

## **Heartland BancCorp Announces 1<sup>st</sup> Quarter 2006 Earnings and 15% Increases in Cash Dividend**

### **For Immediate Release:**

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

**April 28, 2006 – 12:00 noon**

*Phone: 614-337-4600*

Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, parent company of Heartland Bank, today reported net income of \$881 thousand for the three months ended March 31, 2006, versus \$977 thousand reported for the first quarter of 2005. On a diluted earnings per share basis, the Corporation earned \$.54 for the three months ended March 31, 2006 compared to \$.60 for the 1<sup>st</sup> quarter 2005. Earnings were dampened as a result of an increase in interest expense and a decrease in non-interest or fee income resulting from a lower volume of mortgage banking activity in 2006 compared to the prior year. The increase in interest expense resulted from the actions of the Federal Reserve to increase short-term interest rates 15 times since June 2004. These rate hikes, which directly impact deposit pricing, have increased the Fed Funds Target rate from 1.25% to its current 4.75%, effective March 28, 2006. Partially offsetting these factors during the 1<sup>st</sup> quarter of 2006 was strong year-over-year loan growth and continued strong asset quality. Net interest income was \$3.7 million for the quarter, up 5% from \$3.5 million for the first quarter 2006. The increase in net interest income was primarily due to a 23% increase in interest income reflecting the 9% year-over-year growth in the loan portfolio.

Total assets outstanding at March 31, 2006 increased 10% to \$427 million, an increase of \$39 million from \$388 million at March 31, 2005. Net loans increased by \$25 million to \$312 million at March 31, 2006, up 9% compared to net loans of \$287 million at March 31, 2005. Deposits increased \$30 million, up 9% during the past year to \$375 million at March 31, 2006. Total shareholders' equity grew to \$34 million or \$21.29 per share, an increase of 8% from \$31.5 million or \$19.72 per share, at March 31, 2005.

### **Dividend Increase:**

During its April 2006 meeting the Directors of Heartland BancCorp approved a 15% increase in the cash dividend and declared a 2<sup>nd</sup> quarter 2006 cash dividend of 23.7 cents per share payable to shareholders of record June 25, 2006, payable July 10, 2006. Since the third quarter of 2003 Heartland BancCorp has increased its cash dividend eight times resulting in a 166% increase in the dividend including this most recent 15% increase. "Based on the closing price of our common stock on March 31, 2006, this most recent increase in our cash dividend has raised the annualized dividend yield to 2.8%." McComb noted, "This dividend increase further underscores our commitment to our investors

for the confidence they have demonstrated through their continued investment in Heartland BancCorp. We look forward to future opportunities to reward our shareholders”.

Heartland Bank provides a complete line of loan and deposit products from short to long term, that 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 eleven full-service banking offices. 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 and Year To Date**  
**March 31, 2006 and 2005**

	<b>2006</b>	<b>2005</b>
Net Interest Income (after provision)	\$3,540,880	\$3,376,115
Non Interest Income	658,633	826,771
Net Income	881,053	977,212
Basic Earnings Per Share	\$0.55	\$0.61
Diluted Earnings Per Share	\$0.54	\$0.60