



Investor Presentation

Horizon Bancorp, Inc. (NASDAQ: HBNC)
Third Quarter Ended September 30, 2025
October 23, 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.

Third Quarter 2025

HIGHLIGHTS & POSITIVE MOMENTUM

- Exceeded financial and timing expectations of strategic Balance Sheet transformation
 - Well positioned to achieved top quartile performance in Q4 and full year 2026
 - Achieved lower-than-expected transactional costs related to the restructuring, resulting in stronger capital ratios
 - Positive impact of Indirect Auto disposition, and reduction of high-cost funding running ahead of projections
 - Timing of realization of financial benefits ahead of plan
- Additionally, Q3 continued the positive momentum of Horizon's premier community banking model
 - Eighth consecutive quarter of net interest margin expansion
 - September FTE NIM exceeding 4.00%
 - Quality Commercial loan growth of 7.0% LQA
 - Low NPA's with annualized net Charge-Offs of 0.07%
 - Tenured, granular deposit base across relationship-based Consumer and Commercial clients
 - Growing fee income platforms with upside potential
 - Track record of disciplined expense management expected to generate recurring positive operating leverage

(\$000S EXCEPT PER SHARE DATA)	3Q25	2Q25
INCOME STATEMENT		
Net Interest Income	\$58,386	\$55,355
NIM (FTE)*	3.52%	3.23%
Provision for Credit Losses	\$(3,572)	\$2,462
Non-Interest Income (Loss)	\$(295,334)	\$10,920
Non-Interest Expense	\$52,952	\$39,417
Net Income (Loss)	\$(221,990)	\$20,644
Diluted EPS	\$(4.69)	\$0.47
BALANCE SHEET (period end)		
Total Loans Held For Investment	\$4,823,669	\$4,985,582
Total Deposits	\$5,520,901	\$5,699,757
CREDIT QUALITY		
NPA/Total Assets Ratio	0.53%	0.40%
Annualized Net Charge-Offs to Avg. Loans	0.07%	0.02%

* 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

Balance Sheet Transformation Update

Completed as of September 30th

-  Closed previously announced public offering of 7.1 million shares of Common Stock raising \$98.6 million
-  Closed previously announced \$100 million in Subordinated Notes at 7.00% fixed until 2030
-  Completed the sale of \$1.7 billion of Investment Securities risk-weighted over 30%, and successfully redeployed \$580 million yielding 5.27% on tax-equivalent basis with a near zero risk weighting
-  Pre-paid \$700 million in FHLB puttable advances, eliminating all sold optionality in borrowings
-  Closed on the sale of \$176 million of Indirect Auto Loans near the end of September, with an effective yield less than 4%
-  Reduced non-core, higher-cost transactional deposits by ~\$275 million

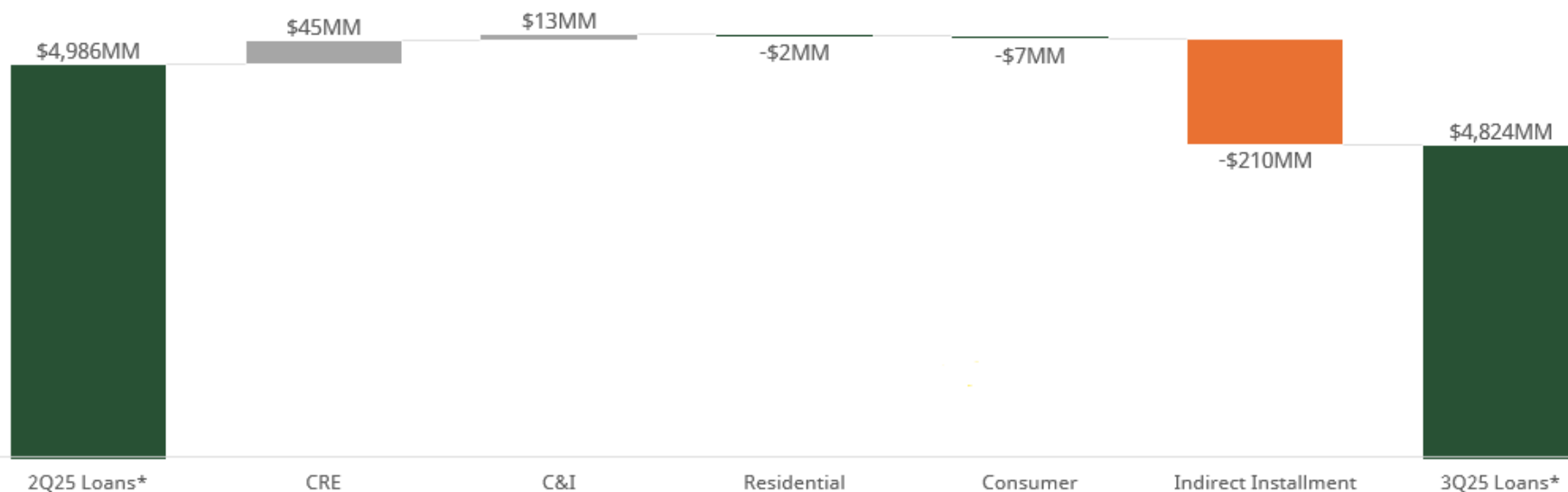
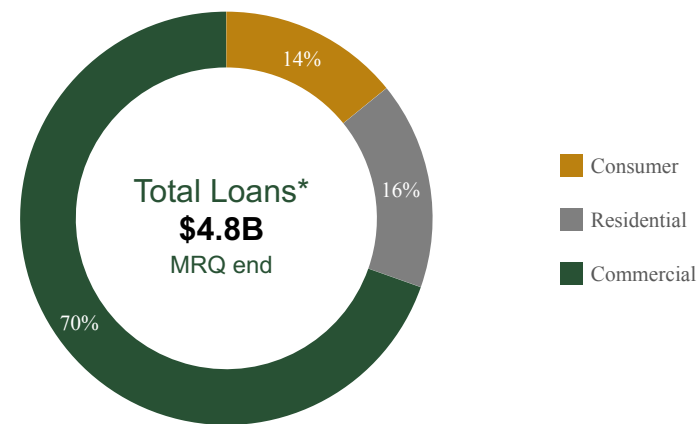
4Q Activities

-  Redeemed \$56.5 million of previously outstanding Subordinated Notes on October 1, which carried an effective cost of three-month SOFR + 549 basis points in the third quarter, or about 9.80%
-  Planned outflow of the remaining ~\$125 million in non-core, higher-cost transactional deposits

Strategically Focused Loan Growth

HIGHLIGHTS & DEVELOPMENTS

- Commercial Real Estate & C&I loans continue to deliver strong growth, which was offset during the quarter by the intentional run-off and ultimate sale of the lower-yielding Indirect Auto portfolio
- Total loans declined \$162 million or (3.25)% linked quarter*
 - Excluding the Indirect Auto planned run-off and sale, total loans would have grown \$48 million in the third quarter
 - Continuing to maintain high credit quality and diverse Commercial and Consumer portfolios



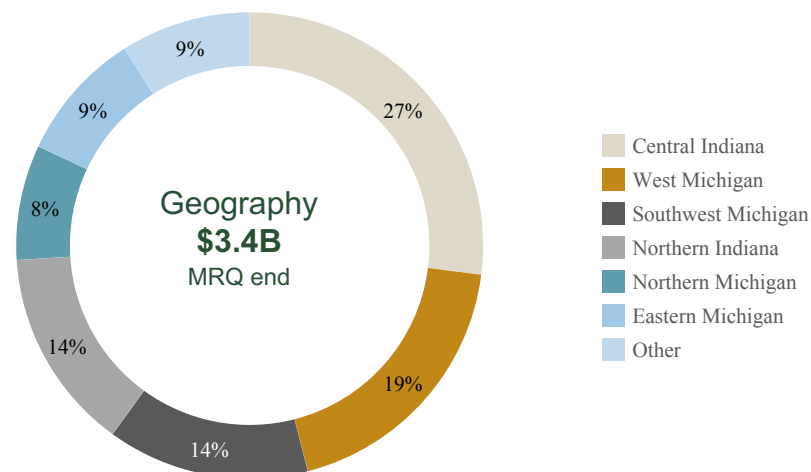
Data as of most-recent quarter (MRQ) end unless stated otherwise.

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

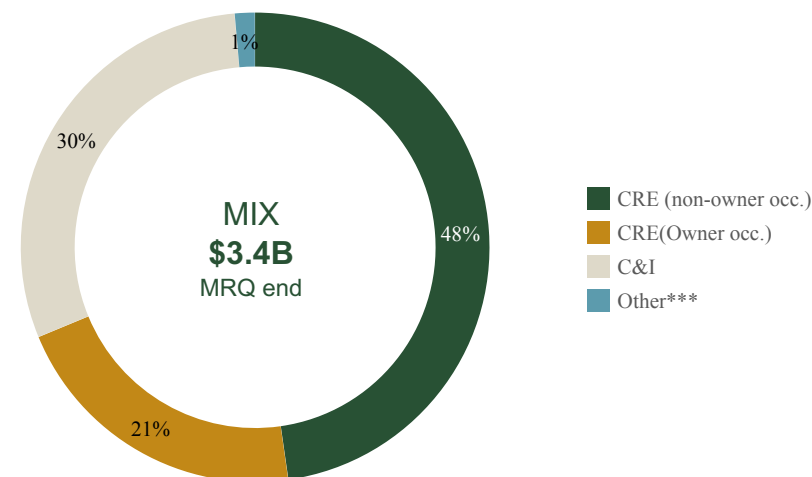
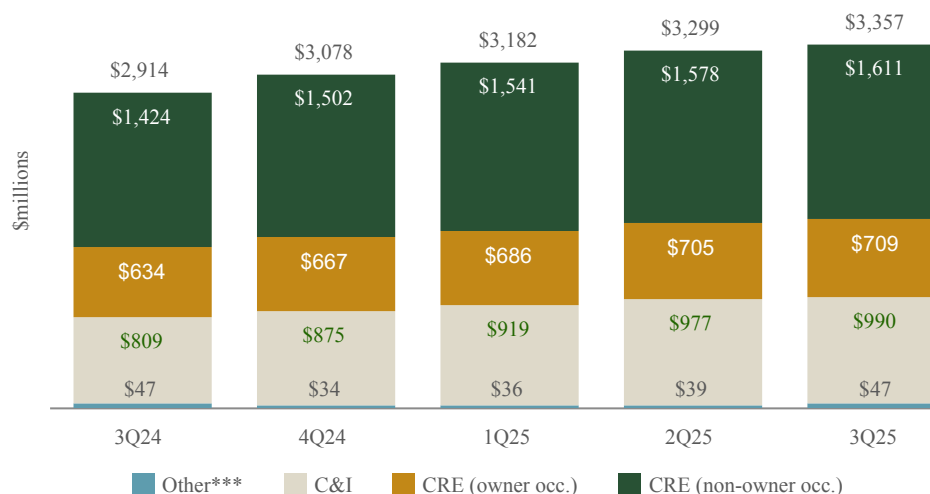
Diversified Commercial Portfolio

HIGHLIGHTS & DEVELOPMENTS

- Commercial loan balances grew 7.0% LQA
 - Quarter end balances up \$58 million
- Well balanced geographies, product mix and industry
 - No segment exceeds 6.3% of total loans
 - CRE represents 214%* of RBC versus 234% for peers**



Commercial Loans (period end)



Data represents total loans HFI as of MRQ unless stated otherwise

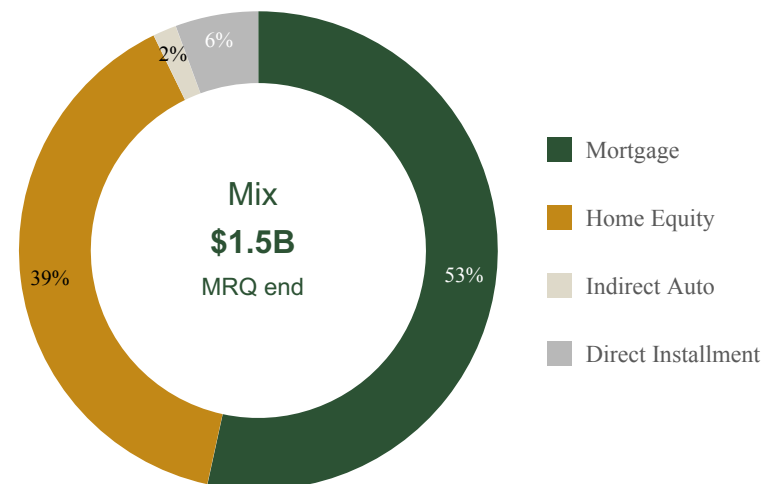
* The sum of Construction & Land Development Loans, Multifamily Property Loans, Non-Owner-Occupied Non-Farm Non-Residential Property Loans and loans to finance CRE not secured by Real Estate divided by Tier 1 Capital plus Allowance, as of June 30, 2025

** UBPR Peer Group 3, as of June 30, 2025. *** Land Development and Spec Home Loans

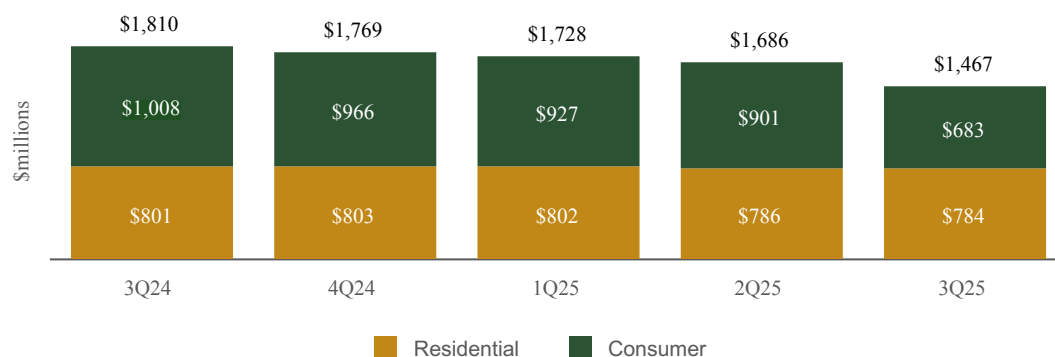
Prime Consumer Portfolio

HIGHLIGHTS & DEVELOPMENTS

- Indirect Auto declined \$210 million, reflecting the intentional run-off and eventual sale of \$176 million in the quarter
- Direct Consumer and Mortgage portfolios relatively flat
- Remaining Consumer portfolio is primarily Home Equity, composed of higher credit quality borrowers with significant capacity to pay and well-collateralized loans



Consumer and Residential Loans (period end)



	HOME EQUITY	MORTGAGE
CREDIT SCORE	760	758
DEBT-TO-INCOME	32%	35%
LOAN-TO-VALUE	67%	69%

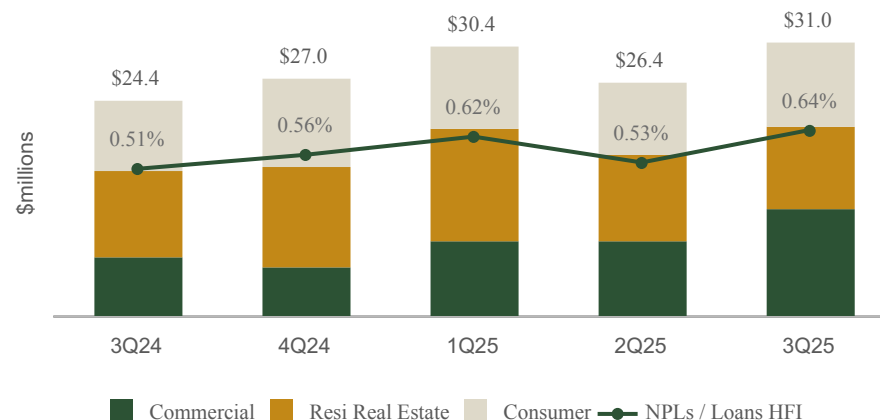
Strong Asset Quality Metrics

Substandard Loans* (period end)

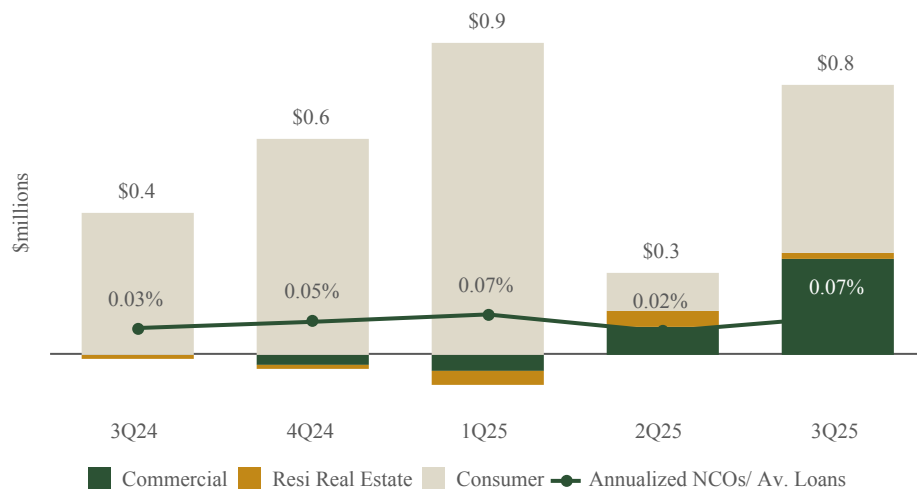


*Includes all substandard loans and commercial and consumer non-performing loans

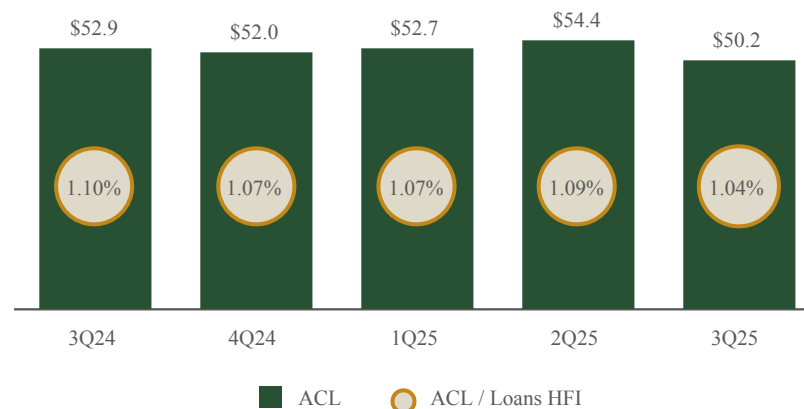
Non-Performing Loans (period end)



Net Charge Offs



Allowance for credit Losses (period end)

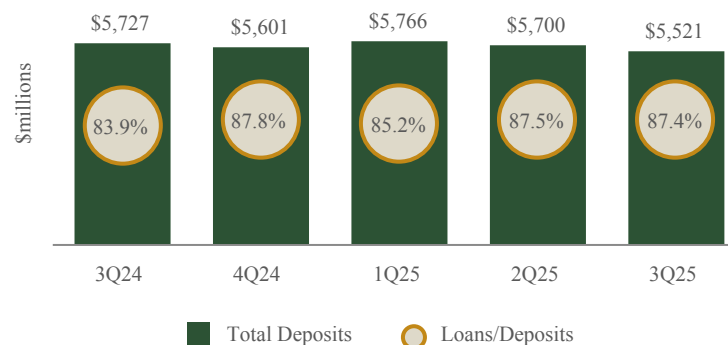


Relationship Based Core Deposits

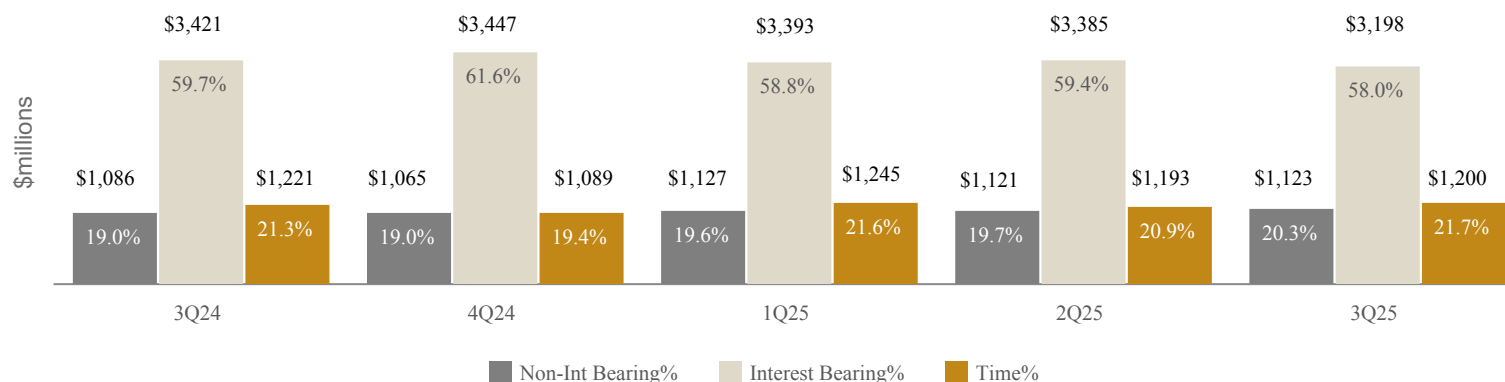
HIGHLIGHTS & DEVELOPMENTS

- Consumer and Commercial Deposits
 - Positive momentum in core relationships and balances
 - Treasury management team investments making a positive impact
- Public Deposits
 - Reduced high-cost, transactional balances by ~\$275 million during the third quarter, as part of the balance sheet repositioning
 - Focus will remain on primary bank relationships that find value in Horizon's full suite of banking services

Deposits



Stable Consumer and Commercial Deposits

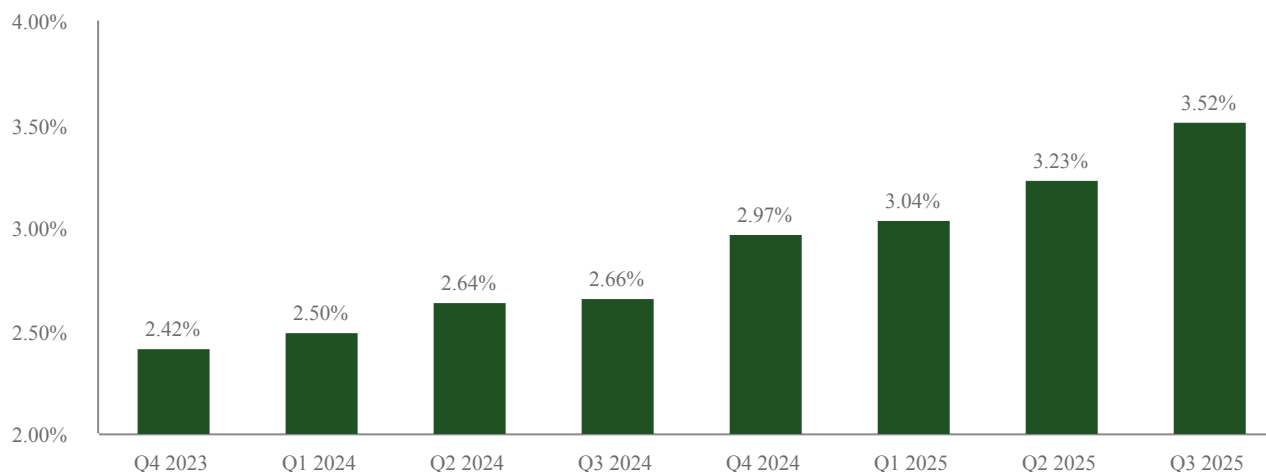


Net Interest Margin Expansion

HIGHLIGHTS & DEVELOPMENTS

- 8 consecutive quarters of FTE NIM* expansion driven by strategic efforts to reposition the Balance Sheet in accretive, higher yielding earning assets and lower cost core funding through several specific initiatives:
 - Three separate investment portfolio sales, all aimed at repositioning the asset base and deleveraging the Balance Sheet
 - Disposition of Non-Core Assets with the sale of the Mortgage Warehouse business and the Indirect Auto portfolio
 - Refocused the funding base on relationship-based Deposits, reduced borrowings by over \$1 billion and de-emphasizing non-relationship public deposit balances
- September FTE NIM exceeded 4.00%

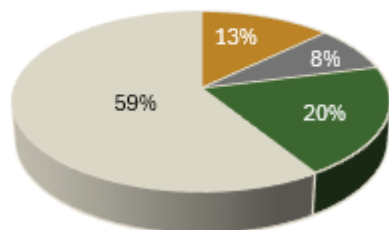
Net Interest Margin



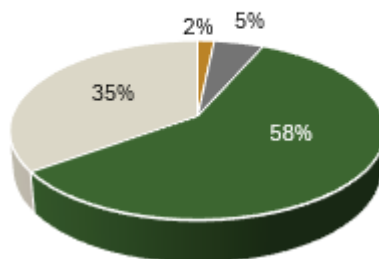
* Net Fully-Taxable Equivalent Interest Margin is a Non-GAAP measure.

Securities Portfolio Transformation

2Q 2025 (\$2.1B)



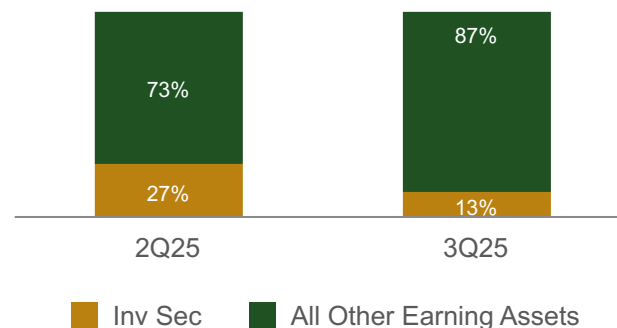
3Q 2025 (\$0.9B)



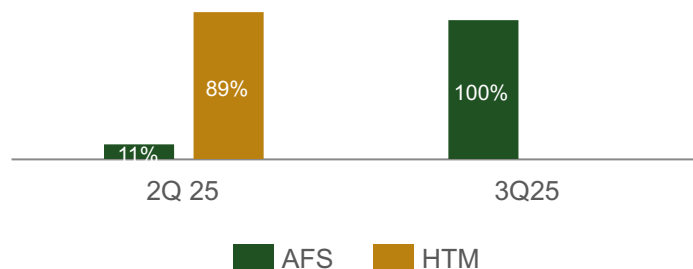
■ U.S. Govt ■ Corporate ■ Securitized ■ Municipals

	Jun-25	Sep-25
FTE Yield	2.50%	4.72%
Duration (years)	6.4	4.9
Duration of Q3 purchases is 4.5 yrs		

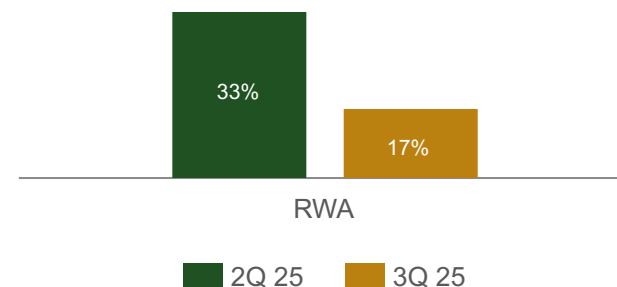
Improved Earning Assets Mix



Improved Liquidity - 100% of Securities Now In AFS



Lower Capital Utilization - Portfolio RWA Significantly Lower

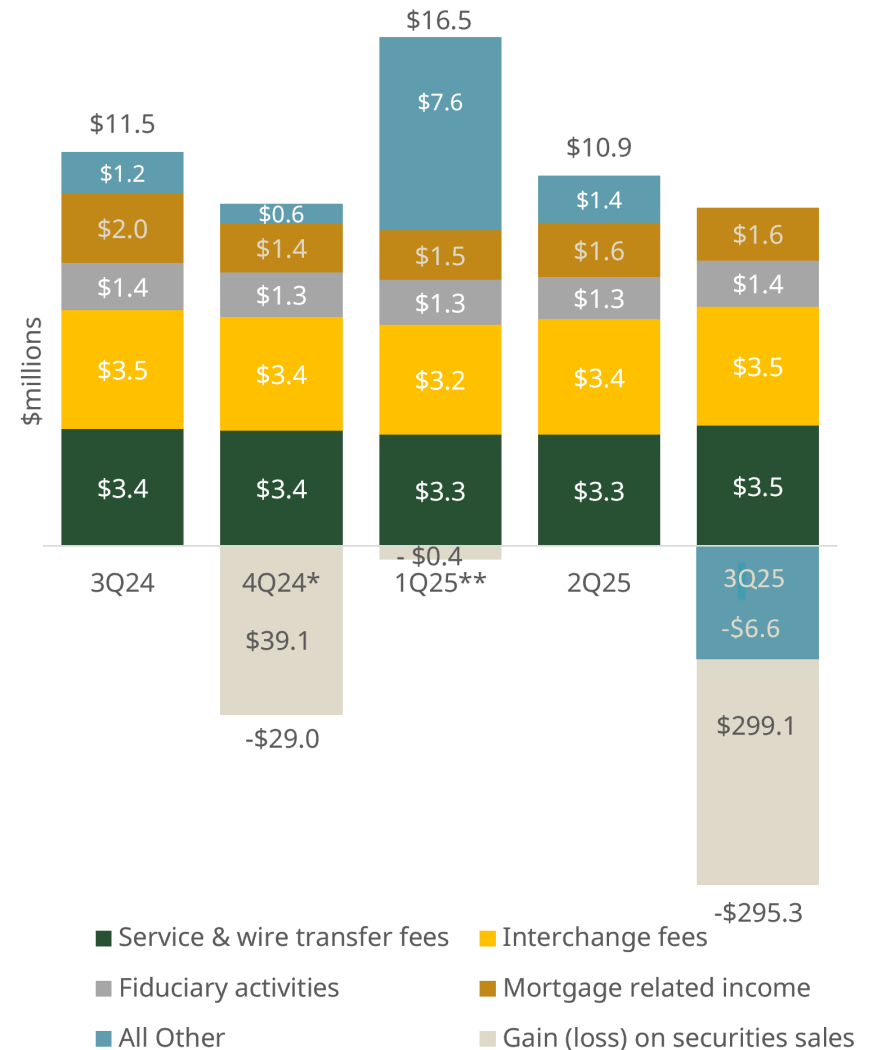


Risk weight of Q3 purchases was < 4%

Non-Interest Income

HIGHLIGHTS & DEVELOPMENTS

- Well diversified income stream continued to perform well in Q3, led by:
 - Strength in service charges and interchange fees reflective of growth in core client base and seasonal market activity
 - Mortgage revenue benefiting from a more effective sales program and talent upgrades
- 3Q25 results were impacted by specific items related to the Balance Sheet repositioning:
 - \$299.1 million loss on the sale of Investment Securities
 - \$7.7 million loss on the sale of the Indirect Auto portfolio in "Other Income". Auto sale also reflected a \$3.1 million release of the associated allowance through the Provision for Credit Losses



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.

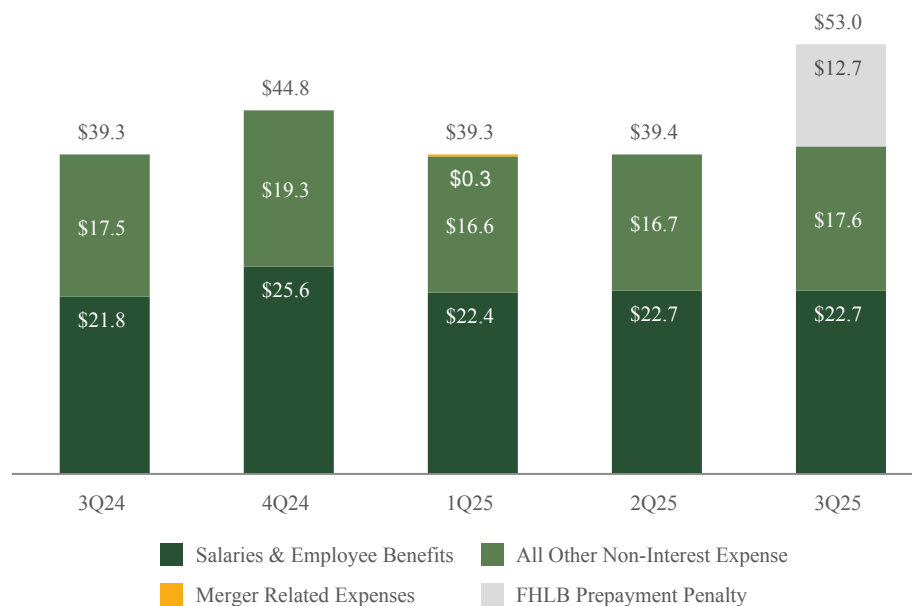
** 1Q25 includes the pre-tax gain of \$7.0MM from the sale of its Mortgage Warehouse business and a \$0.4MM loss from the sale of a single investment security.

Non-Interest Expense

HIGHLIGHTS & DEVELOPMENTS

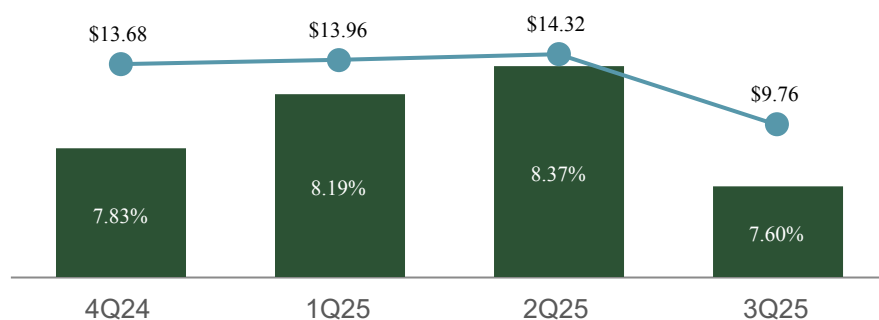
- Excluding the items noted below, non-interest expense was roughly flat linked quarter and remains a top strategic priority for management
- Non-Interest expense in the third quarter was impacted by the following expenses directly related to the balance sheet repositioning efforts:
 - \$12.7 million of FHLB prepayment penalties
 - \$0.9 million of various other expenses that will not carry forward, primarily in "outside services and consultants"

Non-Interest Expense

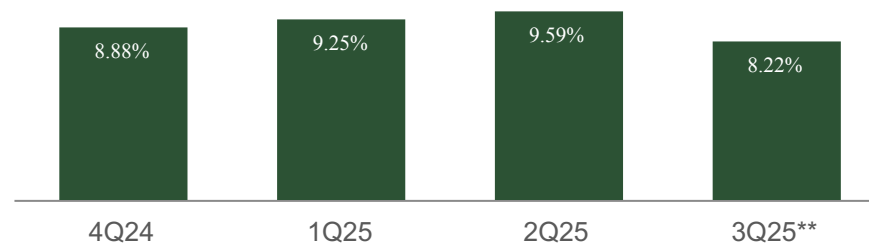


Strong Capital Position

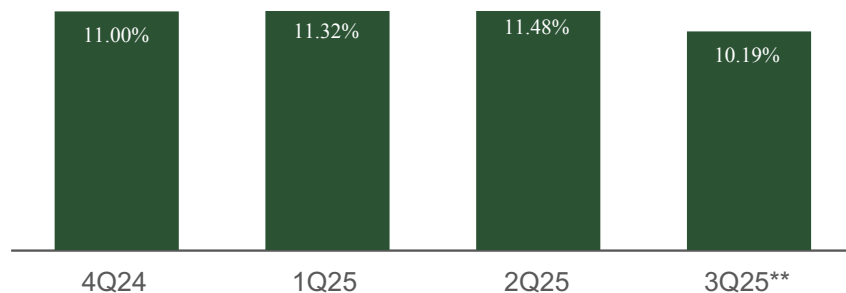
TCE/TA*



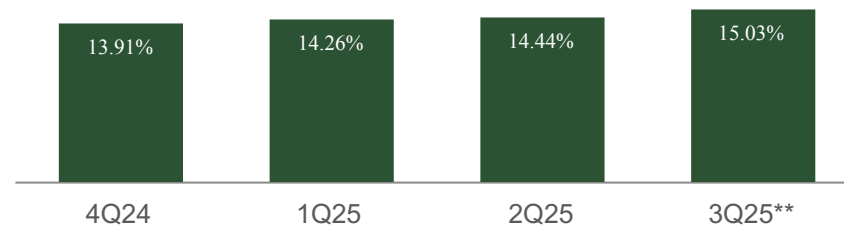
Leverage Ratio



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

Q4 2025 Guidance Summary

Loans (HFI)

- Period-end total loans HFI to grow mid-single-digits on an annualized basis, from Q3 balances
- Growth primarily in higher-yielding commercial loans

Deposits & Funding

- Period-end total deposit balances to decline low-single-digits, primarily related to remaining transition of higher-cost deposit balances

Non-FTE NII & FTE NIM

- Q4 non-FTE net interest income growth in the high-single-digits when compared with Q3 actual
- Average earning assets slightly below \$6 billion, post remaining balance sheet activities
- FTE NIM in the range of 4.15%-4.25%, which includes two 25 basis point cuts, in October and December

Non-Interest Income

- Q4 non-interest income to approximate \$11 million

Non-Interest Expense

- Q4 non-interest expense to approximate \$40 million, which includes about \$0.7 million related to the write-off of the unamortized issuance costs on the 2020 subordinated debt issuance that was repaid in October

Effective Tax Rate

- Q4 effective tax rate in the range of 18.0% - 20.0%

A decorative graphic on the left side of the slide. It consists of a dark green rounded rectangle with a pattern of white, parallel, diagonal lines that form a series of upward-pointing chevrons. Below this rectangle is a solid, light beige rounded rectangle.

Appendix

Diverse Commercial Lending Portfolio

STRONG AND TRADITIONAL COMMERCIAL LENDING

- Multi-family represents 6.3% of loans
 - No major metros outside Indiana and Michigan, other than Columbus, OH
 - Zero rent regulated/stabilized originated or in portfolio
 - \$2.0 million average loan size
- Non-owner-occupied office represents 4.0% of total loans
 - All in Indiana and Michigan
 - \$1.4 million average loan size
- Nursing Home and Assisted Living Facilities represents 2.0% of loans

COMMERCIAL LOANS BY INDUSTRY	09/30/2025 Balance	% of Commercial Portfolio	% of Total Loan Portfolio
Lessors - Residential Multi	304	9.6 %	6.3 %
NOO- Warehouse/Industrial	250	7.9 %	5.2 %
Health Care, Educational Social Assist.	251	7.9 %	5.2 %
NOO- Office (except medical)	195	6.2 %	4.0 %
NOO- Retail	171	5.4 %	3.5 %
Manufacturing	162	5.1 %	3.4 %
Individuals and Other Services	151	4.8 %	3.1 %
Lessors Student Housing	148	4.7 %	3.1 %
NOO- Motel	144	4.5 %	3.0 %
Restaurants	125	3.9 %	2.6 %
Real Estate Rental & Leasing	118	3.7 %	2.4 %
Construction	116	3.7 %	2.4 %
Finance & Insurance	107	3.4 %	2.2 %
NOO- Mini Storage	104	3.3 %	2.2 %
NOO- Medical Office	97	3.1 %	2.0 %
Nursing Home and Assisted Living Facilities	96	3.0 %	2.0 %
Retail Trade	93	2.9 %	1.9 %
Wholesale Trade	76	2.4 %	1.6 %
Lessors - Residential 1-4	72	2.3 %	1.5 %
Professional & Technical Services	65	2.1 %	1.3 %
Transportation & Warehousing	63	2.0 %	1.3 %
Government	56	1.8 %	1.2 %
Leisure and Hospitality	49	1.5 %	1.0 %
Farm Land	29	0.9 %	0.6 %
Agriculture	22	0.7 %	0.5 %
NOO- Uncategorized NOO	22	0.7 %	0.5 %
Administrative Services	20	0.6 %	0.4 %
Development Loans	19	0.6 %	0.4 %
Other	47	1.5 %	1.0 %
Total	\$ 3,172	100.0 %	66.8 %

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				
		September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Interest income (GAAP)	(A)	\$ 92,836	\$ 91,477	\$ 89,175	\$ 93,350	\$ 90,888
Taxable-equivalent adjustment:						
Investment securities - tax exempt ⁽¹⁾		1,218	1,619	1,646	1,675	1,677
Loan receivable ⁽²⁾		379	382	383	395	340
Interest income (non-GAAP)	(B)	\$ 94,433	\$ 93,478	\$ 91,204	\$ 95,420	\$ 92,905
Interest expense (GAAP)	(C)	34,450	36,122	36,908	40,223	43,978
Net interest income (GAAP)	(D) =(A) - (C)	\$ 58,386	\$ 55,355	\$ 52,267	\$ 53,127	\$ 46,910
Net FTE interest income (non-GAAP)	(E) = (B) - (C)	\$ 59,983	\$ 57,356	\$ 54,296	\$ 55,197	\$ 48,927
Average interest earning assets	(F)	\$ 6,766,742	\$ 7,125,467	\$ 7,234,724	\$ 7,396,178	\$ 7,330,263
Net FTE interest margin (non-GAAP)	(G) = (E*) / (F)	3.52 %	3.23 %	3.04 %	2.97 %	2.66 %

⁽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				
		September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Total stockholders' equity (GAAP)	(A)	\$ 660,771	\$ 790,852	\$ 776,061	\$ 763,582	\$ 754,822
Intangible assets (end of period)	(B)	163,097	163,803	164,618	165,434	166,278
Total tangible common equity (non-GAAP)	(C) = (A) - (B)	<u>\$ 497,674</u>	<u>\$ 627,049</u>	<u>\$ 611,443</u>	<u>\$ 598,148</u>	<u>\$ 588,544</u>
Total assets (GAAP)	(D)	6,712,497	7,652,051	7,628,636	7,801,146	7,927,457
Intangible assets (end of period)	(B)	163,097	163,803	164,618	165,434	166,278
Total tangible assets (non-GAAP)	(E) = (D) - (B)	<u>\$ 6,549,400</u>	<u>\$ 7,488,248</u>	<u>\$ 7,464,018</u>	<u>\$ 7,635,712</u>	<u>\$ 7,761,179</u>
Tangible common equity to tangible assets (Non-GAAP)	(G) = (C) / (E)	7.60 %	8.37 %	8.19 %	7.83 %	7.58 %

Non-GAAP Reconciliation

Non-GAAP Reconciliation of Tangible Book Value Per Share

(Dollars in Thousands. Unaudited)

		Three Months Ended				
		September 30,	June 30,	March 31,	December 31,	September 30,
		2025	2025	2025	2024	2024
Total stockholders' equity (GAAP)	(A)	\$ 660,771	\$ 790,852	\$ 776,061	\$ 763,582	\$ 754,822
Intangible assets (end of period)	(B)	163,097	163,803	164,618	165,434	166,278
Total tangible common equity (non-GAAP)	(C) = (A) - (B)	\$ 497,674	\$ 627,049	\$ 611,443	\$ 598,148	\$ 588,544
Common shares outstanding	(D)	50,971	43,802	43,786	43,722	43,712
Tangible book value per common share (non-GAAP)	(E) = (C) / (D)	\$ 9.76	\$ 14.32	\$ 13.96	\$ 13.68	\$ 13.46



Thank you

John R. Stewart, CFA®

Executive Vice President & Chief Financial Officer

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