Heartland BancCorp
Consolidated Balance Sheets
September 30, 2011 and 2010

Assets	2011	2010
Cash and cash equivalents	$ 17,628,917	$ 30,986,756
Available-for-sale securities	129,755,997	104,167,020
Held-to-maturity securities	5,752,729	5,901,649
Loans, net of allowance for loan losses of $4,122,165 and $3,881,913 at September 30, 2011 and 2010	388,252,766	394,660,113
Premises and equipment	9,812,609	9,420,536
Federal Reserve and Federal Home Loan Bank stock	1,230,650	1,230,450
Foreclosed assets held for sale	2,654,028	1,967,588
Interest receivable	2,107,855	2,042,256
Goodwill	417,353	417,353
Prepaid FDIC Insurance	1,421,935	2,109,807
Other	1,441,803	1,495,054
Total assets	$ 560,476,642	$ 554,398,582
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	$ 48,598,997	$ 46,386,991
Saving, NOW and money market	163,668,789	144,094,942
Time	260,874,046	281,927,578
Total deposits	473,141,832	472,409,511
Short-term borrowing	23,190,341	23,969,546
Long-term debt	8,093,000	3,093,000
Interest payable and other liabilities	5,557,227	8,229,736
Total liabilities	509,982,400	507,701,793
Shareholders' Equity		
Common stock, without par value; authorized 5,000,000 shares; issued 2011- 1,538,832, shares, 2010- 1,535,639 shares	23,096,847	23,041,004
Retained earnings	23,637,714	20,501,831
Accumulated other comprehensive income	3,759,681	3,153,954
Total shareholders' equity	50,494,242	46,696,789
Total liabilities and shareholders' equity	$ 560,476,642	$ 554,398,582
Book value per share	$ 32.81	$ 30.41

Heartland BancCorp and Bank Directors

I. Robert Amerine, Chairman, ISCO, Inc.
Arthur G.H. Bing, M.D. Plastic & Reconstructive Surgeon
William A. Dodson, Jr., Executive Vice President and Director of Community Relations for 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, President & CEO, Heartland Bank
Tiney M. McComb, Chairman & CEO, Heartland BancCorp

Jack J. Eggspuehler, President, Aerosafe, Inc., Director Emeritus
Cheryl C. Poulton, President, Tech International, Director Emeritus

Heartland BancCorp Officers

Tiney M. McComb, Chairman & CEO
G. Scott McComb, Vice Chairman & President
I. Robert Amerine, Secretary
George R. Smith, Executive Vice President, Chief Financial Officer

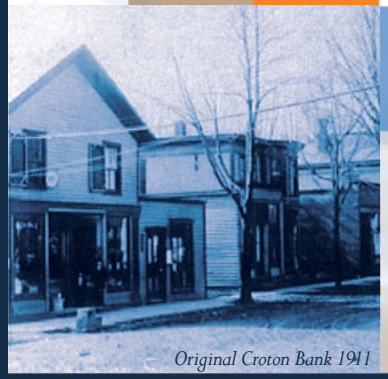
Heartland Locations to Serve You

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, 6 North Park Place (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

heartlandbank.com

Member FDIC


Original Croton Bank 1911

Our Past has Prepared us well for
Today and Tomorrow.

Celebrating 100 years
of Community Banking in the Heartland

HEARTLAND BANCCORP
2011 THIRD QUARTER REPORT

To Our Shareholders, Customers, and Friends:

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. The last three years have brought extremely challenging times to our industry and challenges remain as the global economy continues to underperform. Our focus continues to be concentrated on achieving our strategic goals of expanding our services to our customers while growing our institution profitably, ensuring our future success for our customers, employees and our shareholders.

Net income of $1.284 million or $0.83 per share for the three months ended September 30, 2011, compares to net income of $1.191 million or $0.77 per share for the third quarter of 2010. In addition to the increase in earnings, total assets increased to $560.5 million at September 30, 2011. Earnings were higher for the 3rd quarter of 2011 as a result of higher net interest income, non-interest income and lower operating expense over the prior year 3rd quarter. Net interest income increased 4% to $5.371 million for the 3rd quarter of 2011 over net interest income of $5.163 million for the 3rd quarter of 2010. Overall, interest rates have continued at historically low levels resulting in the downward re-pricing of both earning assets as well as interest bearing liabilities throughout 2011.

Net income for the nine-month period ending September 30, 2011 increased 17% to $3.840 million or $2.47 per share, compared to earnings $3.295 million or $2.13 per share for the same nine-month period in 2010. YTD Earnings improved over the prior year due to higher net interest income coupled with higher non-interest income and lower operating expense. Net interest income increased 4% in 2011 to $15.8 million, up $606 thousand. In this anemic economy Heartland BancCorp has experienced solid financial results thus far during 2011. Heartland BancCorp continues to maintain a strong capital position supported by solid core earnings and a strong liquidity position. I am particularly encouraged to report Heartland's strong year over year growth in shareholder's equity. Heartland BancCorp's book value per share of $32.81 at September 30, 2011 represents an 8% increase over the prior year. Heartland BancCorp remains a "Well Capitalized" banking institution for regulatory capital purposes and the capital ratios continue to trend higher.

During their October 18, 2011 quarterly meeting, the Directors of Heartland BancCorp declared a 4th quarter 2011 cash dividend of $0.3217 per share to shareholders of record December 25, 2011, payable January 10, 2012. This dividend represents an annualized dividend yield of 4.70% based on the nine month average closing price of our common stock through September 30, 2011. I am pleased with Heartland's solid year over year growth in total earning assets, deposits and shareholders' equity and most importantly in earnings.

In closing, I would like to thank you for investing in and banking with Heartland. We value your business and look forward to serving you today and in the future.

Sincerely,

Tiney M. McComb
Chairman & CEO

Consolidated Financials

Heartland BancCorp
Consolidated Statements of Income
Three and Nine Months ended September 30, 2011 and 2010

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Interest Income				
Loans	$ 5,801,338	$ 6,043,346	$ 17,178,302	$ 17,975,574
Securities				
Taxable	557,529	638,589	1,758,207	2,069,834
Tax-exempt	428,247	344,969	1,247,479	1,027,182
Other	8,076	12,470	21,568	29,642
Federal funds sold	34	52	88	110
Total interest income	6,795,224	7,039,426	20,205,644	21,102,342
Interest Expense				
Deposits	1,330,567	1,782,270	4,080,628	5,586,670
Borrowings	93,668	94,497	287,021	283,857
Total interest expense	1,424,235	1,876,767	4,367,649	5,870,527
Net Interest Income	5,370,989	5,162,659	15,837,995	15,231,815
Provision for Loan Losses	750,000	525,000	1,839,000	1,396,000
Net Interest Income After Provision for Loan Losses	4,620,989	4,637,659	13,998,995	13,835,815
Noninterest income				
Service charges	528,455	605,247	1,634,030	1,709,506
Net Gains and commissions on loan sales	29,783	37,731	38,398	64,640
Net realized gains on available for sale securities	10,169	11,995	10,265	274,370
Net Realized Gain, (loss) on sale of foreclosed assets	(9,161)	(4,407)	27,122	(382,505)
Other	179,189	81,842	508,600	250,081
Total noninterest income	738,435	732,408	2,218,415	1,916,092
Noninterest Expense				
Salaries and employee benefits	2,110,141	2,013,332	6,261,213	5,966,767
Net Occupancy and equipment expense	383,988	444,409	1,219,998	1,398,012
Data processing fees	200,088	188,669	597,655	558,092
Professional fees	139,718	183,425	421,789	507,775
Marketing Expense	107,500	107,500	322,510	322,510
Printing and office supplies	40,482	46,559	141,290	167,131
State franchise taxes	132,016	134,203	425,761	405,191
FDIC Insurance premiums	124,000	231,633	368,500	668,021
Other	366,066	349,641	1,186,875	1,169,580
Total noninterest expense	3,603,999	3,699,371	10,945,591	11,163,079
Income before Income Tax	1,755,425	1,670,696	5,271,819	4,588,828
Provision for Income Taxes	471,576	479,941	1,431,444	1,293,819
Net Income	$ 1,283,849	$ 1,190,755	$ 3,840,375	$ 3,295,009
Basic Earnings Per Share	$ 0.84	$ 0.78	$ 2.50	$ 2.15
Diluted Earnings Per Share	$ 0.83	$ 0.77	$ 2.47	$ 2.13