

For Immediate Release

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## Horizon Bancorp, Inc. releases 1st Quarter 2021 financial highlights, including deposit growth of 53.09% and earnings per share growth of 57.97% year-over-year.

**Lake Havasu City, AZ- April 27, 2021**-Horizon Bancorp, Inc. (OTC Pink: HRRB), the holding company for Horizon Community Bank, announced growth in total deposits of 53.09% for the 12-month period ended March 31, 2021. Growth in total loans of 13.14% for the 12-month period ended March 31, 2021. Net income for the quarter was \$1,339,281 and \$4,489,560 for 12 months ended March 31, 2021. Linked quarterly net income is up 17.56%. Quarterly earnings per share were \$0.32, up 14.29% from the prior quarter.

March 31, 2021 highlights include:

- 57.67% 12-month net income growth
- 53.09% 12-month deposit growth
- 96.67% 12-month noninterest deposit growth
- 51.57% 12-month total asset growth
- 13.14% 12-month loan growth

“We now have substantiated evidence supporting the resilience of our local and regional economies as the recovery continues. Life is normalizing but far from normal. Our confidence in credit quality and culture is strong and is manifested in numerous credit quality metrics. The CARES Act associated market liquidity is a phenomenon we have never experienced, and it creates challenges to smart growth. We now see demand for the Paycheck Protection Program (PPP) decrease substantially, and we know our team did a fantastic job in providing a financial lifeline to the community,” stated Horizon Bancorp’s President and CEO, Ralph Tapscott.

Loan interest income is up substantially and it is influenced by PPP participation. Linked quarter interest income is up 8.80%. The bank has significantly improved its cost of funds, both in absolute and relative terms. The resulting net interest margin declined 28 basis points, to 3.58%, for the quarter ended March 31, 2021. The bank’s operating model has both a mortgage and government lending component. This helps enhance noninterest income, but there are offsetting noninterest expense components. Linked quarter noninterest income decreased 13.29%, to \$906,903, on March 31, 2021. Quarterly noninterest expense reflects an 11.32% reduction, to \$3,320,322, on March 31, 2021. The resulting change in linked quarter net income was an increase of 17.56%, to \$1,339,281, on March 31, 2021. Return on average assets and return on average equity improved for the quarter to 1.07% and 15.65%, respectively.

Total loans outstanding declined by \$10,382,752, to \$282,836,810, for the quarter ended March 31, 2021. Conversely, deposits grew by \$62,299,805, to \$476,187,271, for this same period. Credit quality metrics are shown in the following table, and reflect improvements quarter over quarter and year over year in nonaccrual loans and nonperforming assets. The bank maintains an ample allowance for loan and lease loss at 1.51% of total outstanding loans, and this is inclusive of PPP. The bank is fortunate to have a strong core deposit base, and 37.80% of total deposits are noninterest deposits and the one-year growth has been 96.67%.

	03/31/21	12/31/2020	03/31/2020
30+ Days Delinquent / Loans	0.00%	0.15%	0.91%
Non-Accrual Loans / Loans	0.31%	0.39%	0.45%
Other Real Estate Owned	\$904,657	\$1,226,312	\$1,468,292
Net Charge Offs/Loans	-0.01%	-0.01%	0.01%
ALLL/Loans	1.51%(1)	1.43%	1.43%

(1) ALLL/Loans excluding PPP loans outstanding is 1.78%

The Bank remains well capitalized under regulatory guidelines. The Bank's regulatory capital ratios are further addressed in the following table –

	03/31/2021	12/31/2020	03/31/2020
Tier 1 Leverage Ratio	8.15%	8.38%	8.84%
Tier 1 Common Equity Ratio	14.39%	13.74%	11.58%
Tier 1 Capital Ratio	14.39%	13.74%	11.58%
Total Capital Ratio	15.64%	14.99%	12.83%

“Pandemic concerns and CARES Act influence are expected to reduce and the economies are expected to further rebound. We expect deposit growth to slow or normalize, credit quality metrics to remain stable, and new credit production to ramp up over the remainder of 2021,” stated Tapscott.

### **About the Company**

Horizon Bancorp, Inc. (OTC: HRRB), the holding company for Horizon Community Bank has \$538 million in total assets as of March 31, 2021 and is headquartered in Lake Havasu City, Arizona. It owns, as its sole subsidiary, Horizon Community Bank, a locally owned and operated bank with branches in Fort Mohave, Kingman, Lake Havasu City, Phoenix Metro, Parker and Quartzsite, Arizona, plus loan offices in Goodyear and Phoenix, Arizona. The Bank has 92 employees that provide high-touch, customized financial services to largely small business and commercial clients. The Bank operates a mortgage operation and is a leader in government guaranteed lending. Consumer services are also offered in the communities the bank serves. FDIC insured. Learn more at <http://www.horizoncommunitybank.com>.

### *Forward Looking Statements*

*This press release may include forward-looking statements about Horizon Bancorp, Inc. and Horizon Community Bank. These statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors: Annualized, proforma and projected or estimated numbers in this release are illustrative only, are not forecasts and may not reflect actual results. All forward-looking statements are based on information available at the time of this release, and Horizon Bancorp, Inc. and Horizon Community Bank assume no obligation to update any forward-looking statements.*

Unaudited Financial Information follows.

**Horizon Bancorp, Inc.**  
**Financial Information -**  
**Unaudited**

In thousands - except per share data

	For the Quarter Ended		Trailing 12 months Ended		Year-End
	<u>3/31/21</u>	<u>3/31/20</u>	<u>3/31/21</u>	<u>3/31/20</u>	<u>12/31/20</u>
<b>Summary Income Data:</b>					
Interest Income	\$ 4,563	\$ 4,194	\$ 18,010	\$ 16,995	\$ 17,641
Interest Expense	301	744	1,629	3,310	2,072
Net Interest Income	4,262	3,450	16,381	13,685	15,569
Provision for loans losses	75	135	870	566	930
Non-interest Income	907	934	4,003	4,241	4,030
Non-interest expense	3,320	3,446	13,778	13,716	13,904
Income (loss) before income taxes	1,773	803	5,735	3,644	4,766
Provision(benefit) for income taxes	434	183	1,246	797	995
Net Income	\$ 1,339	\$ 620	\$ 4,489	\$ 2,847	\$ 3,770
<b>Per Share Data:</b>					
Shares outstanding end-of-period	4,131	4,131	4,131	4,131	4131
Earnings per common share	\$ 0.32	\$ 0.15	\$ 1.09	\$ 0.69	\$ 0.91
Total shareholder's equity	\$ 33,294	\$ 30,565	\$ 33,294	\$ 30,565	\$ 33,760
Book Value per share	\$ 8.06	\$ 7.40	\$ 8.06	\$ 7.40	\$ 8.17
<b>Selected Balance Sheet Data:</b>					
Total assets	\$ 538,149	\$ 355,058	\$ 538,149	\$ 355,058	\$ 475,720
Securities available-for-sale	120,332	28,469	120,332	28,469	103,558
Loans	282,837	249,985	282,837	249,985	293,220
Allowance for loan losses	4,264	3,569	4,264	3,569	4,179
Deposits	476,187	311,060	476,187	311,060	413,888
Other borrowings	15,924	8,479	15,924	8,479	15,615
Shareholder's Equity	33,294	30,565	33,294	30,565	33,760
<b>Performance Ratios:</b>					
Return on average assets (annualized) (%)	1.07%	0.71%	0.96%	0.84%	0.88%
Return on average shareholder's equity (annualized) (%)	15.65%	8.38%	13.81%	10.04%	12.03%
Shareholder's equity to assets (%)	6.19%	8.61%	6.19%	8.61%	7.10%
Net interest margin (%)	3.58%	4.24%	3.95%	4.45%	3.86%
Cost of funds	0.25%	0.91%	0.39%	1.08%	0.51%
Average assets	\$ 501,179	\$ 349,563	\$ 465,525	\$ 338,481	\$ 427,840
Efficiency ratio (%)	64.24%	78.60%	67.59%	76.51%	70.94%

**Asset Quality Data:**

Nonaccrual loans	\$	889	\$	1,122	\$	889	\$	1,122	\$	1,130
Troubled debt restructurings	\$	1,577	\$	1,662	\$	1,577	\$	1,662	\$	1,593
Other real estate	\$	905	\$	1,468	\$	905	\$	1,468	\$	1,226
Nonperforming assets	\$	1,794	\$	2,590	\$	1,794	\$	2,590	\$	2,356
Nonperforming assets to total assets (%)		0.33%		0.73%		0.33%		0.73%		0.50%
Nonperforming loans to total loans (%)		0.31%		0.45%		0.31%		0.45%		0.39%
Reserve for loan losses to total loans (%)		1.51%		1.43%		1.51%		1.43%		1.43%
Reserve for loan losses to nonperforming loans (%)		479.63%		318.09%		479.63%		318.09%		369.82%
Reserve for loan losses to nonperforming assets (%)		237.67%		137.80%		237.67%		137.80%		177.38%
Net charge-offs for period		(10)		35		175		45		220
Average Loans	\$	287,594	\$	250,935	\$	299,741	\$	241,418	\$	290,674
Ratio of net charge-offs to average loans (%)		-0.01%		0.01%		0.06%		0.02%		0.08%
CARES Act - Temporary loan payment relief (#)		0		n/a		0		n/a		0
CARES Act - Temporary loan payment relief (\$)	\$	0		n/a	\$	0		n/a		0

**Regulatory Capital Ratios****Horizon Community Bank:**

Tier 1 leverage ratio (%)		8.15%		8.84%		8.15%		8.84%		8.38%
Common Equity Tier 1 ratio (%)		14.39%		11.58%		14.39%		11.58%		13.74%
Tier 1 risk-based capital ratio (%)		14.39%		11.58%		14.39%		11.58%		13.74%
Total risk-based capital ratio (%)		15.64%		12.83%		15.64%		12.83%		14.99%