Heartland BancCorp

Heartland BancCorp Announces Higher Earnings
Directors Declare 3rd Quarter 2012 Cash Dividend

For Immediate Release: **July 17, 2012 – 4:00 PM**

Contact: G. Scott McComb – Chairman & CEO *Phone: 614-337-4600*

GAHANNA, Ohio – July 17, 2012 – G. Scott 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, 2012. Net income increased 149% in the 2nd quarter 2012 over the same period in 2011. Net income of $3.2 million or $2.08 per diluted share for the three months ended June 30, 2012 compared to net income of $1.297 million or $0.83 per diluted share for the second quarter of 2011.

Net interest income after provision of $4.918 million for the 2nd quarter of 2012 exceeded the prior year 2nd quarter amount by 4% or $176 thousand. Provision expense declined 12% totaling $480 thousand, $65 thousand below the amount for the 2nd quarter of 2011.

Non-interest income of $2.579 million for the 2nd quarter of 2012 increased $1.9 million or two and half times higher over $725 thousand for the prior year 2nd quarter. Operating expenses of $3.823 million increased $147 thousand or 4% over 3.676 million for 2nd quarter of 2011.

Year to date 2012 net income increased 76% over the same period in 2011. Net income of $4.501 million or $2.90 per diluted share compares to earnings of $2.557 million or $1.65 per diluted share for the first six months of 2011. Net interest income after provision expense was $9.729 million for the first six months of 2012, up 4% compared to $9.378 million for the same period in 2011.
The increase in net interest income was due to a 22% decrease in interest expense partially offset by a 3% decline in interest income on earning assets. Both declined as a result of continued low market interest rates. Noninterest income totaled $3.414 million for the 1st 6 months of 2012, up from $1.480 million for the same period in 2011. Non-interest or operating expense of $7.736 million increased $395 thousand or 5% in 2012 over $7.342 million for the 1st 6 months of 2011.

Both 2nd quarter and year to date 2012 earnings include net tax exempt life insurance proceeds totaling $1.983 million recorded in other non-interest income from Heartland Bank's key-man insurance policies on its former Chairman and Founder Tiney M. McComb who lost his battle with cancer in April of this year.

Other financial highlights for the first half of 2012 include:

- Total assets increased to $572 million up 4% or $20.3 million over 2011.
- Deposits increased to $485 million up 5% over the prior year
- Book value per share increased $4.34 or 14% to $35.47

• Shareholders' equity increased by $6.4 million or 14% to $54.6 million.

During their July 17, 2012 meeting, the Directors of Heartland BancCorp declared a 3rd quarter 2012 cash dividend of $0.3217 per share to shareholders of record September 25, 2012, payable October 10, 2012. "Based on the closing price of our common stock on June 30, 2012, this dividend represents an annualized dividend yield of 5.00% to our shareholders. Staying true to the core values of community banking has rewarded our shareholders and continues to increase our franchise value." McComb stated.

Heartland BancCorp is a registered Ohio bank holding company and the parent of Heartland Bank, which operates eleven 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 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 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 over-the-counter (OTC) Bulletin Board Service under the symbol HLAN. Learn more about Heartland Bank at HeartlandBank.com.

Heartland BancCorp

Earnings Profile
Second Quarter and Year-To-Date
June 30, 2012 and 2011

		2012	2011
Second Quarter	Net Interest Income (after provision)	$4,918,162	$4,742,572
	Noninterest Income	2,579,154	725,458
	Net Income	3,225,442	1,296,984
	Basic Earnings Per Share	$2.09	$0.84
	Diluted Earnings Per Share	$2.08	$0.83
Year-to-Date	Net Interest Income (after provision)	$9,729,390	$9,378,006
	Noninterest Income	3,414,014	1,479,980
	Net Income	4,501,410	2,556,526
	Basic Earnings Per Share	$2.92	$1.66
	Diluted Earnings Per Share	$2.90	$1.65