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**Heartland BancCorp Earns \$2.8 Million in 4Q15 and \$8.1 Million for Year;  
Highlighted by 12% Asset Growth, 9% Loan Growth and 12% Deposit Growth Year-Over-Year;  
Declares Quarterly Cash Dividend of \$0.3724 per Share**

Gahanna, OH – January 19, 2016 – Heartland BancCorp (“the company,” and “the bank”) (OTCQB: HLAN), today reported that, following a \$879,000 life insurance benefit, earnings increased 69.6% to \$2.8 million compared to the fourth quarter a year ago. Heartland’s core earnings (excluding the life insurance benefit) increased 16.3% in the fourth quarter of 2015 to \$1.9 million, or \$1.21 per diluted share, compared to \$1.7 million, or \$1.05 per diluted share, in the fourth quarter a year ago. For the year, Heartland’s earnings increased 33.7% year-over-year to \$8.1 million. Core earnings for 2015 (excluding the life insurance benefit) increased 19.1% to \$7.2 million, or \$4.57 per diluted share, compared to \$6.1 million, or \$3.87 per diluted share, in 2014.

The Company also announced its board of directors declared a regular quarterly cash dividend of \$0.3724 per share. The dividend will be payable April 10, 2016, to shareholders of record as of March 25, 2016, providing a 3.1% current yield at current market prices.

“2015 was a solid year of growth and prosperity for our organization. We produced record annual profits, robust loan growth, double digit deposit growth and sustained a healthy net interest margin at around 4%,” said G. Scott McComb, Chairman, President and CEO. “The greater Columbus market continues to be one of the healthiest economies, not only in the region, but in the country, and we are well positioned to take advantage of this market with our brand of community banking.”

In November, Heartland completed a private placement to accredited investors of \$5.4 million in aggregate principal amount of fixed and variable rate subordinated promissory notes, with a weighted interest rate of 4.896%. The proceeds will give Heartland the opportunity to build out its business plan and meet the growing demand from clients and the marketplace. “This capital raise was a cost effective way for us to raise regulatory capital, give a good return to our investors, and did not dilute current shareholders,” added McComb.

**Fourth Quarter Financial Highlights (at or for the period ended December 31, 2015)**

- Net income was \$2.8 million, up from \$1.9 million in the preceding quarter and \$1.7 million in the fourth quarter a year ago.
- Net interest margin remained strong at 3.99% compared to 3.96% in the preceding quarter and 3.89% in the fourth quarter a year ago.
- Annualized return on average assets was 1.59%.
- Annualized return on average equity was 17.51%.
- Total deposits increased 12.0% to \$623.0 million from a year ago.
- Net loans increased 8.5% to \$541.0 million from a year ago.
- Non-performing assets were \$5.2 million, or 0.72% of total assets, at December 31, 2015, compared to \$4.1 million, or 0.59%, three months earlier and \$5.3 million, or 0.82%, one year earlier.
- Tangible book value per share increased 9.3% to \$42.40 per share compared to \$38.79 per share one year earlier.
- Declared a quarterly cash dividend of \$0.3724 per share, which represents a 3.31% yield based on the December 31, 2015 stock price. (\$45.00).
- The internal rate of return based on growth in book value and dividends paid was 16.2% in 2015.

## Balance Sheet Review

"Loan growth was robust again during the quarter, particularly in the agricultural and commercial and industrial (C&I) portfolios. With the demand we are seeing from new and existing customers, as well as the strength in our loan pipeline, we expect our loan production to remain strong throughout 2016," said McComb. Net loans increased 2.1% to \$541.0 million at December 31, 2015, compared to \$529.7 million at September 30, 2015 and increased 8.5% compared to \$498.6 million at December 31, 2014.

Total deposits increased 2.5% to \$623.0 million at year end, compared to \$608.0 million three months earlier and increased 12.0% compared to \$556.2 million a year ago. Demand accounts represented 22.3%, savings, NOW and money market accounts represented 35.2%, and CDs comprised 42.5% of the total deposit portfolio, at December 31, 2015.

Total assets increased 4.2% to \$729.6 million at December 31, 2015, compared to \$700.5 million three months earlier and increased 12.3% compared to \$649.7 million a year earlier. Shareholders' equity increased 4.0% to \$66.8 million at December 31, 2015, compared to \$64.2 million at September 30, 2015 and increased 10.0% compared to \$60.7 million one year ago. At year end, Heartland's tangible book value increased 3.8% to \$42.40 per share compared to \$40.84 per share three months earlier and increased 9.3% from \$38.79 per share one year earlier.

## Operating Results

"Our net interest margin remains healthy and improved modestly during the quarter due to continued loan and deposit pricing discipline," said McComb. Heartland's net interest margin was 3.99% in the fourth quarter of 2015, compared to 3.96% in the preceding quarter and 3.87% in the fourth quarter a year ago. For the full year 2015, Heartland's net interest margin was 4.02%, a two basis point improvement compared to a year ago.

Total revenues (net interest income before the provision for loan losses, plus non-interest income) increased 19.5% to \$8.2 million in the fourth quarter, compared to \$6.9 million in the fourth quarter a year ago, and increased 13.7% compared to \$7.3 million in the preceding quarter. For the year, total revenues increased 13.3% to \$29.4 million, compared to \$26.0 million in 2014. Excluding the \$879,000 benefit in excess of life insurance value, total revenues were \$7.4 million in the fourth quarter and \$28.5 million for the year. Net interest income before the provision for loan loss increased 7.6% to \$6.6 million in the fourth quarter of 2015, compared to \$6.1 million in the fourth quarter a year ago, and increased 3.2% compared to \$6.4 million in the preceding quarter. For the year, net interest income before the provision for loan losses increased 11.4% to \$25.4 million, compared to \$22.8 million in 2014.

Heartland's noninterest income was \$1.7 million in the fourth quarter of 2015, compared to \$874,000 in the third quarter and \$780,000 in the fourth quarter a year ago. The increase in noninterest income was primarily the result of a \$879,000 benefit in excess of life insurance cash value from a policy payout. For the year, noninterest income was \$4.0 million compared to \$3.1 million a year ago. In 2014, Heartland had substantial gains from sales of securities and foreclosed assets.

Fourth quarter noninterest expenses were \$4.5 million, compared to \$4.3 million in the preceding quarter and \$4.4 million in the fourth quarter a year ago. For the year, noninterest expenses were \$17.6 million compared to \$16.3 million in 2014. The year-over-year increase is primarily attributable to costs associated with the new branch in Pickerington, Ohio. Additionally, the increase in loan production for the year led to overall higher employee and incentive costs.

## Credit Quality

"Nonaccrual loans and past due loans still accruing were up slightly during the quarter, primarily due to a few lending relationships that were slow in making payments," said McComb. "However, there were no foreclosed assets on the

books at the end of the year. We believe these few problematic loans are isolated and not indicative of the overall quality of the loan portfolio.”

Nonaccrual loans were \$3.3 million at December 31, 2015, which was a slight increase compared to \$3.0 million three months earlier, and a decrease of 25.7% from \$4.5 million a year earlier. Loans past due 90 days and still accruing also increased to \$1.9 million from \$1.1 million at the end of the third quarter and \$745,000 a year ago. There were no other real estate owned (OREO) and other non-performing assets on the books at December 31, 2015, the same as at the preceding quarter end. OREO was \$108,000 at December 31, 2014.

Nonperforming assets (NPAs), consisting of nonperforming loans, OREO, and loans delinquent 90 days or more, were \$5.2 million at December 31, 2015, compared to \$4.1 million three months earlier, and decreased slightly when compared to \$5.3 million a year ago.

The fourth quarter provision for loan losses was \$120,000, down from \$160,000 in the preceding quarter. This compares to \$225,000 in the fourth quarter a year ago. For the year, the provision for loan losses totaled \$760,000 compared to \$1.3 million in 2014. As of December 31, 2015, the allowance for loan losses represented 172.2% of nonaccrual loans compared to 190.8% three months earlier, and 119.7% one year earlier.

Heartland’s net charge-offs were \$54,000 in the fourth quarter compared to \$8,000 in the preceding quarter, and \$238,000 in the fourth quarter a year ago. The allowance for loan losses was \$5.7 million, or 1.04% of total loans at December 31, 2015, compared to \$5.7 million, or 1.06% of total loans at September 30, 2015, and \$5.4 million, or 1.06% of total loans a year ago.

### **About Heartland BancCorp**

Heartland BancCorp is a registered Ohio bank holding company and the parent of Heartland Bank, which operates twelve full-service banking offices. Heartland Bank, founded in 1911, provides full service commercial, small business, and consumer banking services; alternative investment services; insurance services; and other financial products and services. Heartland Bank is a member of the Federal Reserve, a member of the FDIC and an Equal Housing Lender. Heartland BancCorp is currently quoted on the OTC Markets (OTCQB) under the symbol HLAN. Learn more about Heartland Bank at [HeartlandBank.com](http://HeartlandBank.com).

In May 2015, Heartland was ranked #77 on the American Banker magazine’s list of Top 200 Publicly Traded Community Banks and Thrifts based on three-year average return on equity (“ROE”) as of 12/31/14.

### **Safe Harbor Statement**

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

**Heartland BancCorp**  
Consolidated Balance Sheets

<b>Assets</b>	<u>Dec. 31, 2015</u>	<u>Sept. 30, 2015</u>	<u>Dec. 31, 2014</u>
Cash and due from banks	\$ 36,994,171	\$ 29,736,396	\$ 22,561,068
Federal funds sold	-	-	-
Cash and cash equivalents	36,994,171	29,736,396	22,561,068
Available-for-sale securities	114,638,733	104,061,671	101,479,692
Held-to-maturity securities, fair value \$6,409,962 and \$6,914,231 at December 31, 2015 and 2014, respectively and \$6,845,100 at September 30, 2015	6,044,094	6,498,787	6,454,963
Loans, net of allowance for loan losses of \$5,715,827 and \$5,350,637 at December 31, 2015 and 2014, respectively and \$5,649,773 at September 30, 2015	540,958,372	529,733,539	498,585,125
Premises and equipment	13,506,350	13,458,703	12,653,144
Nonmarketable equity securities	2,658,239	2,658,239	2,655,439
Foreclosed assets held for sale	-	-	108,082
Interest receivable	1,958,082	2,374,220	1,803,108
Goodwill	417,353	417,353	417,353
Deferred income taxes	1,574,075	1,574,075	1,574,075
Life insurance assets	9,327,518	9,337,159	1,215,898
Other	1,516,000	629,516	174,341
Total assets	<u>\$ 729,592,987</u>	<u>\$ 700,479,658</u>	<u>\$ 649,682,288</u>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Deposits			
Demand	\$ 139,226,242	\$ 119,445,210	\$ 108,394,566
Saving, NOW and money market	219,076,813	217,336,061	203,367,315
Time	264,651,203	271,254,619	244,394,645
Total deposits	<u>622,954,258</u>	<u>608,035,890</u>	<u>556,156,526</u>
Short-term borrowings	29,150,118	23,620,874	28,395,316
Long-term debt	5,460,000	-	-
Interest payable and other liabilities	5,270,849	4,617,893	4,421,322
Total liabilities	<u>662,835,225</u>	<u>636,274,657</u>	<u>588,973,164</u>
<b>Shareholders' Equity</b>			
Common stock, without par value; authorized 5,000,000 shares; issued 2015 - 1,564,581 shares 2014 - 1,554,457 shares and September 2015 - 1,561,781 shares	23,872,599	23,725,023	23,558,806
Retained earnings	41,991,488	39,765,320	36,160,565
Accumulated other comprehensive income (expense)	893,675	714,658	989,753
Treasury stock at Cost, Common; 2014- 1,665 shares	-	-	-
Total shareholders' equity	<u>66,757,762</u>	<u>64,205,001</u>	<u>60,709,124</u>
Total liabilities and shareholders' equity	<u>\$ 729,592,987</u>	<u>\$ 700,479,658</u>	<u>\$ 649,682,288</u>
Book value per share	<u>\$ 42.67</u>	<u>\$ 41.11</u>	<u>\$ 39.05</u>

**Heartland BancCorp**  
Consolidated Statements of Income

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2015	Sept. 30, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<b>Interest Income</b>					
Loans	6,645,404	\$ 6,497,915	\$ 6,162,060	\$ 25,775,945	\$ 22,767,132
Securities					
Taxable	424,204	335,461	324,614	1,376,312	1,256,494
Tax-exempt	395,358	383,968	387,701	1,551,627	1,626,882
Other	15,888	15,443	17,553	50,925	47,837
Total interest income	<u>7,480,854</u>	<u>7,232,787</u>	<u>6,891,928</u>	<u>28,754,809</u>	<u>25,698,345</u>
<b>Interest Expense</b>					
Deposits	851,796	846,062	761,837	3,256,624	2,834,757
Borrowings	39,234	3,291	3,970	49,252	16,601
Total interest expense	<u>891,030</u>	<u>849,353</u>	<u>765,807</u>	<u>3,305,876</u>	<u>2,851,358</u>
<b>Net Interest Income</b>	6,589,824	6,383,434	6,126,121	25,448,933	22,846,987
<b>Provision for Loan Losses</b>	120,000	160,000	225,000	760,000	1,255,000
<b>Net Interest Income After Provision for Loan Losses</b>	<u>6,469,824</u>	<u>6,223,434</u>	<u>5,901,121</u>	<u>24,688,933</u>	<u>21,591,987</u>
<b>Noninterest income</b>					
Service charges	477,606	500,789	475,385	1,925,467	1,980,529
Net Gains and commissions on loan sales	34,621	123,793	32,691	241,742	121,695
Net realized gains on available-for-sale securities	1,357	-	-	18,291	136,701
Net realized gain/(loss) on sales of foreclosed assets	(0)	5,250	55,828	5,308	209,901
Benefit in excess of life insurance cash value	879,488	-	-	879,488	-
Other	272,255	244,580	216,095	879,945	657,126
Total noninterest income	<u>1,665,326</u>	<u>874,412</u>	<u>779,999</u>	<u>3,950,240</u>	<u>3,105,952</u>
<b>Noninterest Expense</b>					
Salaries and employee benefits	2,800,345	2,501,325	2,576,281	10,331,707	9,294,269
Net occupancy and equipment expense	456,349	478,053	415,152	1,842,702	1,706,778
Data processing fees	265,293	270,360	319,183	1,082,143	1,018,464
Professional fees	64,706	140,972	186,695	498,406	772,812
Marketing expense	134,990	135,000	199,286	545,990	598,036
Printing and office supplies	31,786	33,805	42,527	158,877	165,248
State franchise taxes	105,981	105,982	90,097	423,926	373,224
FDIC Insurance premiums	93,000	111,000	91,836	411,000	342,089
Other	593,635	564,992	486,753	2,261,155	2,060,441
Total noninterest expense	<u>4,546,085</u>	<u>4,341,489</u>	<u>4,407,810</u>	<u>17,555,906</u>	<u>16,331,361</u>
<b>Income before Income Tax</b>	3,589,065	2,756,357	2,273,310	11,083,267	8,366,578
<b>Provision for Income Taxes</b>	780,246	813,343	617,225	2,955,567	2,285,364
<b>Net Income</b>	<u>2,808,819</u>	<u>\$ 1,943,014</u>	<u>\$ 1,656,085</u>	<u>\$ 8,127,700</u>	<u>\$ 6,081,214</u>
<b>Basic Earnings Per Share</b>	1.80	\$ 1.25	\$ 1.07	\$ 5.21	\$ 3.92
<b>Diluted Earnings Per Share</b>	1.77	\$ 1.22	\$ 1.05	\$ 5.13	\$ 3.87

**ADDITIONAL FINANCIAL INFORMATION**

(Dollars in thousands except per share amounts)(Unaudited)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2015	Sept. 30, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<b>Performance Ratios:</b>					
Return on average assets	1.59%	1.14%	1.04%	1.18%	0.99%
Return on average equity	17.51%	12.47%	11.22%	12.91%	10.57%
Net interest margin	3.99%	3.96%	3.87%	4.02%	4.00%
Efficiency ratio	55.08%	59.82%	63.82%	59.75%	63.26%

**Asset Quality Ratios and Data:**

	As of or for the Three Months Ended		
	Dec. 31, 2015	Sept. 30, 2015	Dec. 31, 2014
Non accrual loans	\$ 3,320	\$ 2,991	4,470
Loans past due 90 days and still accruing	1,919	1,126	745
Non-performing investment securities	-	-	-
OREO and other non-performing assets	-	-	108
Total non-performing assets	<u>\$ 5,239</u>	<u>\$ 4,117</u>	<u>\$ 5,323</u>
Non-performing assets to total assets	0.72%	0.59%	0.82%
Net charge-offs quarter ending	\$ 54	\$ 8	\$ 238
Allowance for loan loss	\$ 5,716	\$ 5,650	\$ 5,351
Non accrual loans	\$ 3,320	\$ 2,962	\$ 4,470
Allowance for loan loss to non accrual loans	172.17%	190.75%	119.71%
Allowance for loan losses to loans outstanding	1.04%	1.06%	1.06%

**Book Values:**

Total shareholders' equity	\$ 66,758	\$ 64,205	\$ 60,709
Less, goodwill	417	417	417
Shareholders' equity less goodwill	<u>\$ 66,341</u>	<u>\$ 63,788</u>	<u>\$ 60,292</u>
Common shares outstanding	1,564,581	1,561,781	1,554,457
Less treasury shares	-	-	-
Common shares as adjusted	1,564,581	1,561,781	1,554,457
<b>Book value per common share</b>	<b>\$ 42.67</b>	<b>\$ 41.11</b>	<b>\$ 39.05</b>
<b>Tangible book value per common share</b>	<b>\$ 42.40</b>	<b>\$ 40.84</b>	<b>\$ 38.79</b>

Note: Transmitted on Globe Newswire on January 19, 2015, at 5:02 p.m. EST.