Heartland BancCorp
Consolidated Balance Sheets
June 30, 2011 and 2010

Assets	2011	2010
Cash and cash equivalents	$ 14,302,152	$ 7,791,118
Available-for-sale securities	117,844,375	102,694,936
Held-to-maturity securities	5,754,204	5,903,073
Loans, net of allowance for loan losses of $3,784,295 and $3,653,778 at June 30, 2011 and 2010	394,335,824	396,361,498
Premises and equipment	9,302,852	9,426,806
Federal Reserve and Federal Home Loan Bank stock	1,230,650	1,230,450
Foreclosed assets held for sale	2,276,085	436,480
Interest receivable	1,884,870	1,898,497
Goodwill	417,353	417,353
Prepaid FDIC Insurance	1,537,404	2,280,983
Other	2,539,411	2,241,936
Total assets	$ 551,425,180	$ 530,683,130
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	$ 47,113,230	$ 43,945,139
Saving, NOW and money market	157,500,816	137,210,060
Time	259,111,762	277,757,986
Total deposits	463,725,808	458,913,185
Short-term borrowing	33,633,430	20,330,597
Long-term debt	3,093,000	3,093,000
Interest payable and other liabilities	3,100,343	3,051,932
Total liabilities	503,552,581	485,388,714
Shareholders' Equity		
Common stock, without par value; authorized 5,000,000 shares; issued 2011- 1,537,832, shares, 2010- 1,535,624 shares	23,080,347	23,043,724
Retained earnings	22,849,510	19,807,820
Accumulated other comprehensive income	1,942,742	2,448,710
Treasury stock at cost, Common; 2010-139 shares	-	(5,838)
Total shareholders' equity	47,872,599	45,294,416
Total liabilities and shareholders' equity	$ 551,425,180	$ 530,683,130
Book value per share	$ 31.13	$ 29.50

Heartland BancCorp and Bank Directors

I. Robert Amerine, Chairman, ISCO, Inc.
Arthur G.H. Bing, M.D. Plastic & Reconstructive Surgeon
William A. Dodson, Jr., Executive Vice President and Director of Community Relations for Rhema Christian Center
Jay B. Eggspuehler, Esq. Wiles, Boyle, Burkholder & Bringardener Co., L.P.A.
Jodi L. Garrison, CPA, Partner, Hirth, Norris & Garrsion, LLP
John R. Haines, Retired, John R. Haines Insurance Agency
David C. Kotary, Principal, Brower Insurance Agency, LLC.
Gerald K. McClain, President, The Jerry McClain Company, Inc.
G. Scott McComb, President & CEO, Heartland Bank
Tiney M. McComb, Chairman & CEO

Jack J. Eggspuehler, President, Aerosafe, Inc., Director Emeritus
Cheryl C. Poulton, President, Tech International, Director Emeritus

Heartland BancCorp Officers

Tiney M. McComb, Chairman & CEO
G. Scott McComb, Vice Chairman & President
I. Robert Amerine, Secretary
George R. Smith, Executive Vice President, Chief Financial Officer

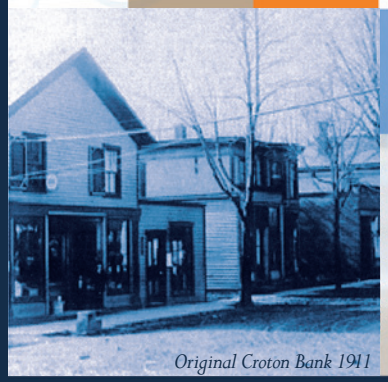
Heartland Locations to Serve You

Corporate Office, Gahanna (614) 337-4600
Columbus, Capitol Square, 65 East State Street (614) 416-0244
Croton, 12 North Main Street (740) 893-2191
Dublin, 6500 Frantz Road (614) 798-8818
Gahanna, 850 North Hamilton Road (614) 337-4605
Gahanna, 67 North Stygler Road (614) 475-7024
Grove City, 2365 Old Stringtown Road (614) 875-1884
Johnstown, 730 West Coshocton Street (740) 967-6500
Newark, 6 North Park Place (740) 349-7888
Reynoldsburg, 6887 East Main Street (614) 416-0400
West Columbus, 130 North Wilson Road (614) 351-2100
Westerville, 450 South State Street (614) 839-2265

Heartland Client Services, 416-BANK (2265), (800) 697-0049,
Heartland Investment Services, (614) 839-2265

heartlandbank.com

Member FDIC


Original Croton Bank 1911

Our Past has Prepared us well for
Today and Tomorrow.

Celebrating 100 years
of Community Banking in the Heartland

HEARTLAND BANCCORP
2011 SECOND QUARTER REPORT

To Our Shareholders, Customers, and Friends:

I am pleased to report higher year-over-year quarterly and year-to-date earnings for the 2nd quarter of our 100th anniversary year. These results are 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 in our 2011 earnings growth.

Heartland BancCorp 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 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.

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.

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

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 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 at June 30, 2011 represents a 6% increase over the prior year. Thank you for banking with Heartland. We value your business and look forward to serving you.

Sincerely,

Tiney M. McComb
Chairman & CEO

Consolidated Financials

Heartland BancCorp

Consolidated Statements of Income
Three and Six Months ended June 30, 2011 and 2010

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Interest Income				
Loans	$ 5,718,534	$ 5,975,414	$ 11,376,964	$ 11,932,228
Securities				
Taxable	589,255	709,818	1,200,678	1,431,245
Tax-exempt	414,124	344,918	819,232	682,213
Other	6,619	6,139	13,492	17,172
Federal funds sold	39	36	54	58
Total interest income	6,728,571	7,036,325	13,410,420	14,062,916
Interest Expense				
Deposits	1,341,389	1,847,038	2,750,061	3,804,400
Borrowings	100,110	96,856	193,353	189,360
Total interest expense	1,441,499	1,943,894	2,943,414	3,993,760
Net Interest Income	5,287,072	5,092,431	10,467,006	10,069,156
Provision for Loan Losses	544,500	346,000	1,089,000	871,000
Net Interest Income After Provision for Loan Losses	4,742,572	4,746,431	9,378,006	9,198,156
Noninterest income				
Service charges	557,244	589,536	1,105,575	1,104,259
Net Gains and commissions on loan sales	-	14,821	8,615	26,909
Net realized gains on available for sale securities	-	133,787	96	262,375
Net Realized Gain, (loss) on sale of foreclosed assets	11,489	(369,967)	36,283	(378,098)
Other	156,725	93,379	329,411	168,239
Total noninterest income	725,458	461,556	1,479,980	1,183,684
Noninterest Expense				
Salaries and employee benefits	2,052,650	1,942,130	4,151,072	3,953,435
Net Occupancy and equipment expense	415,814	458,664	836,010	953,603
Data processing fees	209,030	187,336	397,567	369,423
Professional fees	147,065	171,973	282,071	324,350
Marketing Expense	107,505	107,505	215,010	215,010
Printing and office supplies	52,065	65,654	100,808	120,572
State franchise taxes	146,898	134,204	293,745	270,988
FDIC Insurance premiums	123,000	226,388	244,500	436,388
Other	421,962	477,103	820,809	819,939
Total noninterest expense	3,675,989	3,770,957	7,341,592	7,463,708
Income before Income Tax	1,792,041	1,437,030	3,516,394	2,918,132
Provision for Income Taxes	495,057	398,557	959,868	813,878
Net Income	$ 1,296,984	$ 1,038,473	$ 2,556,526	$ 2,104,254
Basic Earnings Per Share	$ 0.84	$ 0.68	$ 1.66	$ 1.37
Diluted Earnings Per Share	$ 0.83	$ 0.67	$ 1.65	$ 1.36