

Heartland BancCorp

Heartland BancCorp Announces Record 2010 4th Quarter and Full Year Earnings Directors Declare Cash Dividend

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Tiney M. McComb, Chairman and CEO of Heartland BancCorp, parent company of Heartland Bank, today announced record 4th quarter and full year 2010 earnings.

Earnings for the 4th quarter ended December 31, 2010 totaled \$1.275 million or \$0.82 per share compared to earnings of \$1.048 million or \$0.68 per share for the 4th quarter of 2009. Net interest income before the provision for loan loss was \$5.151 million, an improvement of 4% over the 4th quarter of 2009 net interest income of \$4.977 million. Net interest income after the provision for loan loss totaled \$4.626 million for the fourth quarter 2010 up 6% from \$4.377 million for the prior year 4th quarter. Non-interest income for the 4th quarter of 2010 was \$817 thousand, up 3% compared to \$791 thousand for the same period in 2009. Non-interest expense was \$3.709 million for the 4th quarter 2010 substantially unchanged from the prior year's 4th quarter.

Net income for the year ended December 31, 2010 was \$4.570 million or \$2.96 per share compared to earnings of \$3.592 million or \$2.32 per share for the year ended December 31, 2009. Net interest income before provision for loan loss for 2010 grew 8% to \$20.383 million compared to \$18.815 million for 2009. Provision for loan loss of \$1.921 million for the full year 2010 compared to \$1.625 million for all of 2009. The added provision in 2010 was used to increase the Bank's allowance for loan loss while 2010 loan charge-offs remained at 2009 levels. The improvement in net interest income resulted from the combined effect of a 27% decline in the Bank's cost of funds less a 4% drop in the yield on earning assets. Lower deposit costs resulted from the continued downward repricing of deposits as the Fed Funds Target rate remained at a range of 0 to .25% throughout 2010. Total non-interest income of \$2.733 million in 2010 compares to \$1.889 million for 2009. The lower level of non-interest income in 2009 was due to a one time charge to earnings totaling \$990 thousand resulting from the mark-to-market of an other than temporarily impaired investment security. Non-interest expense of \$14.872 million in 2010 increased 6% over non-interest expense of \$14.041 million in 2009.

Total assets outstanding increased 2% to \$537 million at year-end 2010, an increase of \$13 million from assets of \$524 million at the end of 2009. Reflecting the continued low levels of consumer and overall business sentiment, net loans outstanding declined slightly to \$388 million, down 1% under loans of \$393 million at the end of 2009. Deposits increased 2% to \$462 million at December 31, 2010. Total shareholders' equity grew to \$45.2 million, up 2% from \$44.3 million at year-end 2009. Based upon shares outstanding the book value of Shareholders' equity increased 2% from \$28.83 at year-end 2009 to \$29.46 per share at December 31, 2010.

McComb stated, “ We take pride in the record financial results achieved during 2010. 2010 has been a milestone year for Heartland BancCorp and Heartland Bank. Our capital position and earnings rose to record levels in this our 99th year since our founding. As we enter 2011, our centennial year, we reflect upon the past 100 years, tempered by social and economic turmoil, stressed by two world wars, the great depression and in the first decade of this millennium by this Great Recession. The past three years have provided unprecedented economic challenges for our industry resulting in numerous bank failures. I believe our success has been achieved as a result of our allegiance to our agrarian heritage and values coupled with our adherence to fundamental banking principles to conduct our business in a professional and ethical manner focused on enhancing our customers experience and shareholder value. During 2011 we celebrate the opportunity to have served in both good times and bad, the diverse financial needs of our customers in the central Ohio communities over the past 100 years. We pledge to remain focused on our core values and deploy our capital to the benefit of our shareholders while increasing the value of their investment in Heartland BancCorp. While many financial institutions have in the recent past reduced or discontinued paying dividends, Heartland BancCorp has maintained its annual dividend of \$1.29 per common share. In this regard, I am especially pleased to announce our Board of Directors declared a 1st quarter 2010 cash dividend of \$0.3217 per share to shareholders of record March 25, 2011 payable April 10, 2011 resulting in a dividend yield of 5.47% based on the closing price of our shares at December 31, 2010.”

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 internet banking at heartlandbank.com

Heartland BancCorp is a Financial Holding Company and is a registered Ohio bank holding company and the parent of Heartland Bank, which operates eleven full-service banking offices. Alternative investment services are provided through Infinex Financial Group. 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.

[HEARTLAND BANCCORP EARNINGS PROFILE ATTACHED]

Heartland BancCorp

Earnings Profile

Fourth Quarter and Year To Date December 31, 2010 and 2009

Fourth Quarter

	2010	2009
Net Interest Income (after provision)	\$4,626,269	\$4,376,723
Non Interest Income	816,214	791,528
Net Income	1,274,631	1,048,285
Basic Earnings Per Share	\$0.83	\$0.68
Diluted Earnings Per Share	\$0.82	\$0.68

Year To Date

Net Interest Income (after provision)	18,462,084	17,190,435
Non Interest Income	2,732,655	1,889,000
Net Income	4,569,640	3,591,679
Basic Earnings Per Share	\$2.98	\$2.33
Diluted Earnings Per Share	\$2.96	\$2.32