Heartland BancCorp

Heartland BancCorp Announces:
Higher 3rd Quarter and Year-to-Date 2012 Earnings

For Immediate Release: **October 11, 2012 – 12:00 noon**

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Gahanna, Ohio – October 11, 2012 - G. Scott McComb, Chairman & CEO of Heartland BancCorp, parent company of Heartland Bank, today reported a 10% increase in 3rd quarter 2012 earnings over the 3rd quarter of 2011. Net income of $1.412 million or $0.91 per diluted share for the three months ended September 30, 2012 compares to net income of $1.284 million or $0.83 per diluted share for the third quarter of 2011. In addition to the increase in earnings, total assets increased to $578 million at September 30, 2012.

Earnings were higher for the 3rd quarter of 2012 as a result of higher net interest income and non-interest income and lower provision expense. Net interest income after provision increased 6% to $4.911 million for the 3rd quarter of 2012 over net interest income after provision of $4.621 million for the 3rd quarter of 2011. Interest income totaled $6.408 million during the 3rd quarter of 2012 a decrease of 6% compared to interest income of $6.795 million for the same period in 2011. Interest expense declined to $1.016 million, a decrease of 29% for the 3rd quarter of 2012 compared to interest expense of $1.424 million for the 3rd quarter of 2011. Overall, interest rates have fallen and remained at historically low levels since 2007 resulting in the downward repricing of both earning assets as well as interest bearing liabilities throughout 2012 and 2011. Provision expense during the 3rd quarter of 2012 totaled $480 thousand down $270 thousand over provision expense of $750 thousand in 2011.

Net income for the nine-month period ending September 30, 2012 increased 54% to $5.914 million or $3.80 per diluted share, compared to earnings of $3.840 million or $2.47 per diluted share for the same nine-month period in 2011. YTD 2012 earnings improved over the prior year due to higher net interest income, lower provision expense and higher non-interest income Net interest income increased 1% in 2012 to $16 million, up $209 thousand due primarily to a 24% decrease in the cost of funds for the 9 months ending September 30, 2012.

Year to date 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.

Assets totaling $578 million grew $17 million for the period ending September 30, 2012. Net loans of $392.7 million at September 30, 2012 increased $4.5 million or 1% from net loans of $388 million at September 30, 2011. The securities portfolio grew $15.3 million, an increase of 11% at September 30, 2012 compared to September 30, 2011. Deposits of $490 million at September 30, 2012 increased $16.5 million representing an increase of 3% over prior year levels. Growth in transaction account balances of $37 million or 18% partially offset by an 8% or $21 million decline in time deposits since September 30, 2011 contributed to the increase in net interest income and reflects customer preferences to remain in accounts providing liquidity. Shareholders' equity at September 30, 2012 grew to $55.9 million or $36.28 per share, an increase of 11% from $50.5 million or $32.81 per share, at September 30, 2011.

McComb commented "Our solid third quarter and year-to-date performance was achieved through our continued focus on attracting and enhancing new and current customer relationships throughout our central Ohio market. We are pleased with our growth in both assets and earnings despite the unsettled economic environment and intensified competitive challenges. Heartland BancCorp has achieved solid financial results thus far during 2012. I am pleased to report higher year-over-year quarterly and year-to-date earnings supported by a strong net interest margin, non-interest income and prudent management of operating expenses providing strong core earnings growth. Our focus continues to be concentrated on achieving our strategic goals to grow our institution profitably, ensuring the future success for our customers, employees and our shareholders.

"Heartland BancCorp continues to maintain a strong 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 $36.28 represents an 11% increase over the prior year. Heartland Bank remains a 'Well Capitalized' banking institution for regulatory capital purposes and the capital ratios continue to trend higher over prior periods. Our high capital ratios put us in a good position to take advantage of strategic opportunities that may arise. An example of this is our new Newark, Ohio branch office scheduled to open later in the month of October, 2012. Newark and the Licking County community represent one of our most important markets as evidenced by our investment in this new office. While we have been on the Courthouse Square for 18 years, this new facility will enable us to expand our services to our customers and our prospective customers affording them a convenient and efficient banking experience."

About Heartland Bank

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 ATTACHED]

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Heartland BancCorp

Earnings Profile
Third Quarter and Year to Date
September 30, 2012 and 2011

		2012	2011
Third Quarter	Net Interest Income (after provision)	$4,911,116	$4,620,989
	Non-Interest Income	710,725	738,435
	Net Income	1,412,398	1,283,849
	Basic Earnings Per Share	$0.92	$0.84
	Diluted Earnings Per Share	$0.91	$0.83
Year to Date	Net Interest Income (after provision)	$14,640,506	$13,998,995
	Non-Interest Income	4,124,739	2,218,415
	Net Income	5,913,808	3,840,375
	Basic Earnings Per Share	$3.84	$2.50
	Diluted Earnings Per Share	$3.80	$2.47