

Heartland BancCorp Announces 1st Quarter 2003 Earnings, Up 38% Over Prior Year 1st Quarter

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Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp reported first quarter 2003 earnings increased 38% over the prior year first quarter. “I am pleased to report to you our earnings momentum from 2002 has continued through the first quarter of 2003. Net income of \$867 thousand for the first quarter of 2003 is up \$240 thousand or 38% from net income of \$626 thousand for the first quarter of 2002. Diluted earnings per common share of \$.65 for the first quarter of 2003 increased \$.18 over diluted earnings per common share of \$.47 for the first quarter of 2002.” Earnings per share were enhanced by the repurchase of 15,968 shares of Heartland BancCorp stock during the prior 12-month period. Factors contributing to the increase in earnings included strong balance sheet growth, and higher net-interest and non-interest income resulting in improved operating efficiency.

Net interest income was \$2.907 million for the quarter, up 14% from 2002’s first quarter. The increase in the net interest income was due to a 25% decline in the cost of funds reflecting the lower deposit and borrowing costs through the first quarter of 2003. Loans of \$226 million are up \$17 million or 8% over 2002’s first quarter as commercial loans grew 10% and consumer related volumes including mortgage and home equity lending remained strong. Deposits of \$287 million at the end of the first quarter 2003 are up \$24 million or 9% over the prior year first quarter. Overall deposit growth has continued to gain momentum especially in the shorter-term accounts as customers seek protection of their principal while earning interest on their account.

Fee and other income for the first quarter 2003 were \$1.373 million, up 43% from the first quarter 2002 primarily due to growth in mortgage banking revenue. Gains on loan sales of \$817 thousand in the first quarter 2003 are up 69% or \$334 thousand from 2002’s first quarter. Mortgage production and sales in Heartland Bank’s subsidiary, Heartland Mortgage Corporation, continued at higher levels as low interest rates for residential loan products promoted mortgage loan demand.

At March 31, 2003, total assets were \$323.8 million, up \$32.9 million or 11% over the same period in 2002. Shareholders’ equity was \$26.0 million at March 31, 2003, up \$3.3 million or 15% compared to shareholder’s equity of \$22.7 million at March 31, 2002. Shareholder’s equity as a percent of assets was 8.02% at March 31, 2003 up from 7.79% at March 31, 2002.

McComb commented, “During this 15th anniversary year of Heartland BancCorp, we once again renew our commitment to our primary goal of enhancing shareholder value. Despite significant challenges of the past, and with a realization that we will be further challenged in the future, we continue to make progress toward that goal by adhering to our founding strategy: specializing in financial services and

loans to individuals and small businesses funded with deposits that fulfill the needs our customers through our branch and electronic banking network. The execution of this strategy is driven by a deep commitment to customer and community service. These values are the foundation of the Heartland culture and the driving force behind our financial performance. We pledge to maintain the values that have driven Heartland BancCorp's legacy. We offer our sincere thanks to our directors, employees and customers who have been essential to the achievement of our past goals. As we look forward, we are confident their continued efforts will contribute to our future success. 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 2nd quarter 2003 dividend of 8.92 cents per share to shareholders of record June 25, 2003 payable July 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.

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
First Quarter
March 31,

	2003	2002
Net Interest Income	\$2,907,358	\$2,554,860
Net Income	867,420	626,467
Basic Earnings Per Share	.66	0.47
Diluted Earnings Per Share	\$.65	\$0.47