Heartland BancCorp
Consolidated Balance Sheets
March 31, 2013 and 2012

Assets	2013	2012
Cash and cash equivalents	$ 11,881,827	$ 23,273,476
Available-for-sale securities	133,645,712	140,758,430
Held-to-maturity securities	6,863,829	6,781,242
Loans, net of allowance for loan losses of $5,697,222 and $4,085,747 at March 31, 2013 and 2012, respectively	395,761,542	385,849,758
Premises and equipment	12,072,503	10,173,186
Federal Reserve and Federal Home Loan Bank stock	1,889,050	1,230,650
Foreclosed assets held for sale	2,569,642	2,594,195
Interest receivable	2,184,274	2,263,225
Goodwill	417,353	417,353
Prepaid FDIC Insurance premium	763,116	1,199,733
Other	3,107,983	2,151,097
Total assets	$ 571,156,831	$ 576,692,345
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	$76,101,718	$ 68,153,145
Saving, NOW and money market	186,686,847	175,108,943
Time	224,506,742	249,880,734
Total deposits	487,295,307	493,142,822
Short-term borrowing	26,089,538	24,911,009
Long-term debt	-	3,093,000
Interest payable and other liabilities	1,850,974	3,968,552
Total liabilities	515,235,819	525,115,383
Shareholders' Equity		
Common stock, without par value; authorized 5,000,000 shares; issued 2013-1,543,468, 2012-1,540,207 shares	23,155,740	23,087,057
Retained earnings	29,680,763	25,151,088
Accumulated other comprehensive income	3,084,509	3,338,817
Total shareholders' equity	55,921,012	51,576,962
Total liabilities and shareholders' equity	$ 571,156,831	$ 576,692,345

Heartland BancCorp and Bank Directors

Arthur G.H. Bing M.D., Plastic & Reconstructive Surgeon
William A. Dodson, Jr., EVP/Community Relations Director, Rhema Christian Center
Jay B. Eggspuehler, Esq., Wiles, Boyle, Burkholder & Bringardner 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, Senior Vice President, Brower Insurance
Gerald K. McClain, President, The Jerry McClain Company, Inc.
G. Scott McComb, Chairman, President and CEO
Robert C. Overs, EVP & COO, Technical Rubber Company, Inc.
Gary D. Paine, Owner, Pilot Freight Services
Richard A. Vincent, President & CEO, Osteopathic Heritage Foundation and Osteopathic Heritage Foundation of Nelsonville

Directors Emeritus

I. Robert Amerine, Chairman, American Apex Corporation
Jack J. Eggspuehler, President, Aerosafe, Inc.
Cheryl C. Poulton, Executive Chairman, Tech International

Heartland BancCorp Officers

G. Scott McComb, Chairman, President and CEO
Jay B. Eggspuehler, Esq., Vice Chairman
Jodi L. Garrison, 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 Insurance Services, LLC. (614) 918-2272
Heartland Investment Services, (614) 839-2265

HEARTLAND BANK
Central Ohio's Community Bank®
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Heartland BancCorp Ranked 62nd Best Community Bank in the Nation

American Banker Magazine Top 200 Community Banks

New office built to better serve the Newark community.

*Heartland Bank 2012 recipient of the Better Business Bureau of Central Ohio Torch Award for **EthicalEnterprising**℠.*

HEARTLAND BANCCORP
2013 FIRST QUARTER REPORT

To Our Shareholders, Clients, and Friends:

I am pleased to report to you 1st quarter 2013 net income of $1.091 million or $0.70 per diluted share compared to earnings of $1.276 million or $0.82 per diluted share for the 1st quarter of 2012.

Earnings for the 1st quarter of 2013 as compared with the 1st quarter of 2012 reflect lower interest income, down $383 thousand or 6% partially offset by lower interest expense down $210 thousand or 17% for 2013 compared to the prior year. Provision for loan loss for the 1st quarter 2013 totaled $555 thousand, up 24% or $109 thousand higher than provision of $446 thousand recorded in the 1st quarter 2012. Net interest income after provision for loan loss declined $282 thousand or 6% in 2013 compared to the 1st quarter 2012. The allowance for loan loss increased to $5.7 million up 39% compared to $4.1 million at March 31, 2012. The allowance totaled 1.42% of gross loans outstanding, an increase of 33% compared to 1.07% as of 3/31/2012. Included in the 1st quarter 2013 interest expense is $162 thousand representing the premium paid to redeem $3,000,000 of 10.60% Capital Securities issued through a Heartland BancCorp subsidiary as part of a pooled offering during September 2000. These securities became eligible for early redemption on September 7, 2010 and were redeemed on March 7, 2013 with a premium of 4.24%. It is projected that the cost of this redemption will be recovered in approximately six months and will be accretive to Heartland BancCorp's earnings thereafter.

Non-interest income of $851 thousand for the 1st quarter of 2013 increased $16 thousand or 2% over the prior year 1st quarter. Operating expenses for 2013 increased $56 thousand or 1% compared to the 1st quarter of 2012.

Other financial highlights for the 1st quarter 2013 compared to the same period in 2012 include:

- Net loans increased 3% or $10 million to $396 million
- Interest bearing and non-interest bearing transaction deposit accounts increased $20 million in 2013 over 2012 representing an increase of 8% in 2013
- Shareholders' equity increased $4.3 million or 8% to $55.9 million
- Book value per share increased to $36.23 as of March 31, 2013 up 8% from $33.49 in 2012

Heartland BancCorp had a very good start to the year. Even though 1st quarter earnings were negatively impacted by the early redemption of our capital securities, we will eliminate a 10.60% borrowing cost that will positively impact earnings for the remainder of this year and beyond. Consistent quality earnings enabled us to retire this expensive capital. Protecting our net interest margin and growing our franchise with quality assets remains our primary objective. We are pleased that our capital strength supports our plans for continued growth.

I am pleased to share with you that our board declared a 1st quarter 2013 cash dividend of $.3217 per share to shareholders of record March 25, 2013, payable April 10, 2013. This dividend results in a dividend payout ratio of 46% of earnings and based upon the closing value of Heartland BancCorp stock on March 31, 2013 a dividend yield of 3.57%.

Heartland BancCorp has been named to the American Banker Magazine Top 200 Community Banks in the Nation list. We have been in the top 100 for three consecutive years and moved up 35 spots from 97th to 62nd on the 2013 list. Thank you for investing in and banking with Heartland. We value your business and look forward to serving you.

Sincerely,

G. Scott McComb
Chairman, President & CEO

Consolidated Financials

Heartland BancCorp

Consolidated Statements of Income
Three Months ended March 31, 2013 and 2012

	2013	2012
Interest Income		
Loans	$ 5,163,848	$ 5,490,669
Securities		
Taxable	445,325	544,202
Tax-exempt	463,551	425,040
Other	18,337	14,563
Total interest income	6,091,061	6,474,474
Interest Expense		
Deposits	786,319	1,129,689
Borrowings	220,472	87,457
Total interest expense	1,006,791	1,217,146
Net Interest Income	5,084,270	5,257,328
Provision for Loan Losses	555,000	446,100
Net Interest Income After Provision for Loan Losses	4,529,270	4,811,228
Noninterest Income		
Service charges	464,110	476,213
Net gains and commissions on loan sales	16,454	5,686
Net realized gains on available for sale securities	219,160	147,345
Net realized gain (loss) on sale of foreclosed assets	(62,927)	700
Other	214,275	204,916
Total noninterest income	851,072	834,860
Noninterest Expense		
Salaries and employee benefits	2,178,142	2,208,618
Net occupancy and equipment expense	472,615	421,446
Data processing fees	224,733	203,457
Professional fees	196,035	248,414
Marketing expense	99,999	100,050
Printing and office supplies	39,338	39,063
State franchise taxes	158,390	147,369
FDIC Insurance premiums	118,503	114,618
Other	481,929	430,181
Total noninterest expense	3,969,684	3,913,216
Income Before Income Tax	1,410,658	1,732,872
Provision for Income Taxes	320,103	456,904
Net Income	$ 1,090,555	$ 1,275,968
Basic Earnings Per Share	$ 0.71	$ 0.83
Diluted Earnings Per Share	$ 0.70	$ 0.82