

## **Heartland BancCorp Announces Second Quarter and Year to Date 2002 Earnings**

### **For Immediate Release:**

**July 30, 2002 – 12:00 noon**

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Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, reported second quarter 2002 earnings of \$736,098, up from \$729,897 for the same period in 2001. Basic and diluted earnings per common share for the quarter were \$.55 an increase of 4% compared to \$.53 for the 2nd quarter of 2001. Year to date earnings of \$1,362,565 exceed earnings of \$1,346,295 for the first six months of 2001. Basic and diluted earnings per common share of \$1.02 improved 4% over \$.98 for the first six months of 2001.

McComb stated that earnings growth in both the second quarter and first six months of this year was driven by the increase in net interest as well as non-interest income. Net interest income, or the excess of interest income from loans and investments over the cost of funds, primarily interest expense on deposits, increased 5% for the first half of 2002 when compared to 2001. Lower interest rates in 2002 resulting from the decline in short term rates throughout 2001 contributed to an 11% decline in interest income that was more than offset by a 26% decrease in the cost of funds as deposits and borrowings repriced lower during the first six months of 2002. Another positive factor in the quarter and year to date earnings was an increase in non-interest income including fees for services provided to depositors and from gains recorded on the sales of securities. Mortgage banking income remained strong thus far in 2002 even though at slightly lower levels when compared to the first half of 2001. Our business is one of the basics of fundamental banking in local markets in central Ohio. The central Ohio region has weathered much of the financial turmoil experienced on a national level thanks to the volume and diversity of locally owned and operated small businesses, many of which we feel fortunate to serve.

Heartland BancCorp recorded double-digit asset growth of 16% during the annual period ending June 30, 2002. Assets at June 30, 2002 totaled \$304,971,558 an increase of \$41,038,137 over assets of \$263,933,421 at June 30, 2001. McComb noted as further evidence of our success the quarter ending June 30, 2002 marks the first time our total balance sheet footings have exceeded the \$300 million level. Asset growth has been propelled by strong deposit sales complimented by the opening late in 2001 of Heartland Bank's 9<sup>th</sup> full service banking office in Westerville. The Westerville market has met and exceeded our initial expectations for the volume and quality of anticipated sales for our new branch office. We believe through our presence and community involvement we are adding to the quality of commerce and extending opportunities for achieving personal financial success for individuals in the Westerville community. Net loans outstanding totaled \$217,766,282 an increase of \$13.2 million or 6% compared to net loans of \$204,571,404 one year earlier. The strong loan growth resulted from growth in both the retail as well as the commercial loan portfolios. Shareholder's equity of \$24,000,330 increased in excess of \$2 million or 9% as of June 30, 2002 compared to Shareholder's equity of \$21,976,90816 at June 30, 2001. McComb stated that our continued strong financial results have enabled us to repurchase 34,346 shares or approximately 2.52% of Heartland BancCorp common shares outstanding during the past year contributing to an increase in the market value of our remaining outstanding shares.

McComb stated that the second quarter balance sheet and income statement financial results continues the growth momentum from the first quarter and provides optimism for the remainder of 2002. "As a community bank we are committed to expand our reach into the central Ohio market enabling our customers to benefit from the loan, deposit and payment products and services provided by Heartland Bank while increasing shareholder value for our equity partners".

I am further pleased to announce that Heartland Bancorp's Board of Directors declared a third quarter 2002 cash dividend of 7.76 cents per share to shareholders of record September 25, 2002, payable October 10, 2002.

Heartland Bank provides a complete line of insured deposit products from short to long term, 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 [www.heartlandbank.com](http://www.heartlandbank.com)

Heartland BancCorp is a registered Ohio bank holding company and the parent of Heartland Bank, which operates nine full-service banking offices. Heartland Bank operates its wholly owned subsidiary Heartland Mortgage Corporation. Alternative investment services are provided through Great American Advisors, Inc. 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**  
**Second Quarter and Year To Date**  
**June 30, 2002 and 2001**

**Second Quarter**

	<b>2002</b>	<b>2001</b>
Revenues	\$5,832,935	\$6,378,413
Net Income	\$736,098	\$729,897
Basic Earnings Per Share	\$0.55	\$0.53
Diluted Earnings Per Share	\$0.55	\$0.53

**Year To Date**

Revenues	\$11,529,694	\$12,641,550
Net Income	\$1,362,565	\$1,346,295
Basic Earnings Per Share	\$1.02	\$0.98
Diluted Earnings Per Share	\$1.02	\$0.98