

**Heartland BancCorp Announces  
12% Asset Growth Year Over Year  
2nd Quarter 2006 Earnings and Declares Dividend**

**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 \$1.077 million for the three months ended June 30, 2006 compared to \$1.104 million reported for the second quarter of 2005. On a diluted earnings per share basis, the Corporation earned \$.66 for the three months ended June 30, 2006 compared to \$.68 for the same period in 2005.

Year to date 2006 net income of \$1.958 million was slightly below earnings of \$2.081 million for the first six months of 2005. Diluted earnings per common share of \$1.21 for 2006 are \$.06 below \$1.27 for the same period in 2005. Net interest income was \$7.223 million for the first six months of 2006, up 3% compared with \$7.020 million for the same period in 2005. The increase in net interest income resulted from a \$2.410 million or 22% year over year growth in interest income partially offset by a \$2.202 million or 56% increase in interest expense on deposits and borrowed funds. Net interest margins have been compressed much of the year by the flat yield curve or difference between long and short-term interest rates. Non-interest income declined year over year \$122 thousand or 8% due to reduced mortgage loan volume and sales. Non-interest or operating expense increased by \$238 thousand representing an increase of 4% in 2006 versus 2005. This increase was due in part to the opening of two new full service offices in the last quarter of 2005.

McComb noted that 2<sup>nd</sup> quarter results are complimented by continued excellent credit quality, strong reserves, liquidity, and an ever-increasing deposit and customer base. “We are grateful for the success of our Heartland Rewards program coupled with our goal of delivering superior products and services to our local communities.”

Heartland BancCorp recorded total asset growth of 12% during the annual period ending June 30, 2006. Assets at June 30, 2006 totaled \$444 million, an increase of \$42 million over assets of \$401 million at June 30, 2005. Net loans increased by \$22 million to \$320 million at June 30, 2006, up 7% compared to net loans of \$297.8 million at June 30, 2005. Deposits increased \$40.8 million during the past year to \$390 million at June 30, 2005, an increase of 11%. Total shareholders’ equity grew to

\$34.2 million or \$21.45 per share, an increase of 5% from \$32.6 million or \$20.44 per share, at June 30, 2005.

During their July meeting the Board of Directors of Heartland BancCorp declared a 3rd quarter 2006 cash dividend of 23.69 cents per share to shareholders of record September 25, 2006, payable October 10, 2006. This dividend reflects the 1<sup>st</sup> Quarter 2006 15% dividend increase as well as the prior 7 dividend increases that have cumulatively increased the dividend 166% since the 2<sup>nd</sup> quarter of 2003.

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**  
**Second Quarter and Year To Date**  
**June 30, 2006 and 2005**

		<b>2006</b>	<b>2005</b>
<b>Second Quarter</b>	Net Interest Income (after provision)	\$3,682,548	\$3,643,825
	Non Interest Income	807,092	760,857
	Net Income	1,077,105	1,104,191
	Basic Earnings Per Share	\$0.68	\$0.69
	Diluted Earnings Per Share	\$0.66	\$0.68
<b>Year to Date</b>	Net Interest Income (after provision)	\$7,223,428	\$7,019,940
	Non Interest Income	1,465,725	1,587,628
	Net Income	1,958,158	2,081,403
	Basic Earnings Per Share	\$1.23	\$1.30
	Diluted Earnings Per Share	\$1.21	\$1.27