Heartland BancCorp
Consolidated Balance Sheets
September 30, 2012 and 2011

Assets	2012	2011
Cash and cash equivalents	$ 13,134,494	$ 17,628,917
Available-for-sale securities	143,718,509	129,755,997
Held-to-maturity securities	7,128,340	5,752,729
Loans, net of allowance for loan losses of $4,045,617 and $4,122,165 at September 30, 2012 and 2011	392,743,391	388,252,766
Premises and equipment	10,814,455	9,812,609
Federal Reserve and Federal Home Loan Bank stock	1,889,050	1,230,650
Foreclosed assets held for sale	1,944,904	2,654,028
Interest receivable	2,347,403	2,107,855
Goodwill	417,353	417,353
Prepaid FDIC Insurance premium	987,317	1,421,935
Other	1,613,414	1,441,803
Total assets	$ 577,788,630	$ 560,476,642
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	$ 73,252,872	$ 48,598,997
Saving, NOW and money market	176,353,145	163,668,789
Time	240,058,434	260,874,046
Total deposits	489,664,451	473,141,832
Short-term borrowing	25,586,483	23,190,341
Long-term debt	3,093,000	8,093,000
Interest payable and other liabilities	3,527,578	5,557,227
Total liabilities	521,871,512	509,982,400
Shareholders' Equity		
Common stock, without par value; authorized 5,000,000 shares; issued 2012-1,541,207, 2011-1,538,832 shares	23,119,070	23,096,847
Retained earnings	28,797,732	23,637,714
Accumulated other comprehensive income	4,000,316	3,759,681
Total shareholders' equity	55,917,118	50,494,242
Total liabilities and shareholders' equity	$ 577,788,630	$ 560,476,642
Book value per share	$ 36.28	$ 32.81

Heartland BancCorp and Bank Directors

I. Robert Amerine, Chairman, ISCO, Inc.
Arthur G.H. Bing, M.D. Plastic & Reconstructive Surgeon
William A. Dodson, Jr., EVP, Director of Community Relations 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, Chairman, President & CEO
Robert C. Overs, EVP & COO, Technical Rubber Company, Inc.
Gary D. Paine, Owner, Pilot Freight Services
Richard A. Vincent, President & CEO of the Osteopathic Heritage Foundation and Osteopathic Heritage Foundation of Nelsonville

Tiney M. McComb, Heartland BancCorp, Director Emeritus
Jack J. Eggspuehler, President, Aerosafe, Inc., Director Emeritus
Cheryl C. Poulton, President, Tech International, Director Emeritus

Heartland BancCorp Officers

G. Scott McComb, Chairman, President & CEO
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, 44 West Locust Street (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, (614) 416-BANK (2265), (800) 697-0049
Heartland Investment Services, (614) 839-2265
Heartland Insurance Services, (614) 918-2272

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HEARTLAND BANCCORP
2012 THIRD QUARTER REPORT

To Our Shareholders, Customers, and Friends:

I am very pleased to announce another quarter of solid earnings performance by Heartland BancCorp. Earnings increased 10% for the 3rd quarter 2012 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.

Net interest income after provision, our largest source of revenue, 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 below 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 our former Chairman and Founder.

Other Financial highlights as of September 30, 2012 compared to the same period in 2011 include:

- Total assets increased $17 million to $578 million,
- Net loans increased 1% or $4.5 million to $392.7 million,
- Deposits increased 3% or $16.5 million to $490 million,
- Shareholders' equity increased 11% to $55.9 million,
- Book value per share increased to $36.28 an 11% increase from $32.81 in 2011.

I am very pleased with our momentum as we approach the final months of 2012, and remain confident in our strategies for the long term. Our focus is concentrated on achieving our strategic goals to grow our institution profitably, ensuring the future success for our customers, employees and our shareholders.

As a result of our continued earnings growth our Board of Directors declared a 4th quarter 2012 cash dividend of $0.3217 per share to shareholders of record December 14, 2012 payable December 24, 2012. It is our hope that accelerating the payment of this dividend before the end of 2012 will result in the most favorable tax treatment for the benefit of our shareholders.

Thank you for your support and please continue to encourage your family, friends and neighbors to see what we have to offer at Heartland Bank.

Sincerely,

G. Scott McComb
Chairman, President & CEO

Consolidated Financials

Heartland BancCorp

Consolidated Statements of Income
Three and Nine Months ended September 30, 2012 and 2011

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest Income				
Loans	$5,400,443	$ 5,801,338	$ 16,348,717	$ 17,178,302
Securities				
Taxable	542,729	557,529	1,651,598	1,758,207
Tax-exempt	454,627	428,247	1,327,720	1,247,479
Other	9,209	8,076	33,200	21,568
Federal funds sold	48	34	121	88
Total interest income	6,407,056	6,795,224	19,361,356	20,205,644
Interest Expense				
Deposits	929,969	1,330,567	3,052,441	4,080,628
Borrowings	85,971	93,668	262,309	287,021
Total interest expense	1,015,940	1,424,235	3,314,750	4,367,649
Net Interest Income	5,391,116	5,370,989	16,046,606	15,837,995
Provision for Loan Losses	480,000	750,000	1,406,100	1,839,000
Net Interest Income After Provision for Loan Losses	4,911,116	4,620,989	14,640,506	13,998,995
Noninterest income				
Service charges	479,519	528,455	1,491,561	1,634,030
Net Gains and commissions on loan sales	21,099	29,783	26,266	38,398
Net realized gains on available for sale securities	-	10,169	172,805	10,265
Net Realized Gain, (Loss) on sale of foreclosed assets	7,173	(9,161)	(147,553)	27,122
Gains (Loss) on sale of premises and equipment	(500)	-	(7,068)	-
Other	203,434	179,189	2,588,728	508,600
Total noninterest income	710,725	738,435	4,124,739	2,218,415
Noninterest Expense				
Salaries and employee benefits	2,061,726	2,110,141	6,358,417	6,261,213
Net occupancy and equipment expense	424,947	383,988	1,295,548	1,219,998
Data processing fees	216,328	200,088	629,577	597,655
Professional fees	163,278	139,718	564,476	421,789
Marketing expense	100,110	107,500	300,210	322,510
Printing and office supplies	44,350	40,482	135,867	141,290
State franchise taxes	145,516	132,016	437,898	425,761
FDIC Insurance premiums	114,618	124,000	344,331	368,500
Other	395,228	366,066	1,335,996	1,186,875
Total noninterest expense	3,666,101	3,603,999	11,402,320	10,945,591
Income before Income Tax	1,955,740	1,755,425	7,362,925	5,271,819
Provision for Income Taxes	543,342	471,576	1,449,117	1,431,444
Net Income	$ 1,412,398	$ 1,283,849	$ 5,913,808	$ 3,840,375
Basic Earnings Per Share	$ 0.92	$ 0.84	$ 3.84	$ 2.50
Diluted Earnings Per Share	$ 0.91	$ 0.83	$ 3.80	$ 2.47