



2018 Annual Report



Viewpoint



Dear Friends,

It is with pride that I report 2018 was another great year for Heartland Bancorp, Inc., the parent company for Heartland Bank and Trust Company. We continue to experience solid, organic loan growth and a trend of increased earnings, while maintaining an excellent capital foundation.

In addition, we are excited to share that on December 31, Heartland Bancorp finalized the merger with Lincoln SB Corporation, the parent company of State Bank of Lincoln, in Lincoln, Illinois. As a result of this transaction, Heartland Bancorp became a two-bank holding company. Built on similar principles, Heartland and State Bank of Lincoln have proud histories focused on true community banking.

While there was no customer impact, merging the holding companies simplifies the business structure of our banking organization and increases efficiencies to meet the pace of doing business in today's environment. Both companies have been affiliated by common ownership for many years, and we are pleased to welcome the State Bank of Lincoln team into our company. We look forward to a bright future together.

Between both banks, we serve quite a number of diverse communities in Central and Northern Illinois and are proud of our community bank roots. We will continue to serve as a reliable, sustainable source of deposits and loans to support the people, businesses, and governments in the places we call home.

I am extremely proud to work with such talented and dedicated employees who help our customers grow businesses, make purchases, and save to meet their financial goals. I want to thank our customers who inspire us daily to be a source of strength for our communities.

We are pleased to continue to serve you.

Best regards,

A handwritten signature in black ink, appearing to read "Fred L. Drake". The signature is fluid and cursive, written over a white background.

Fred L. Drake
Chairman, Chief Executive Officer, and President
Heartland Bancorp, Inc.

Solid Performance

Statement of Condition

Heartland Bancorp, Inc.

(in thousands, as of 12/31/18)

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Cash and Equivalents	\$186,879	\$165,683
Fed Funds Sold	-	-
Fixed Income Securities	\$801,489	\$899,637
Loans, net of Reserves	\$2,126,548	\$2,101,044
Fixed and Other Assets	\$134,653	\$146,511
Total Assets	\$3,249,569	\$3,312,875

<u>Liabilities & Capital</u>	<u>2018</u>	<u>2017</u>
Total Deposits	\$2,795,970	\$2,855,685
Fed Funds/Repurchase Agreement	\$46,195	\$37,838
FHLB Advances	-	\$29,000
Subordinated Debentures	\$37,517	\$37,451
Other Liabilities	\$29,491	\$28,985
Total Capital	\$340,396	\$323,916
Total Liabilities & Capital	\$3,249,569	\$3,312,875

(Unaudited)

Strong Leadership

Leadership Team

Fred L. Drake

Chairman, Chief Executive Officer, President
Heartland Bancorp, Inc.
Chairman
Heartland Bank and Trust Company
State Bank of Lincoln

Patrick F. Busch

Executive Vice President, Chief Lending Officer
Heartland Bancorp, Inc.
President, Chief Lending Officer
Heartland Bank and Trust Company

J. Lance Carter

Executive Vice President, Chief Operating Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Matthew J. Doherty

Executive Vice President, Chief Financial Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Diane H. Lanier

Executive Vice President, Chief Retail Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Larry J. Kallembach

Executive Vice President, Chief Information Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Mark W. Scheirer

Senior Vice President, Chief Credit Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Andrea E. Zurkamer

Senior Vice President, Chief Risk Officer
Heartland Bancorp, Inc.
Heartland Bank and Trust Company

Lawrence J. Horvath

Executive Vice President, Regional Senior Lender
Heartland Bank and Trust Company

Kim L. Larson

Senior Vice President, Wealth Management
Heartland Bank and Trust Company

Steven D. Aughenbaugh

President, Chief Executive Officer
State Bank of Lincoln

Board Members

Fred L. Drake

George E. Drake

Allen C. Drake

Terry J. Brown

Eric E. Burwell

Patrick F. Busch

J. Lance Carter

Dale S. Strassheim



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