



Investor Presentation

Horizon Bancorp, Inc. (NASDAQ: HBNC)

Second Quarter Ended June 30, 2025

July 24, 2025

Beyond ordinary banking

Important Information

Forward-Looking Statements

This press release may contain forward-looking statements regarding the financial performance, business prospects, growth and operating strategies of Horizon Bancorp, Inc. and its affiliates (collectively, "Horizon"). For these statements, Horizon claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements in this press release should be considered in conjunction with the other information available about Horizon, including the information in the filings we make with the Securities and Exchange Commission (the "SEC"). Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include: effects on Horizon's business resulting from new U.S. domestic or foreign governmental trade measures, including but not limited to tariffs, import and export controls, foreign exchange intervention accomplished to offset the effects of trade policy or in response to currency volatility, and other restrictions on free trade; uncertain conditions within the domestic and international macroeconomic environment, including trade policy, monetary and fiscal policy, and conditions in the investment, credit, interest rate, and derivatives markets, and their impact on Horizon and its customers; current financial conditions within the banking industry; changes in the level and volatility of interest rates, changes in spreads on earning assets and changes in interest bearing liabilities; increased interest rate sensitivity; the aggregate effects of elevated inflation levels in recent years; loss of key Horizon personnel; increases in disintermediation; potential loss of fee income, including interchange fees, as new and emerging alternative payment platforms take a greater market share of the payment systems; estimates of fair value of certain of Horizon's assets and liabilities; changes in prepayment speeds, loan originations, credit losses, market values, collateral securing loans and other assets; changes in sources of liquidity; legislative and regulatory actions and reforms; changes in accounting policies or procedures as may be adopted and required by regulatory agencies; litigation, regulatory enforcement, and legal compliance risk and costs; rapid technological developments and changes; cyber terrorism and data security breaches; the rising costs of cybersecurity; the ability of the U.S. federal government to manage federal debt limits; climate change and social justice initiatives; the inability to realize cost savings or revenues or to effectively implement integration plans and other consequences associated with mergers, acquisitions, and divestitures; acts of terrorism, war and global conflicts, such as the Russia and Ukraine conflict and the Israel and Hamas conflict; and supply chain disruptions and delays. These and additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Horizon's reports (such as the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K) filed with the SEC and available at the SEC's website (www.sec.gov). Undue reliance should not be placed on the forward-looking statements, which speak only as of the date hereof. Horizon does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions that may be made to update any forward-looking statement to reflect the events or circumstances after the date on which the forward-looking statement is made, or reflect the occurrence of unanticipated events, except to the extent required by law.

Second Quarter 2025

HIGHLIGHTS & DEVELOPMENTS

- Key profitability metrics continue positive momentum with net interest income benefiting from both loan growth and disciplined pricing on loans and deposits.
- Seventh consecutive quarter of net interest margin expansion.
- Strong loan growth with positive credit trends:
 - Linked quarter annualized (LQA) loan growth of 6.3%, net of continued runoff of auto portfolio
 - Commercial loan growth of 14.8% LQA
 - Credit quality remains strong with low NPAs and annualized net charge offs of only 0.02%
- Significant strength in funding base that is centered on relationship based, low-cost deposits.
- Incrementally growing non-interest income revenue. Prior quarter includes a \$7.0 million gain from sale of Mortgage Warehouse business.
- Excellent expense control. Realizing growth in revenue models on a relatively consistent expense base.

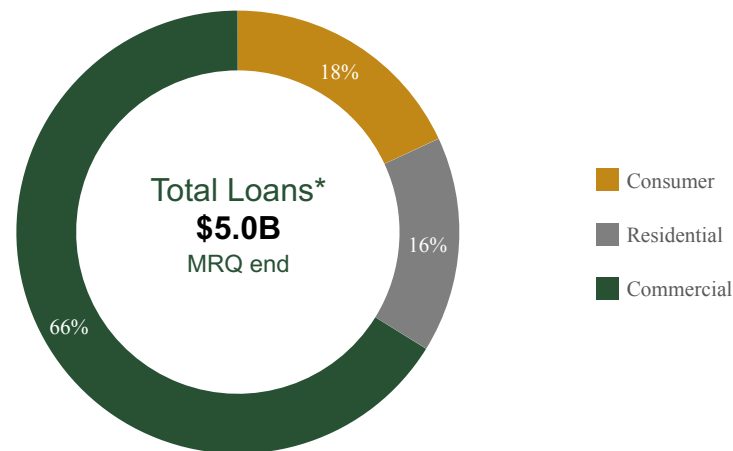
(\$000S EXCEPT PER SHARE DATA)	2Q25	1Q25
INCOME STATEMENT		
Net interest income	\$55,354	\$52,267
NIM (FTE)*	3.23%	3.04%
Provision for credit loss expense	\$2,462	\$1,376
Non-interest income	\$10,920	\$16,499
Non-interest expense	\$39,417	\$39,306
Net income	\$20,643	\$23,943
Diluted EPS	\$0.47	\$0.54
BALANCE SHEET (period end)		
Total loans held for investment	\$4,985,582	\$4,909,815
Total deposits	\$5,699,757	\$5,765,784
CREDIT QUALITY		
NPA/total assets ratio	0.36%	0.41%
Annualized net charge-offs to avg. loans	0.02%	0.07%

* Net Fully-Taxable Equivalent Interest Margin is a Non-GAAP measure. Please see appendix for reconciliations of non-GAAP information to its most comparable GAAP measures

Strategically Focused Loan Growth

HIGHLIGHTS & DEVELOPMENTS

- Commercial Real Estate & C&I loans continue to deliver strong growth in conjunction with intentional run-off in the lower-yielding Indirect Auto portfolio
- Total loan growth* of \$75.8MM or 1.5% linked quarter
 - Continuing to maintain highly diverse, Consumer, C&I and CRE portfolios



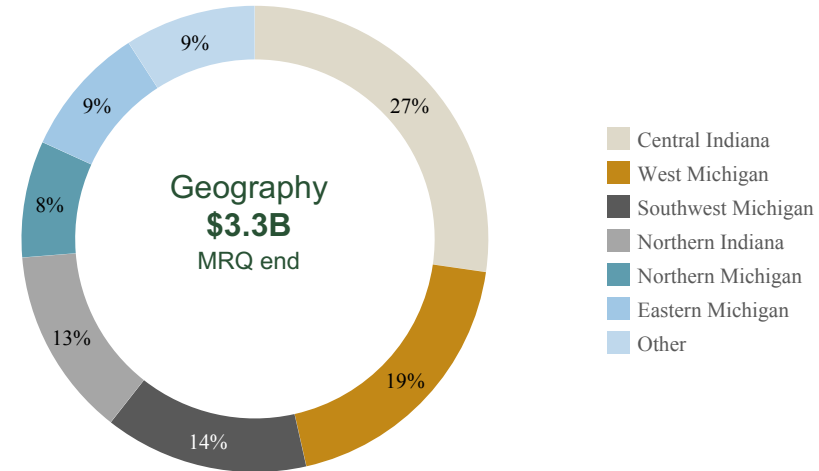
Data as of most-recent quarter (MRQ) end unless stated otherwise.

*Total Gross Loans Held for Investment (HFI), excludes Loans Held for Sale (HFS)

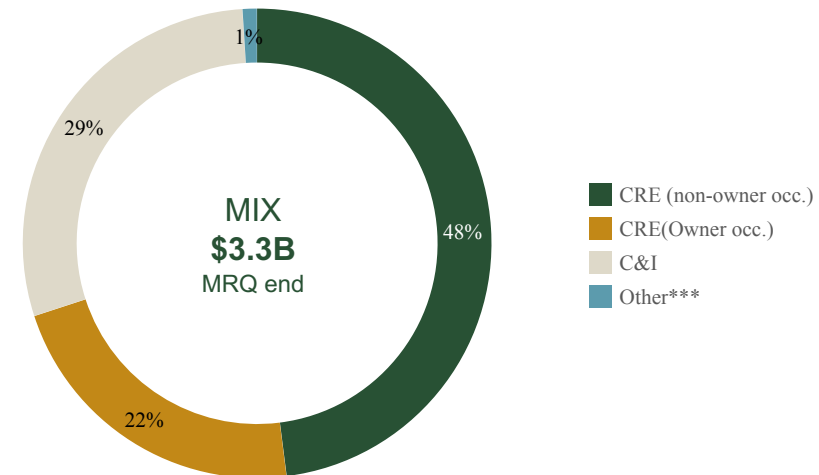
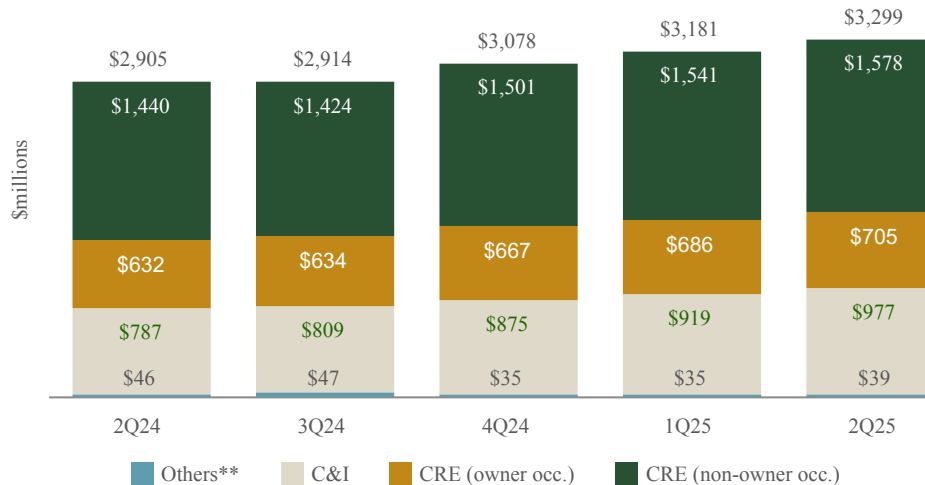
Diversified Commercial Portfolio

HIGHLIGHTS & DEVELOPMENTS

- Commercial loan balances grew 14.8% LQA
 - Quarter end balances up \$117MM
- Well balanced geographies, product mix and industry
 - No segment exceeds 6.0% of total loans
 - CRE represents 214%* of RBC versus 239% for peers**



Commercial Loans (period end)



Data represents total loans HFI as of MRQ unless stated otherwise

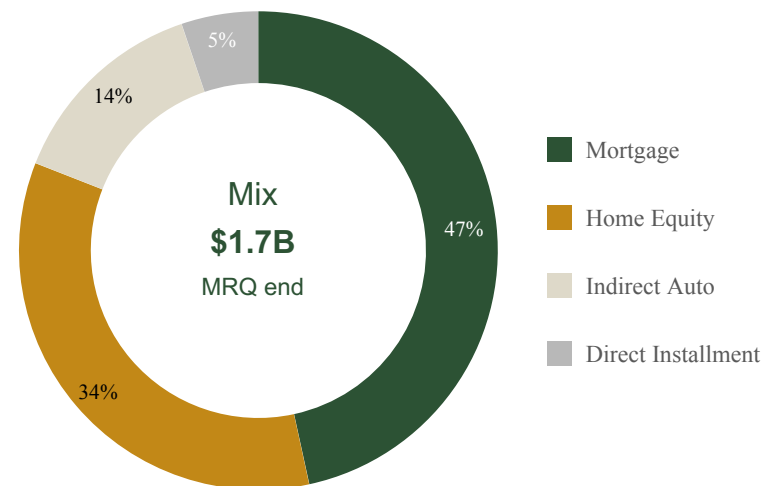
* The sum of Construction & Land Development Loans, Multifamily Property Loans, Non-Owner-Occupied Non-Farm Non-Residential Property Loans and loans to finance CRE not secured by Real Estate divided by Tier 1 Capital plus Allowance, as of March 31, 2025

** UBPR Peer Group 3, as of March 31, 2025. *** Land Development and Spec Home Loans

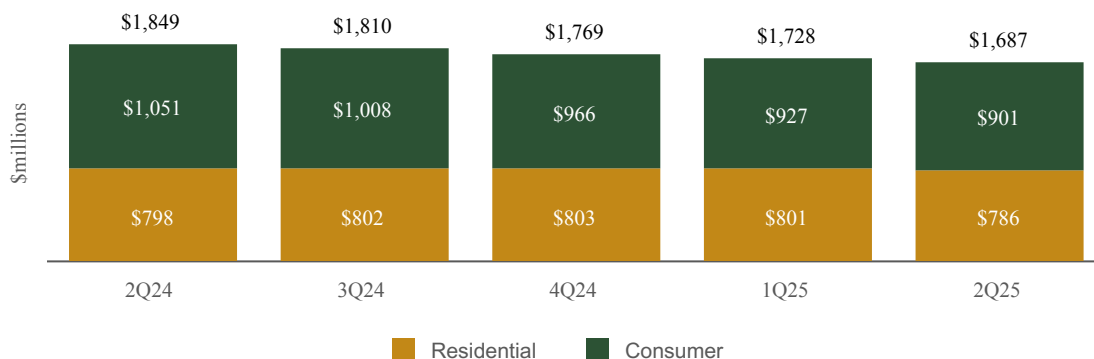
Prime Consumer & Residential Lending

HIGHLIGHTS & DEVELOPMENTS

- Direct Consumer and Mortgage portfolios relatively flat
- Indirect Auto declined \$34MM from planned run-off
- Home Lending portfolios composed of higher quality borrowers, significant capacity to pay and low LTV



Consumer and Residential Loans (period end)



	HOME EQUITY	MORTGAGE
CREDIT SCORE	773	759
DEBT-TO-INCOME	32%	34%
LOAN-TO-VALUE	67%	69%

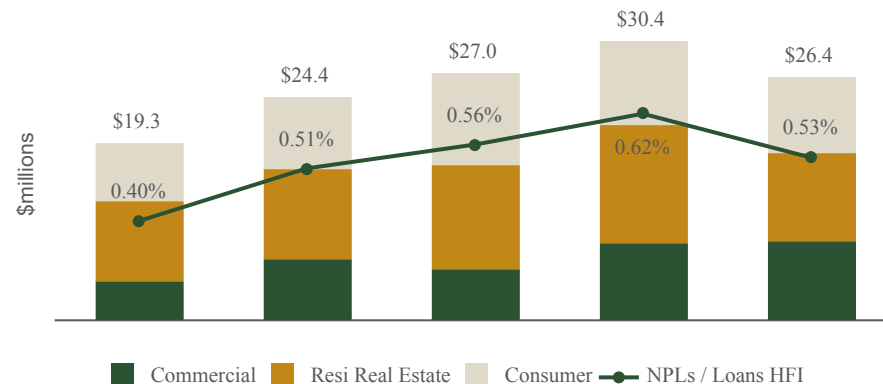
Strong Asset Quality Metrics

Substandard Loans* (period end)

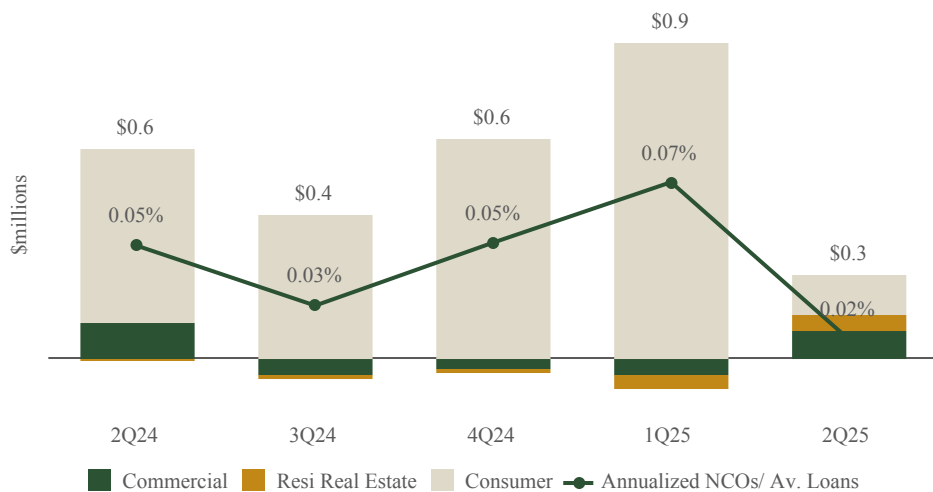


*Includes all substandard loans and commercial and consumer non performing loans

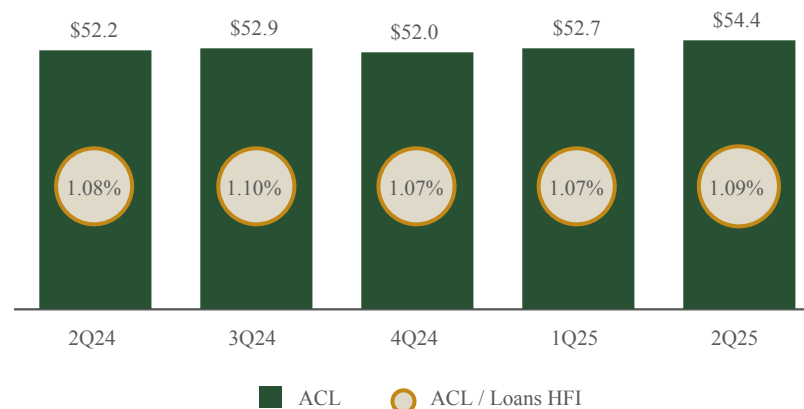
Non-Performing Loans (period end)



Net Charge Offs



Allowance for credit Losses (period end)

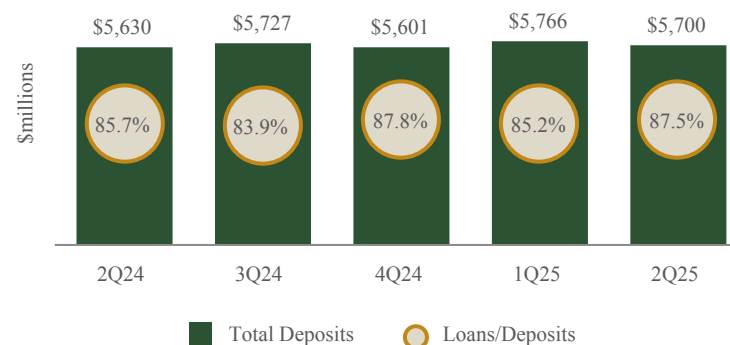


Relationship Based Core Deposits

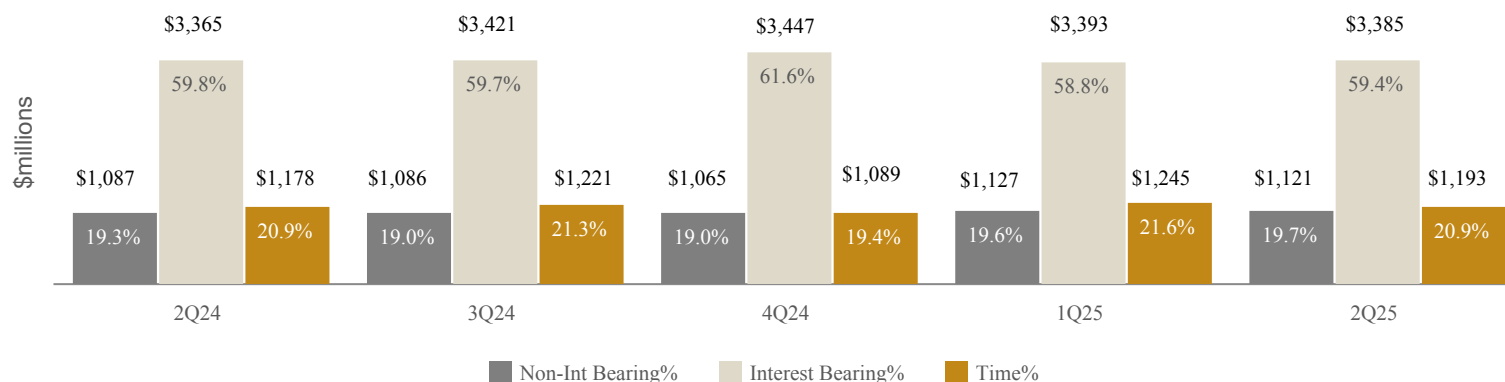
HIGHLIGHTS & DEVELOPMENTS

- Consumer and Commercial Deposits
 - o Positive momentum in core relationships and balances
 - o Treasury management team investments making a positive impact
- Public Deposits
 - o Focusing on primary bank relationships
 - o Planned runoff of non-relationship, higher-cost funding

Deposits



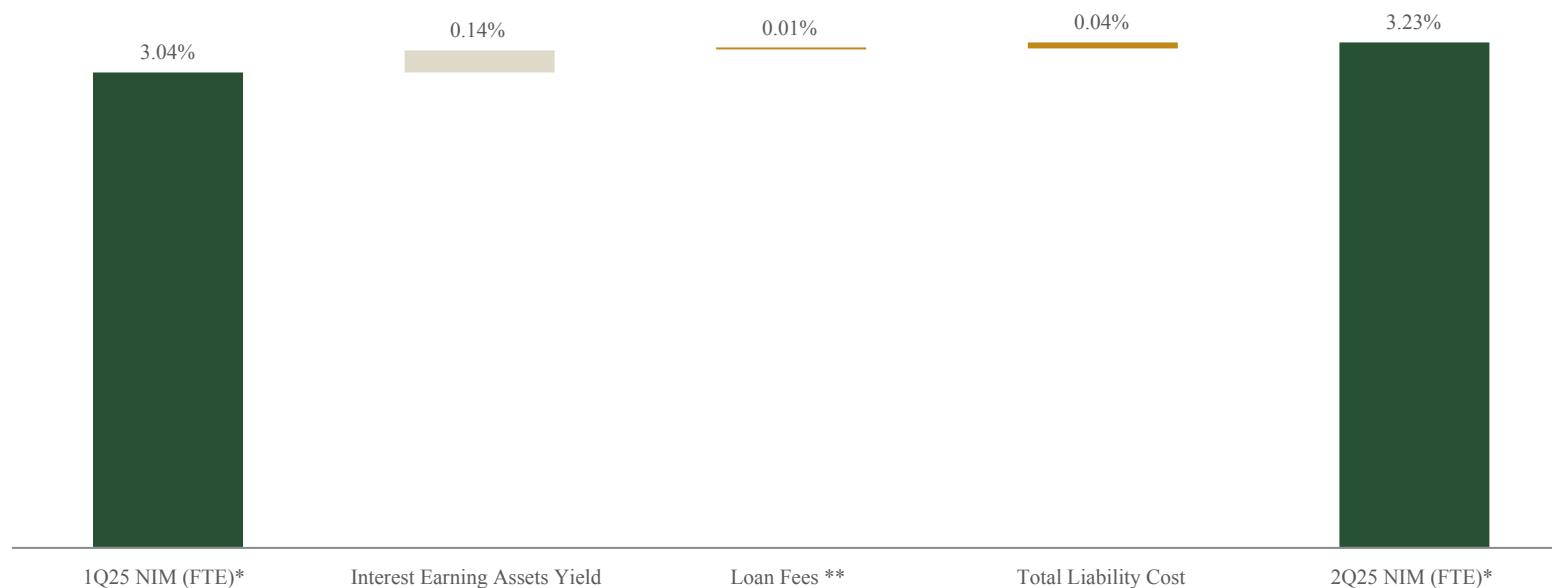
Stable Consumer and Commercial Deposits



Net Interest Margin Expansion

HIGHLIGHTS & DEVELOPMENTS

- 2Q25 NIM* expansion driven by a combination of a more favorable earning asset mix, an increase in loan yields and a reduction in the total cost of liabilities.
 - o The current quarter was positively impacted by outsized interest recoveries, which contributed 7 bps to the margin.
 - o Declining total liability costs continue to favorably impact the NIM, driven by disciplined pricing and the de-emphasis of higher-cost borrowings.



* Net Fully-Taxable Equivalent Interest Margin is a Non-GAAP measure.

** Commercial lending fees recognized in interest income.

Investment Securities Detail

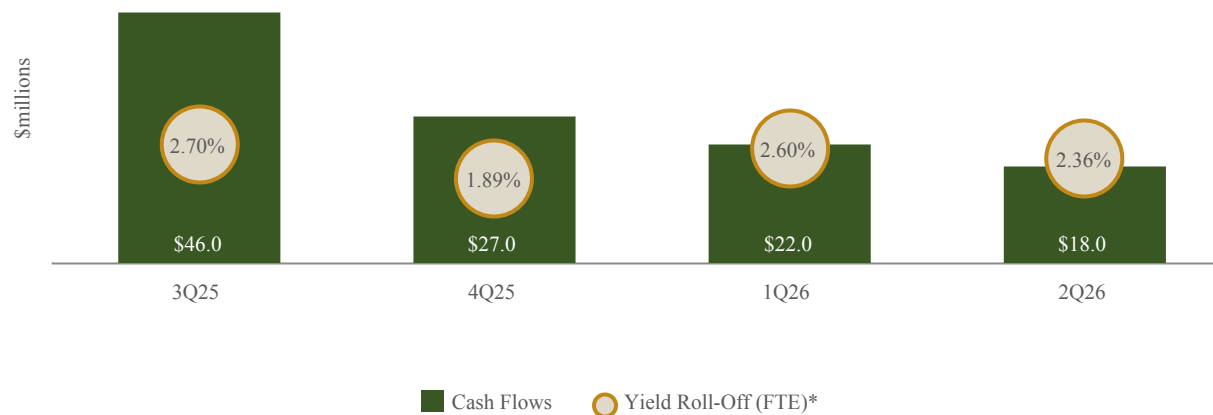
HIGHLIGHTS & DEVELOPMENTS

- No new investments in the quarter
- High credit quality Treasuries, Agencies, Municipals and Mortgage-Backed Securities

	2Q24	3Q24	4Q24	1Q25	2Q25
ROLL-OFF/CASH FLOW	\$ 26	\$ 23	\$ 23	\$ 20	\$ 26
SALES	—	—	332	5	—
DURATION (YEARS)	6.8	6.8	7.1	7.0	6.9
AVERAGE RATE ON INVESTMENT					
SECURITIES (FTE)*	2.39 %	2.38 %	2.39 %	2.49 %	2.45 %

All dollar amounts in millions

Projected Cash Flow and Roll-Off Yield

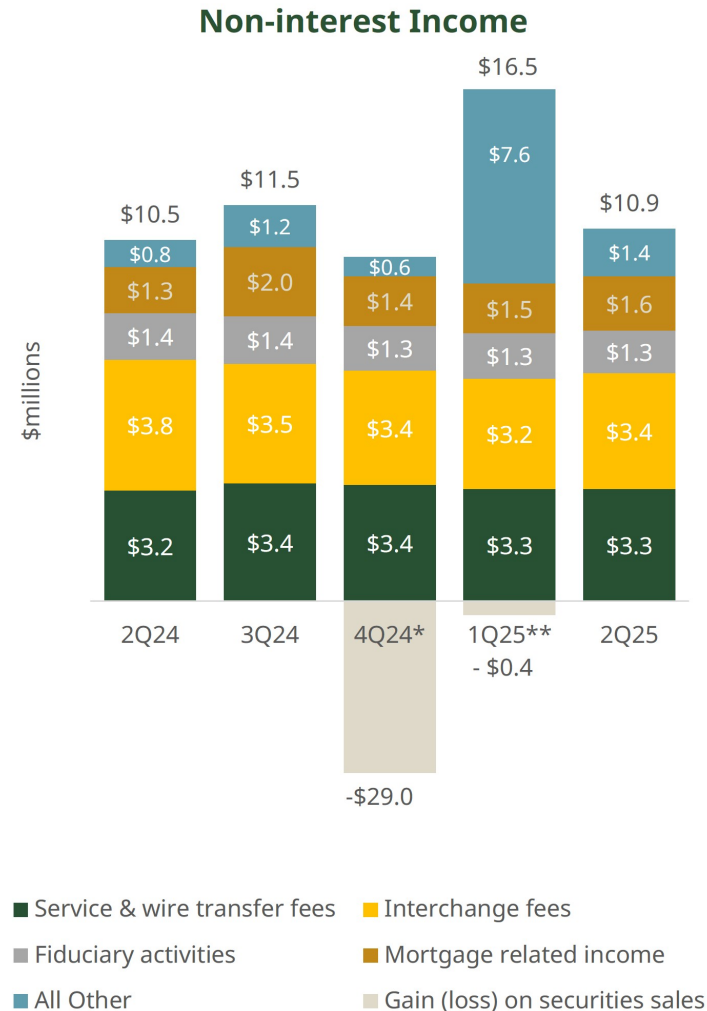


* The Company adjusts average rates for tax-exempt securities to an FTE basis utilizing a 21% tax rate.

Non-Interest Income

HIGHLIGHTS & DEVELOPMENTS

- 1Q25 results include a \$7.0MM gain from the sale of the mortgage warehouse business and a \$0.4MM loss on the sale of a single investment security.
- Well diversified income stream aligned with core community banking model
- Mortgage revenue benefiting from the efforts of new leadership implementing a more effective production and sales program
- Interchange fees reflective of seasonal volume



Data as of MRQ unless stated otherwise.

* 4Q24 includes the pre-tax loss of \$39.1MM on the sale of \$332.2MM in Available-For-Sale ("AFS") securities as part of a balance sheet repositioning in October 2024.

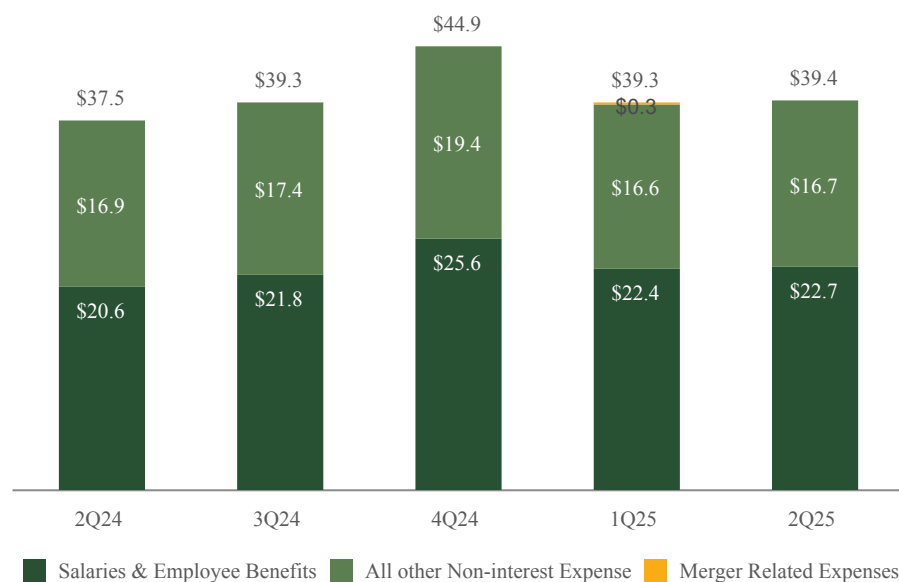
** 1Q25 includes the pre-tax gain of \$7.0MM from the sale of its mortgage warehouse business and a \$0.4MM loss from the sale of a single investment security.

Non-Interest Expense

HIGHLIGHTS & DEVELOPMENTS

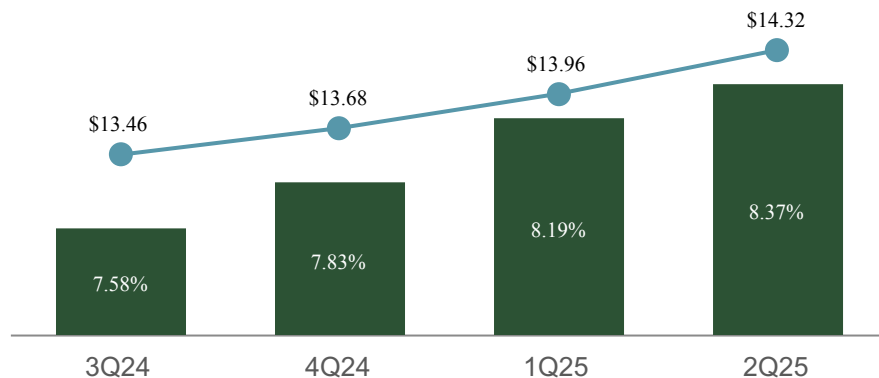
- Non-interest expense was nearly flat linked quarter and remains a top priority for management.
 - o Increases in salaries and benefits and loan expenses of \$0.3MM and \$0.5MM, respectively, offset by a decline in net occupancy (\$0.6MM).

Non-interest Expense

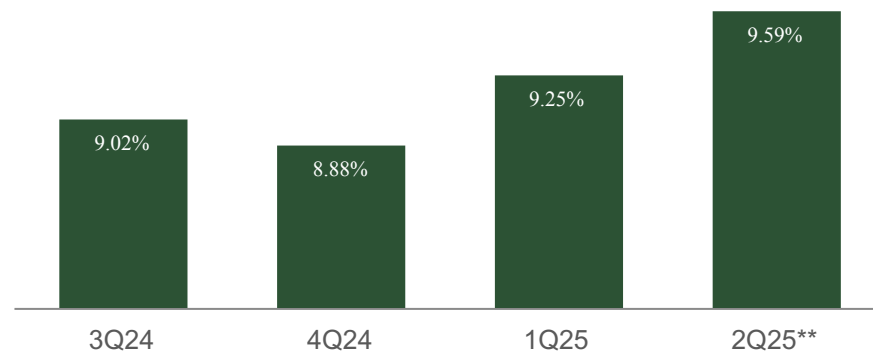


Strong Capital Position

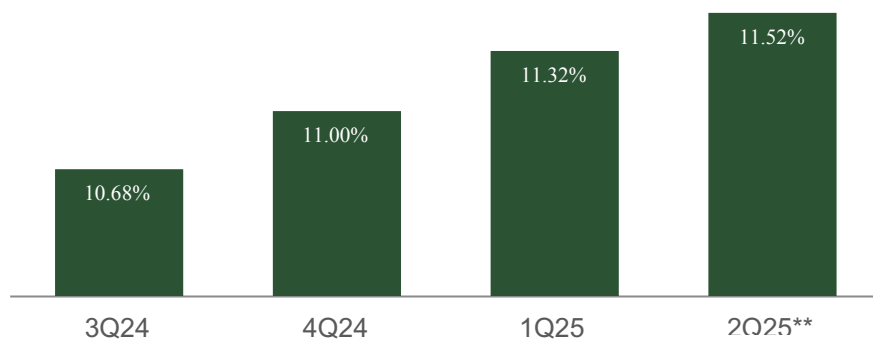
TCE/TA*



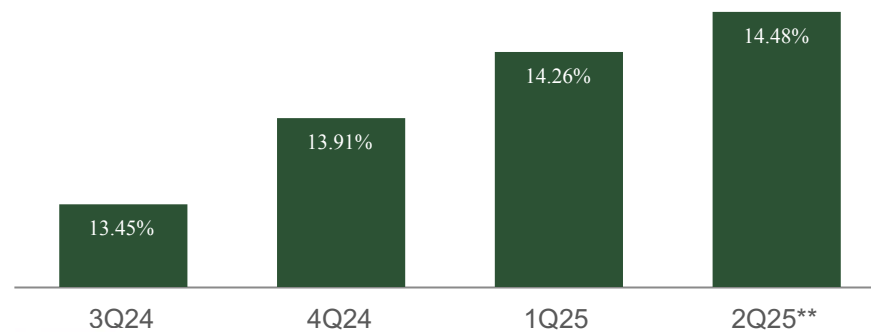
Leverage Ratio



CET 1 Ratio



Total RBC Ratio



—●— HBNC TBVPS*

■ HBNC Ratio

* The tangible common equity to tangible common assets (TCE/TA) ratio and tangible book value per share (TBVPS) are non-GAAP measures. Please see appendix for reconciliations of non-GAAP information to its most comparable GAAP measures.

** Preliminary estimate – may be subject to change

Full-Year 2025 Guidance Summary

Loans (HFI)

- Period-end total loans HFI to grow mid-single-digits
- Growth primarily in higher-yielding commercial loans; partially funded by continued planned runoff in indirect auto loans of ~\$125MM for the year

Deposits & Funding

- Period-end total deposit balances to grow low-single-digits
- Total funding mix to improve with reduction in borrowings

NII & NIM

- Mid-teens full-year net interest income growth
- Assumes two 25 basis point cuts, in September and December

Non-Interest Income

- Full-year 2025 to grow low-single-digits over full-year 2024, excluding securities losses in both periods and the mortgage warehouse gain in Q1 2025

Non-Interest Expense

- Full-year total reported 2025 to be approximately flat with full-year reported 2024

Effective Tax Rate

- Full-year 2025 effective tax rate in the mid-teens

On The Horizon

Positive Momentum Across the Franchise

Highly Attractive Midwestern Markets

70+ branches strategically located in attractive communities with strong business profiles, favorable housing and affordability metrics.

Core markets include major brands representing multi-national companies, flourishing ecosystem of suppliers and thriving college towns

Significant infrastructure investments supporting continued growth and positive economic impact

Constant, High Quality Loan Growth

Positive loan momentum driven by a well-diversified Commercial portfolio

Reinvesting lower yielding Consumer Loans into more profitable core relationships

A proven history of excellent credit quality with low charge-offs and well managed non-performing metrics

Tenured Deposit Base With Significant Liquidity

Tenured, granular deposits across relationship-based Consumer and Commercial clients

Deposit gathering efforts provide ample funding for loan growth

Investments to expand Commercial wallet share and new client acquisitions are yielding positive results

Lean In Operating Culture

Proactively managing balance sheet to create greater operating leverage and elevate key performance metrics

Simplifying business model and aligning resources to core banking verticals that create long-term shareholder value

Maintaining a disciplined operating culture focused on improving shareholder returns

A decorative graphic on the left side of the slide. It consists of a dark green square with a pattern of white, stylized, overlapping chevron or arrow shapes pointing upwards. Below this square is a light beige rounded rectangle.

Appendix

Diverse Commercial Lending Portfolio

STRONG AND TRADITIONAL COMMERCIAL LENDING

- Multi-family represents 5.9% of loans
 - o No major metros outside Indiana and Michigan, other than Columbus, OH
 - o Zero rent regulated/stabilized originated or in portfolio
 - o \$1.9MM average loan size
- Non-owner-occupied office represents 3.8% of total loans
 - o All in Indiana and Michigan
 - o \$1.4MM average loan size
- Nursing Home and Assisted Living Facilities represents 1.5% of loans

COMMERCIAL LOANS BY INDUSTRY	06/30/2025 Balance	% of Commercial Portfolio	% of Total Loan Portfolio
Lessors - Residential Multi	300	9.6 %	5.9 %
Health Care, Educational Social Assist.	253	8.1 %	5.0 %
NOO- Warehouse/Industrial	241	7.7 %	4.8 %
NOO- Office (except medical)	194	6.2 %	3.8 %
Manufacturing	170	5.4 %	3.4 %
NOO- Retail	164	5.2 %	3.2 %
Lessors Student Housing	149	4.8 %	2.9 %
Individuals and Other Services	147	4.7 %	2.9 %
NOO- Motel	134	4.3 %	2.7 %
Real Estate Rental & Leasing	139	4.4 %	2.8 %
Finance & Insurance	120	3.8 %	2.4 %
Construction	111	3.5 %	2.2 %
NOO- Medical Office	102	3.3 %	2.0 %
Retail Trade	99	3.2 %	2.0 %
NOO- Mini Storage	95	3.0 %	1.9 %
Restaurants	95	3.0 %	1.9 %
Lessors - Residential 1-4	93	3.0 %	1.8 %
Nursing Home and Assisted Living Facilities	74	2.4 %	1.5 %
Transportation & Warehousing	73	2.3 %	1.4 %
Wholesale Trade	70	2.2 %	1.4 %
Government	60	1.9 %	1.2 %
Professional & Technical Services	58	1.9 %	1.1 %
Leisure and Hospitality	51	1.6 %	1.0 %
Farm Land	29	0.9 %	0.6 %
Agriculture	22	0.7 %	0.4 %
Administrative Services	19	0.6 %	0.4 %
Residential Spec Homes	18	0.6 %	0.4 %
NOO- Uncategorized NOO	17	0.5 %	0.3 %
Development Loans	13	0.4 %	0.3 %
Other	40	1.3 %	0.8 %
Total	\$ 3,137	100.0 %	63.0 %

Use of Non-GAAP Financial Measures

Certain information set forth in this press release refers to financial measures determined by methods other than in accordance with GAAP. Specifically, we have included non-GAAP financial measures relating to net income, diluted earnings per share, pre-tax, pre-provision net income, net interest margin, tangible stockholders' equity and tangible book value per share, efficiency ratio, the return on average assets, the return on average common equity, and return on average tangible equity. In each case, we have identified special circumstances that we consider to be non-recurring and have excluded them. Horizon believes these non-GAAP financial measures are helpful to investors and provide a greater understanding of our business and financial results without giving effect to one-time costs and non-recurring items. These measures are not necessarily comparable to similar measures that may be presented by other companies and should not be considered in isolation or as a substitute for the related GAAP measure. See the tables and other information below and contained elsewhere in this press release for reconciliations of the non-GAAP information identified herein and its most comparable GAAP measures.

Non-GAAP Reconciliation

Non-GAAP Reconciliation of Net Fully-Taxable Equivalent ("FTE") Interest Margin

(Dollars in Thousands, Unaudited)

		Three Months Ended				
		June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Interest income (GAAP)	(A)	\$ 91,477	\$ 89,175	\$ 93,350	\$ 90,888	\$ 86,981
Taxable-equivalent adjustment:						
Investment securities - tax exempt ⁽¹⁾		1,619	1,646	1,675	1,677	1,695
Loan receivable ⁽²⁾		382	383	395	340	328
Interest income (non-GAAP)	(B)	\$ 93,478	\$ 91,204	\$ 95,420	\$ 92,905	\$ 89,004
Interest expense (GAAP)	(C)	36,123	36,908	40,223	43,978	41,702
Net interest income (GAAP)	(D) = (A) - (C)	\$ 55,354	\$ 52,267	\$ 53,127	\$ 46,910	\$ 45,279
Net FTE interest income (non-GAAP)	(E) = (B) - (C)	\$ 57,355	\$ 54,296	\$ 55,197	\$ 48,927	\$ 47,302
Average interest earning assets	(F)	\$ 7,125,467	\$ 7,234,724	\$ 7,396,178	\$ 7,330,263	\$ 7,212,788
Net FTE interest margin (non-GAAP)	(G) = (E*) / (F)	3.23 %	3.04 %	2.97 %	2.66 %	2.64 %

⁽¹⁾ The following represents municipal securities interest income for investment securities classified as available-for-sale and held-to-maturity

⁽²⁾ The following represents municipal loan interest income for loan receivables classified as held for sale and held for investment

*Annualized

Non-GAAP Reconciliation

Non-GAAP Reconciliation of Tangible Common Equity to Tangible Assets

(Dollars in Thousands. Unaudited)

		Three Months Ended				
		June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total stockholders' equity (GAAP)	(A)	\$ 790,852	\$ 776,061	\$ 763,582	\$ 754,822	\$ 726,665
Intangible assets (end of period)	(B)	163,802	164,618	165,434	166,278	167,121
Total tangible common equity (non-GAAP)	(C) = (A) - (B)	<u>\$ 627,050</u>	<u>\$ 611,443</u>	<u>\$ 598,148</u>	<u>\$ 588,544</u>	<u>\$ 559,544</u>
Total assets (GAAP)	(D)	7,652,051	7,628,636	7,801,146	7,927,457	7,912,527
Intangible assets (end of period)	(B)	163,802	164,618	165,434	166,278	167,121
Total tangible assets (non-GAAP)	(E) = (D) - (B)	<u>\$7,488,249</u>	<u>\$ 7,464,018</u>	<u>\$ 7,635,712</u>	<u>\$ 7,761,179</u>	<u>\$7,745,406</u>
Tangible common equity to tangible assets (Non-GAAP)	(G) = (C) / (E)	8.37 %	8.19 %	7.83 %	7.58 %	7.22 %

Non-GAAP Reconciliation

Non-GAAP Reconciliation of Tangible Book Value Per Share

(Dollars in Thousands. Unaudited)

		Three Months Ended				
		June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
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Common shares outstanding	(D)	43,802	43,786	43,722	43,712	43,712
Tangible book value per common share (non-GAAP)	(E) = (C) / (D)	\$ 14.32	\$ 13.96	\$ 13.68	\$ 13.46	\$ 12.80



Thank you

John R. Stewart, CFA[®]

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