

Heartland BancCorp Announces: Increased 2nd Quarter 2004 Earnings From Strong Loan Growth

For Immediate Release:

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Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, parent company of Heartland Bank, today reported net income of \$1.092 million for the three months ended June 30, 2004, up 7% from the \$1.021 million reported for the second quarter of 2003. On a diluted earnings per share basis, the Corporation earned \$.74 for the three months ended June 30, 2004 compared to \$.70 for the second quarter 2003. Factors contributing to the increase in earnings included strong loan growth, higher net interest income, and an increase in operating efficiency.

Year-to-date net income of \$2.020 million increased 7% compared to earnings of \$1.888 million for the first six months of 2003. Diluted earnings per common share of \$1.36 are up \$.07 over the same period in 2003. Net interest income was \$6.621 million for the first six months of 2004 compared with \$5.893 million for the same period in 2003 representing a year-over-year increase in excess of 12%. The increase in net interest income resulted from a 12% year-over-year growth in loans combined with a 10% decline in cost of funds reflecting lower deposit and borrowing costs through the first six months of 2004. McComb stated, the strong loan growth is particularly gratifying considering the economy and the competitive nature of lending during the past year. Our customers recognize the added value of our partnership committed exclusively to solving the financial needs of central Ohio's retail and commercial borrowers.

Heartland BancCorp recorded total asset growth of 7% during the annual period ending June 30, 2004. Assets at June 30, 2004 totaled \$362 million, an increase of \$24 million over assets of \$338 million at June 30, 2003. Net loans increased by \$29 million to \$261 million at June 30, 2004, up 12% compared to net loans of \$232 million at June 30, 2003. Deposits increased \$17 million during the past year to \$314 million at June 30, 2004. Total shareholders' equity grew to \$29 million or \$20.12 per share, an increase of 7% from \$27 million or \$18.77 per share, at June 30, 2003.

I am encouraged by the prospects ahead, McComb stated. I look forward to continued growth in key balance sheet areas. I am convinced that the dedication and hard work of our employees and the ever-

present support and guidance of our directors combined with continued execution of our strategic initiatives will bring us additional success.

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

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, 2004 and 2003

		2004	2003
Second Quarter	Net Interest Income (after provision)	\$3,323,029	\$2,985,905
	Non Interest Income	1,161,771	1,648,600
	Net Income	1,092,427	1,020,591
	Basic Earnings Per Share	\$0.75	\$0.70
	Diluted Earnings Per Share	\$0.74	\$0.70
Year to Date	Net Interest Income (after provision)	\$6,621,129	\$5,893,263
	Non Interest Income	2,131,886	3,021,489
	Net Income	2,020,001	1,888,011
	Basic Earnings Per Share	\$1.39	\$1.30
	Diluted Earnings Per Share	\$1.36	\$1.29