

Heartland BancCorp

Heartland BancCorp Announces Operating Results for 2007 and Board's Approval of Quarterly Dividend, Full Year Revenue Growth of 11% With 3% Asset Growth:

For Immediate Release:

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Tiney M. McComb, Chairman, President & CEO of Heartland BancCorp, parent company of Heartland Bank, today announced 2007 asset growth of 3% and net income for the fourth quarter ending December 31, 2007 of \$1.012 million and full year 2007 earnings of \$4.157 million.

Total assets outstanding increased 3% to \$487 million at year-end 2007, an increase of \$16 million from \$471 million at the end of 2006. Net loans outstanding grew to \$356 million, up 5% over \$337 million at the end of 2006. Deposits increased 4% to \$425 million at December 31, 2007. Total shareholders' equity grew to \$38.8 million or \$24.79 per share, an increase of 7% from \$36.3 million or \$22.86 per share, at year-end 2006.

Earnings for the 4th quarter ended December 31, 2007 totaled \$1.012 million or \$0.64 per diluted share compared to \$1.212 million or \$0.75 per diluted share in 2006. Gross revenues increased \$280 thousand or 3% during the 4th quarter of 2007 led by a 5% increase in interest income. Net interest income was \$3.932 million, an increase from the fourth quarter of 2006 net interest income of \$3.910 million. Fee and other non-interest income for the fourth quarter of 2007 was \$660 thousand compared to \$771 thousand for 2006. Non-interest expense was \$3.129 million for the fourth quarter 2007 compared to \$2.963 million for the same period in 2006. Fourth quarter 2007 results include the costs associated with opening the new Grove City branch office during the 2nd quarter of 2007.

Net income for the year ended December 31, 2007 was \$4.157 million or \$2.59 per diluted share compared to \$4.331 million or \$2.67 per diluted share for the year ended December 31, 2006. Gross revenues increased 11% in 2007 as a result of \$3.417 million full year increase in interest income. Net interest income for 2007 grew 3% to \$15.439 million compared to \$15.027 million for 2006. The improvement in net interest income resulted from the combined effect of a 12% increase in the Bank's investment portfolio coupled with a 5% growth in the loan portfolio. Deposit costs increased 24% as deposits continued to re-price higher throughout much of the year as depositors migrated from non-maturity transaction deposits to higher yielding certificates of deposit. Total non-interest income of \$2.831 in 2007 compares to \$2.967 for 2006. Operating expense of \$12.267 million increased slightly over \$11.771 million in 2006 and includes increased cost related to investment in technology as well as branch office development costs.

McComb stated, “We are pleased in these challenging times to have achieved revenue, asset, loan and deposit growth during 2007. Our loan quality remains solid and stable earnings, while slightly lower for the year, also remain strong. With so much negative sentiment, especially in the financial sector, I am pleased to report our financial condition is strong and improving. Our net loan charge-offs and provision expense remains low by industry standards while our asset base and capital position continues to grow. Our core earnings are derived through our net interest margin. Our net interest margin is influenced by the rate-setting actions of the Federal Reserve and rates offered for loans and deposits by competitors in our markets. While the Federal Reserve has lowered the rate for overnight federal funds borrowings between banks from 5.25% in September 2007 to 4.25% in December 2007, deposit costs have significantly lagged the decline in the federal funds rate due to continued intense competition for deposits in central Ohio. Deposit costs have further been inflated as competitors have bid up the price of funds as they have written down significant portions of their investment in their mortgage loans and mortgage-backed securities portfolios. Growth in net interest margin and consequently in earnings will continue to depend upon better alignment of interest rates in our market.

We adhere to fundamental banking principles to conduct our business and to preserve our shareholders’ interest. I am pleased to announce, as evidence of our earnings stability, our Board of Directors declared a 1st quarter 2008 cash dividend of 28.67 cents per share to shareholders of record March 25, 2008 payable April 10, 2008.”

Heartland Bank provides a complete line of loan and deposit products 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 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
Fourth Quarter and Year To Date
December 31, 2007 and 2006

Fourth Quarter	2007	2006
Net Interest Income (after provision)	\$3,931,946	\$3,910,395
Non Interest Income	660,420	770,873
Net Income	1,012,486	1,212,164
Basic Earnings Per Share	\$0.65	\$0.76
Diluted Earnings Per Share	\$0.64	\$0.75
Year To Date		
Net Interest Income (after provision)	15,438,908	\$15,026,518
Non Interest Income	2,831,154	2,966,940
Net Income	4,156,522	4,331,293
Basic Earnings Per Share	\$2.64	\$2.72
Diluted Earnings Per Share	\$2.59	\$2.67