

Heartland BancCorp

Heartland BancCorp Announces Higher 2nd Quarter and Year-To-Date 2011 Earnings Directors Declare 3rd Quarter 2011 Cash Dividend

For Immediate Release:

July 25, 2011 – 12:00 noon

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Gahanna, Ohio - Tiney M. McComb, Chairman & CEO of Heartland BancCorp, parent company of Heartland Bank, today reported sharply higher earnings for the 2nd quarter and six months ending June 30, 2011. Net income climbed 25% in the 2nd quarter 2011 over the prior year 2nd quarter. Net income of \$1.297 million or \$0.83 per diluted share for the three months ended June 30, 2011 compared to net income of \$1.038 million or \$0.67 per share for the second quarter of 2010.

Net interest income after provision of \$4.743 million for the 2nd quarter of 2011 remained unchanged from the 2nd quarter of 2010. Interest income declined slightly over the prior year while interest expense declined 26% year over year. Non-interest income of \$725 thousand for the 2nd quarter of 2011 increased \$264 thousand or 57% over the prior year quarter. Operating expenses declined \$95 thousand or 3% below 2010 2nd quarter levels.

Year to date 2011 net income increased 22% over the same period in 2010. Net income of \$2.557 million or \$1.65 per diluted common share compares to earnings of \$2.104 million or \$1.36 per diluted common share for the first six months of 2010. Net interest income after provision expense was \$9.378 million for the first six months of 2011, up 2% compared to \$9.198 million for the same period in 2010. The increase in net interest income was due to a 26% decrease in interest expense on deposits and borrowed funds partially offset by a 5% decline in interest income on earning assets. Both declined as a result of continued stable low interest rates while the bank's loan and deposit portfolios repriced at lower rates during the first half of 2011. Noninterest income totaled \$1.480 million, up 25% in 2011 compared to \$1.184 million for 2010. Non-interest or operating expense of \$7.342 million declined by \$122 thousand or 2% in 2011 over \$7.464 million for the 1st 6 months of 2010.

Chairman McComb noted, "I am pleased to report higher year-over-year quarterly and year-to-date earnings supported by a strong net interest margin, higher other operating income and lower operating costs providing strong core earnings growth. Lower operating costs reflecting productivity initiatives

have been an important strategic objective. Heartland BancCorp continues to maintain a ‘well capitalized’ capital position supported by solid core earnings and liquidity. I am particularly encouraged to report Heartland’s solid year-over-year growth in shareholders’ equity. Heartland BancCorp’s book value per share of \$31.13 represents a 6% increase over the prior year.”

Other financial highlights for the first half of 2011 include:

- Total assets increased to \$551 million up 4% over 2010.
- Deposits increased to \$464 million
- Book value per share increased \$1.63 or 6% to \$31.13
- Shareholders’ equity increased by \$2.6 million or 6% to \$47.9 million.

During their July 2011 meeting, the Directors of Heartland BancCorp declared a 3rd quarter 2011 cash dividend of \$0.3217 per share to shareholders of record September 25, 2011, payable October 10, 2011. Based on the closing price of our common stock on June 30, 2011, this dividend represents an annualized dividend yield of 4.65%. For the six months ending June 30, 2011 Heartland BancCorp has recorded a dividend payout ratio of 39%.

Heartland Bank provides a complete line of loan and deposit products accessible from any of our banking offices and ATMs, as well as from home or office using Heartland’s telephone banking at 416-BANK or worldwide access at www.heartlandbank.com

Heartland BancCorp is a registered Ohio bank holding company and the parent of Heartland Bank, which operates eleven full-service banking offices. Heartland Bank is a member of the Federal Reserve, a member of the Federal Deposit Insurance Corporation and an Equal Housing Lender. Heartland BancCorp is currently quoted on the over-the-counter (OTC) Bulletin Board Service under the symbol HLAN.

[HEARTLAND BANCCORP EARNINGS PROFILE ATTACHED]

Heartland BancCorp
Earnings Profile
Second Quarter and Year-To-Date
June 30, 2011 and 2010

		2011	2010
Second Quarter	Net Interest Income (after provision)	\$4,742,572	\$4,746,431
	Noninterest Income	725,458	461,556
	Net Income	1,296,984	1,038,473
	Basic Earnings Per Share	\$0.84	\$0.68
	Diluted Earnings Per Share	\$0.83	\$0.67
Year-to-Date	Net Interest Income (after provision)	\$9,378,006	\$9,198,156
	Noninterest Income	1,479,980	1,183,684
	Net Income	2,556,526	2,104,254
	Basic Earnings Per Share	\$1.66	\$1.37
	Diluted Earnings Per Share	\$1.65	\$1.36