

## **Heartland BancCorp Announces Double Digit 4<sup>th</sup> Quarter and Full Year Earnings Growth for 2002**

**For Immediate Release:**

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Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, reported 4<sup>th</sup> quarter and year to date 2002 earnings increases of 23% and 12% respectively. I am pleased to share with you our most recent financial success from continued asset and earnings growth through the 4<sup>th</sup> quarter and full year 2002. Factors contributing to 2002 operating results include the strength of the central Ohio economy, stable interest rates promoting growth in residential and commercial real estate lending and most importantly, our loan and deposit customers who provide us with the opportunity to assist them in achieving their financial goals. Fourth quarter 2002 net income of \$900 thousand increased \$171 thousand or 23% compared to fourth quarter 2001 earnings of \$729 thousand. Diluted earnings per common share of \$.68 for the 4<sup>th</sup> quarter 2002 represent a 26% increase from diluted earnings per share in the prior year 4<sup>th</sup> quarter of \$.54. Our 4<sup>th</sup> quarter 2002 financial results represent our strongest 4<sup>th</sup> quarter performance and concluded our most successful ever full year operating results. Full year 2002 net income totaled \$3.158 million or \$2.37 per diluted share up 12 and 14% respectively compared to net income of \$2.820 million and \$2.07 per diluted share for 2001. Net interest income (after provision for loan loss) representing Heartland's core earnings, totaled \$11 million for 2002 up \$768 thousand or 7% compared to \$10.3 million for 2001. The improvement in net interest income resulted from the increase in loans and investments outstanding and the stability of interest rates leading to a lowering of deposit costs totaling \$2.8 million, a decline of 29% for the full year 2002 compared to 2001.

2002 earning results were supported by an 8% growth in assets. Assets outstanding at December 31, 2002 totaled \$313 million up \$24 million or 8% compared to assets outstanding of \$289 million at December 31, 2001. The most significant element of overall asset growth was the 9% or \$17.7 million increase in loans outstanding in 2002. McComb stated that loan and deposit relationships supported by quality customer service in our central Ohio market are the primary focus of our banking philosophy. Asset growth was substantially funded by an increase in deposits of \$13.6 million in 2002 resulting in total deposits outstanding of \$270 million at December 31, 2002 compared to \$257 million in 2001.

Total non-interest income improved 10% or \$421 thousand in 2002 over 2001, led by increases in fee revenue of \$329 thousand from the growth in Heartland Bank's retail and commercial deposit relationships. Lower overall interest rates in 2002 further provided an opportunity to recognize net gains from the sale of securities totaling \$305 thousand, more than twice the \$91 thousand in net gains recorded from securities sales in 2001. The strong performance of mortgage banking activities from Heartland Bank and its subsidiary Heartland Mortgage Company continued the pace from 2001 with gains from the sales of loans totaling \$2.2 million in 2002. Non-interest or operating expense increased 7% in 2002 compared to 2001. Operating expense in 2002 includes a full year of operations

from the opening of the Westerville branch office in 2002. Results of our investment in the Westerville market have exceeded our original projections, McComb noted, and our goal is to continue to invest our time and resources in the Westerville community as well as in our other established central Ohio markets in 2003.

2002 earnings growth contributed a 14% increase in shareholder's equity totaling \$25.6 million or 8.18% of total assets at December 31, 2002 compared to \$22.5 million or 7.79% of total assets as of year end in 2001. Our strong equity position provides us the opportunity to continue our expansion of financial services and banking locations to those individuals and businesses in central Ohio areas that would benefit from the personalized service and shared values of a community bank like Heartland Bank.

"I am grateful for Heartland's financial success during 2002 and thankful for the continued confidence and support from our loyal Board of Directors, employees, customers and shareholders," McComb stated. "With this in mind I am excited about the opportunities in 2003 and pleased to announce that the Board of Directors of Heartland BancCorp have approved a 1st quarter 2003 dividend of 8.98 cents per share to shareholders of record March 25, 2003 payable April 10, 2003."

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**  
**Fourth Quarter and Year To Date**  
**December 31,**

<b>4<sup>th</sup> Quarter</b>	<b>2002</b>	<b>2001</b>
Net Interest Income	\$2,971,912	\$2,658,981
Net Income	899,563	728,823
Basic Earnings Per Share	.68	0.54
Diluted Earnings Per Share	\$.68	\$0.54
 <b>Full Year</b>		
Net Interest Income	\$11,022,637	\$10,254,844
Net Income	3,158,426	2,820,456
Basic Earnings Per Share	2.37	2.07
Diluted Earnings Per Share	\$2.37	\$2.07