

**Heartland BancCorp Announces:  
Increased 3rd Quarter and Record Year To Date 2003 Earnings,  
2<sup>nd</sup> Increase In Quarterly Cash Dividend In 2003 and,  
A 10% Stock Dividend**

**For Immediate Release:**

**October 23, 2003 – 12:00 noon**

*Contact: Tiney M. McComb – Chairman, President & CEO*

*Phone: 614-337-4600*

Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, parent company of Heartland Bank, today reported net income of \$1.024 million for the three months ended September 30, 2003, up 14% from the \$896 thousand for the third quarter of 2002. On a diluted earnings per share basis, the Corporation earned \$.77 for the three months ended September 30, 2003, up 15% compared to \$.67 per diluted common share for the 3rd quarter of 2002.

Year to date net income of \$2.912 million has increased 29% compared to earnings of \$2.259 million for the first nine months of 2002. Diluted earnings per common share of \$2.19 improved 30% over \$1.69 for the same period of 2002. Improved core earnings resulting in increased net interest income and strong residential loan sales gains in 2003 produced the record nine-month results despite continued historically low interest rates. Net interest income was \$8.870 million for the 1<sup>st</sup> nine months of 2003 compared with \$ 8.051 million for the same period of 2002 representing a year-over-year increase of 10%.

Non-interest income totaled \$1.615 million for the quarter ended September 30, 2003, up 22% from the \$1.322 million reported for the 3rd quarter of 2002. For the nine months ended September 30, 2003, non-interest income amounted to \$4.637 million, an increase of 40% from \$3.320 million for the same period in 2002. The growth in non-interest income was primarily attributable to the increase in gains on loan sales. For the first nine months of 2003 gains on loan sales totaled \$2.755 million compared to \$1.609 million in 2002. As a result of continued lower interest rates, Heartland's subsidiary, Heartland Mortgage Corporation, has experienced record residential mortgage activity increasing the amount of loans sold into the secondary mortgage market.

For the third quarter of 2003, non-interest expense totaled \$3.104 million, up \$263 thousand from \$2.840 million recorded for the comparable period in 2002. For the nine months ended September 30, 2003, non-interest expense totaled \$9.277 million, up 13% compared to \$8.178 million for the same period of the prior year.

Heartland BancCorp recorded asset growth of 11% during the annual period ending September 30, 2003. Assets at September 30, 2003 totaled \$334.933 million, an increase of \$31.863 million over assets of \$303.070 million at September 30, 2002. Net loans increased \$17.620 million to \$237.310 million at September 30, 2003, up 8% compared to net loans of \$219.690 million at September 30, 2002. Deposits increased \$30.144 million during the past year to \$299.145 million at September 30, 2003. Non-interest bearing demand accounts increased 18% at September 30, 2003 compared to the same period in 2002.

Shareholders' equity of \$27.457 million increased 10% at September 30, 2003 compared to shareholders' equity of \$25.031 million at September 30, 2002. Shareholders' equity as a percent of assets was 8.20% at September 30, 2003 compared to 8.25% at September 30, 2002.

McComb stated, in response to this positive operating performance and to further enhance shareholder value, our Board of Directors approved a 15% increase in the quarterly cash dividend and declared a 4<sup>th</sup> quarter 2003 cash dividend of 11.90 cents per share to shareholders of record December 25, 2003, payable January 10, 2004. This represents the second and back-to-back quarterly increase in the cash dividend resulting in a 31% increase in 2003. I am further pleased to report that our Board also declared a 10% stock dividend as further appreciation of shareholder support and loyalty during this, Heartland BancCorp's 15-year anniversary.

Heartland Bank provides a complete line of loan and deposit products from short to long term, and are 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**  
**Third Quarter and Year To Date**  
**September 30, 2003 and 2002**

**Third Quarter**

	<b>2003</b>	<b>2002</b>
Net Interest Income <small>(after provision)</small>	\$2,976,725	\$2,819,659
Non Interest Income	1,615,415	1,322,334
Net Income	1,024,032	896,298
Basic Earnings Per Share	\$0.78	\$0.67
Diluted Earnings Per Share	\$0.77	\$0.67

**Year To Date**

Net Interest Income		\$8,050,725
	\$8,869,988	
Non Interest Income	4,636,904	3,319,697
Net Income	2,912,043	2,258,863
Basic Earnings Per Share	\$2.21	\$1.69
Diluted Earnings Per Share	\$2.19	\$1.69