. Aspects of the CCPA, the CPRA, and other federal and state laws and regulations relating to data privacy and cybersecurity, as well as their enforcement, remain unclear, and we may be required to modify our practices ~~in an effort~~ to comply with them. While we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to data privacy or cybersecurity. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other documentation that provide promises and assurances about privacy, data protection and cybersecurity can subject us to potential federal or state action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Additional risks could arise in connection with any failure or perceived failure by us, our vendors or other third parties with which we do business to provide adequate disclosure or transparency to our customers about the personal information collected from them and its use, to receive, document or honor the privacy preferences expressed by our customers, to protect personal information from unauthorized disclosure, or to maintain proper training on privacy practices for all employees or third parties who have access to personal information in our possession or control. Any failure or perceived failure by us to comply with our privacy policies, or applicable data privacy and cybersecurity laws, regulations, rules, standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information, may result in requirements to modify or cease certain operations or practices, the expenditure of substantial costs, time and other resources, proceedings or actions against us, legal liability, governmental investigations, enforcement actions, claims, fines, judgments, awards, penalties, sanctions and costly litigation (including class actions) **, and may result in restrictions on our future activities, including acquisitions** . Any of the foregoing could harm our reputation, distract our management and technical personnel, increase our costs of doing business, adversely affect the demand for our products and services, and ultimately result in the imposition of liability, any of which could have a material adverse effect on our business, financial condition and results of operations. ~~Our Banks were participating lenders in the PPP, a loan program created to help eligible businesses, organizations and self-employed persons fund their operational costs during the COVID- 19 pandemic. Under this program, the SBA guaranteed 100 % of the amounts of fixed, low interest rate loans that are subject to numerous other regulatory requirements. Because of the short windows between the passing of the authorizing legislation and the opening of the PPP, considerable inconsistencies and ambiguities existed, and there was increased risk of fraud on the part of borrowers. Even though most borrowers have applied for and received forgiveness of their PPP loans, the Banks are exposed to reputational harm and litigation regarding their processing of PPP applications. If a deficiency is identified, the SBA may take action against borrowers and, in some instances, deny its liability under the guaranty, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of any loss related to the deficiency from the Banks.~~ We face significant legal and regulatory risks in our business, and the volume of claims and amount of damages and penalties claimed in litigation and governmental proceedings against financial institutions have increased in recent years. ~~Reputation risk, or the risk to our earnings and capital from the resulting negative publicity, is inherent to our business.~~ Current public uneasiness with the United States banking system heightens this risk, **and** ~~as banking customers often transfer~~ news regarding consumer fraud, financial difficulties or even failure of some institutions, to fear of fraud, financial difficulty or failure of even the most secure institutions ~~. In this climate~~ **has exacerbated these fears and** , ~~any~~ **in some cases, led to rapid withdrawal of deposits at financial institutions. Any** negative news may ~~become cause for curtailment~~ **result in the loss** of business relationships, withdrawal **by customers** of ~~funds~~ **deposits,** or other actions that ~~can have a compounding effect and~~ could **materially** adversely affect our **liquidity,** operations **, and financial condition** . The financial services industry has increasingly been targeted by lawsuits alleging infringement of patent rights. Regardless of the scope or validity of such patents or other intellectual property rights, or the merits of any claims by potential or actual litigants, we may have to engage in protracted and costly litigation which may be time consuming and disruptive to our operations and management. If we are found to infringe on one or more patents or other intellectual property rights, we may be required to pay substantial damages or royalties to a third- party ~~,~~ or may be subject to a temporary or permanent injunction prohibiting us from utilizing certain technologies. Substantial legal liability or significant governmental action against us could materially impact our business and financial results ~~. Also~~ , **and** the resolution of ~~a~~ litigation or regulatory ~~matter~~ **matters** could result in additional accruals or exceed established accruals for a particular period, which could materially impact our **financial condition or** results ~~from~~ **of** operations ~~for that period~~ . Reputation risk, or the risk to our earnings and capital from negative public opinion, is inherent in our business. Negative public opinion could adversely affect our ability to keep and attract customers and expose us to adverse legal and regulatory consequences. Negative public opinion could result from our actual or alleged conduct in any number of activities, including lending practices, corporate governance, regulatory compliance, mergers and acquisitions, and disclosure, sharing or inadequate protection of customer information, and from actions taken by government regulators and community organizations in response to that conduct. Our stock price can fluctuate widely in response to a variety of factors, including: actual or anticipated variations in our quarterly operating results; recommendations by securities analysts; acquisitions or business combinations; capital commitments by or involving HTLF or ~~our~~ **HTLF** ~~Banks~~ **Bank** ; operating and stock price performance of other companies that investors deem comparable to us; new technology used or services offered by our competitors; new reports relating to trends, concerns and other issues in the financial services industry; and changes in government regulations. General market fluctuations, **specific banking** industry ~~factors~~ **issues,** and general economic and political conditions and events have caused a decline in our stock price in the past, and these factors, as well as, **rapid** interest rate changes, unfavorable credit loss trends, or unforeseen events such as geopolitical events or terrorist attacks could cause our stock price to be volatile regardless of our operating results. ~~In~~ **We may issue equity or other securities convertible into or exchangeable for our common stock to stockholders of companies we acquire, to the public in** order to raise capital for future acquisitions **,** or for general corporate purposes ~~, we~~ **. Such issuances** may **be** ~~offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock~~ at a price per share that may be lower than the current price **or per share book value of our common stock. This could have a substantial dilutive effect on existing stockholders** . In addition, investors purchasing shares or other securities in the future could have rights superior to ~~existing stockholders. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, may be higher or lower than the price paid by~~ existing stockholders. Certain federal banking laws, including regulatory approval requirements, could make it more difficult for a third **-** party to acquire HTLF, even if doing so would be perceived to be beneficial to HTLF' s stockholders.