





MOVING FORWARD

OUR GUIDING PRINCIPLES



Building Business Relationships for Life



Sensible Advice



Anticipating Needs



Fostering Diversity, Equity & Inclusion



Community Mindedness



Customer Advocate

“Cultivating a purpose-driven and inclusive culture, where diversity is valued and fostered, is one of Horizon’s core values.”

Kathi Tilling

Horizon Bank Diversity and Inclusion Officer

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DEAR SHAREHOLDERS, ADVISORS AND CLIENTS,

The year 2020 tested the resolve and resiliency of the Horizon team and the communities we serve. In many ways, we saw our entire country pull together as we worked through incomparable disruptions to our lives and work, and in other ways, the circumstances shined a glaring light on long-standing divisions and inequalities that our country must urgently address.

A year as extraordinary as 2020 demands that we reflect and learn from the past in order to move forward. In Horizon's inaugural Corporate Social Responsibility Report, we look back at the progress made and, importantly, at the ways in which we're actively working to foster a culture of diversity and inclusion for all. For Horizon, our paramount focus in these areas centers around our team of advisors, our customers, the vendors and business partners we work with, and the communities that we serve.

Our commitment to diversity and inclusion is driven by all levels of the company. Our community lenders and CRA officers report to a Senior Community Development Officer who is responsible for our CRA, Fair Lending and Diversity & Inclusion outreach programs. Our Board's Fair Lending/CRA Committee meets quarterly to discuss and review Horizon's progress on these issues. In addition, we are one of a handful of banks that have participated in the voluntary Diversity Self-Assessment administered by U.S. banking regulators in each of

the last four years. We are proud to be one of 17% of all 784 eligible FDIC-regulated financial institutions who completed the assessment, according to the regulator's most-recent analysis.¹

For nearly 150 years, Horizon Bank has been in the business of putting people first. That philosophy guides us in all that we do. As a committed corporate citizen, we provide funding, helping hands and expertise towards supporting education, the arts, economic development and other key efforts to foster sustainability within our communities. As an employer, we value unique talents and perspectives and are committed to fostering our team's development. As a financial partner to individuals and businesses throughout diverse and growing Midwest communities, our team of in-market advisors provides exceptional service and sensible advice above all else. This is, quite simply, the Horizon difference.

Sincerely,
Craig M. Dwight
Chairman & Chief Executive Officer

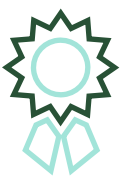


¹ <https://www.fdic.gov/about/diversity/rerpt.html>



DIVERSITY, EQUITY & INCLUSION

Our advisors bring unique talents and perspectives that make Horizon the vibrant community bank it is today.



In 2020, Horizon Bank received the Urban League of Northwest Indiana's Leadership Award in recognition of its efforts to advance diversity, equity and inclusion



Women made up 76% of Horizon's workforce at year-end and 30% of the Board's independent directors



Underrepresented minorities made up approximately 14% of our team and individuals with disabilities made up 9% at year-end

Horizon Bank's culture is one that values and prioritizes diversity, equity and inclusion in all of our relationships. That means we are actively working to build a diverse team of advisors who reflect, understand and are committed to supporting all of the customers and communities that we serve and are actively seeking diverse business partners and suppliers. We firmly believe that only by leveraging unique talents and learning from differing perspectives will we continue to grow and succeed as a company.

HORIZON'S DIVERSITY COUNCIL

Horizon's commitment to diversity, equity and inclusion is not new. In 2004, we founded the Diversity Business Council. Made up of company

executives and advisors, along with community and non-profit leaders who provide valuable outside counsel, this group provides oversight and input on Horizon's overall diversity efforts, its policies and practices, and its strategic goals.

ENHANCING DIVERSITY IN OUR WORKFORCE

We are committed to enhancing racial diversity within our company by recruiting and hiring diverse talent. In 2020, 2019 and 2018, new hires self-identifying as minorities made up 26%, 19% and 16% of Horizon's total new hires, respectively. We completed unconscious-bias training among our entire team last year and the executive team keeps up to date with current literature and trends on bias to broaden our perspective.

We are also introducing Advisor Resource Groups to promote inclusion and diversity at Horizon. These voluntary groups, the first of which is focused on LGBT+ issues, are open to all of our advisors to help them to strengthen relationships, build understanding, develop skills and share knowledge and experiences with one another.

SUPPORTING MINORITY-OWNED BUSINESSES

Horizon Bank is committed to supporting small and minority-owned businesses across Indiana and Michigan. As just one example, in 2020 Horizon worked with LYNX Capital Corp. and the Indiana Community Business Credit Corp. to provide

growth capital to Touchdown RV in Zionsville, helping the minority-owned business to expand its inventory and support its continued expansion.

In addition, Horizon contributed \$250,000 to the New Community Transformation Fund, a Grand Rapids, Michigan venture fund that is focused on assisting companies owned or led by minorities.



BILINGUAL BANKING

Horizon Bank opened its first bilingual branch in 2019 in Whiting, Indiana to better serve the Northwest Indiana city's Hispanic community, which represents about 40% of its residents. Staffed entirely with Spanish-speaking team members, the branch provides a full range of banking services as well as bilingual financial education and planning assistance for customers. Our plans call for us to open our second bilingual office in 2021.

Learn more about our formal diversity and inclusion policies at horizonbank.com/about-us/community-outreach/diversity-and-inclusion



LOCAL MIDWEST LENDER & LEADER

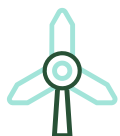
Whether buying, refinancing or building a home, Horizon Bank is a trusted partner to its customers like Kristen N.



\$86.7 million in loans to programs promoting small business and community development



Top 15 lender in Indiana based on small business loans under \$1M, according to the SBA's latest Small Business Lending In The United States report¹



Horizon financed \$13.5 million in renewable energy projects that will provide about 28,100 MW of clean power each year

Horizon Bank has been headquartered in Michigan City, Indiana, since it was founded there in 1873.

In the nearly 150 years since, we've grown throughout Indiana and Michigan in a responsible and sustainable way.

LOCAL KNOWLEDGE AND DECISION-MAKING

With dozens of locations across these two states today, we are an in-market lender, providing credit to individuals and businesses in the communities where our team lives and works. Our advisors are truly part of the communities they serve.

We purposefully hire local talent who understand the unique needs, strengths and challenges of the communities they serve – and who are empowered to act thoughtfully on their behalf.

In addition, our 13 regional advisory boards are made up of external community leaders who provide us insight into the needs and opportunities of counties throughout our footprint. Each advisory board strives for diversity and inclusion with a broad array of representatives from across our community.

PROGRAMS DESIGNED FOR ALL

Our team is at all times focused on providing exceptional service and sensible advice to build life-long business relationships with all of our customers. We offer a wide range of loans and programs that are aimed at economic inclusion. From our Home Ready Cash Program, Section 8 mortgage financing and Fresh Start Loan Program, to our Starter Overdraft Protection, we seek to help underserved members of our community develop their credit and achieve financial security. As a result of these and other efforts, Horizon has earned “Satisfactory” Community Reinvestment Act ratings in every one of its CRA evaluations from bank regulators since 1997, including in most recent by the FDIC.

SUPPORTING CUSTOMERS AMID COVID-19

As the pandemic and associated economic crisis unfolded early in 2020, Horizon stood ready to work closely with our customers to provide them with appropriate payment relief when they needed it most. We granted both consumer and business customers requested payment extensions and provided fee waivers.

In addition, as a certified Small Business Administration (SBA) provider, we were well-prepared to leverage the CARES Act to provide additional support to small businesses and their employees. Our team was able to quickly assist existing and new customers to access vital funding through the Paycheck Protection Program (PPP) and navigate the forgiveness process. Horizon’s PPP lending was focused on small businesses, with 43% of the loans amounting to \$50,000 or less and 75% amounting to \$150,000 or less through December 31, 2020.



Horizon is committed to improving access to financial services to minorities in cities that have been underserved by banks for too long, such as Gary in Northwest Indiana. We will open a new branch in Gary in the spring of this year and will initially employ four Gary residents as Horizon Bank advisors to serve their neighbors and businesses in the community. This team is passionate about their City and energized to make a difference in the community.

¹ U.S. Small Business Administration Office of Advocacy, “Small Business Lending In The United States, 2019,” September 2020. Available at <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/09/10092856/Appendix-Tables-PDF-2019.pdf>.



SERVING OUR COMMUNITIES

Horizon supports the critical work of many local nonprofits, including that of North Central Community Action Agencies, Inc.



More than \$3.0 million donated to nonprofits over the last five years



\$25,000 donation to assist with relief and recovery efforts in the communities affected by extreme flooding in Midland, Michigan last year



In 2020, we established The Horizon Bank – Robert C. Dabagia Scholarship endowment to provide financial support for Purdue University Northwest students enrolled in banking concentration courses

As a leader in corporate citizenship, Horizon Bank understands that it has the ability to support the long-term growth and prosperity of our communities. Our company and its advisors work hard to identify and fulfill unmet needs within those communities and to contribute to their betterment.

HORIZON CARES

Our mission is to make a positive difference in the future by supporting education, economic development, arts, and housing efforts that meet the needs of low-to-moderate income families. Through our Horizon Cares Community Grant Program, we make impactful contributions to organizations across our Indiana and Michigan footprint each year. During 2020, we provided nearly \$820,000 to more than 200 organizations throughout our footprint.

A CULTURE OF GIVING BACK

Another unifying value that spans our organization is the simple but important idea that everyone deserves to be treated with kindness, understanding and respect. We encourage our advisors to seek volunteer opportunities in the communities where they live and work and know that they are eager to give their time and expertise to help others. Our formal paid time off policy provides advisors with the flexibility and freedom to support organizations and causes they are passionate about, by providing paid time for volunteer hours.

BANKING ON YOUTH

Financial literacy is a vital skill that is never too early to learn. Horizon Bank is proud to help students better understand their finances and how they can make smart decisions through our two high school student run branches – the Horizon Bank Wolves Branch at Michigan City High School and the Horizon Bank Slicer Branch at LaPorte High School – and our in-classroom financial literacy programs.

PANDEMIC RELIEF

In March 2020, Horizon Bank announced a six-figure pledge to provide aid to those affected by the COVID-19 pandemic. Leveraging our in-market advisors who understand the needs of the communities we serve across Indiana and Michigan, we identified more than 50 non-profit groups that were best positioned, equipped and well-managed to efficiently provide assistance.

By focusing more than \$300,000 in financial support on local area United Ways, food banks and those that provide rental assistance, we aimed to address some of the most pressing challenges our communities faced, including food insecurity, housing and utilities assistance, and childcare.



To learn more about the Horizon Cares Charitable Grant Program or to apply, please visit horizonbank.com/about-us/community-outreach/community-grant-program



MORE THAN BANKERS; WE ARE ADVISORS

Horizon's Community Lender Cristal Alcantar provides affordable loan programs for home buyers and small businesses.

At Horizon, each member of our team is considered an Advisor. At every level of the company, we appreciate the expertise and counsel that each individual has to offer. We know that our company's success is directly attributed to our ability to recruit and retain these talented advisors, and our compensation, benefits and professional development opportunities are designed with those goals in mind.

SUPPORTING A HEALTHY WORK/LIFE BALANCE

Our people-first philosophy is reflected in the comprehensive benefits and compensation packages offered to our advisors, including health and wellness insurance plans and incentives, a 401(k) plan with matching contributions, and more. We offer our team paid time off for vacations, holidays, sick time and bereavement, along with paid volunteer time and school function leave.

The challenge to maintain balance between work responsibilities and personal time was more

pronounced in 2020 than ever before. In order to ensure our team was able to maintain a positive work/life balance and, most importantly, stay healthy and safe, we increased paid time off benefits in 2020 for our advisors.

PRIORITIZING DEVELOPMENT AND GROWTH

Horizon is committed to creating an environment of continuous improvement and creative thinking, where advisors participate in company-wide trainings to ensure the highest level of service and knowledge for our customers, and where they are encouraged to pursue development opportunities that they find most fulfilling as they advance in their careers.

Compliance and information security are two areas that our team must regularly participate in, as our responsibility as a trusted financial partner demands it. In 2020, more than 99% of our workforce completed formal cybersecurity awareness and regulatory compliance trainings.

GOVERNANCE

As a community bank, we are proud of the strong local ties and depth of expertise within both our Executive Leadership team and our Board of Directors.

HIGHLY ENGAGED BOARD

Our directors bring a diverse range of characteristics and skills to our Board that enable it to provide optimum oversight for our company, as we seek to drive sustainable growth for the benefit for our shareholders.

Horizon's Board of Directors held 12 meetings during 2020, and each director attended 75% or more of these meetings and those of the committees they served on. In addition, all directors actively participate in continuing education, with each director completing 100% of their assigned educational programs during 2020.



10 of 11 directors are independent



27% of all directors are women

Our Board's Corporate Governance and Nominating Committee is responsible for overseeing and implementing our Environment, Social Responsibility, and Governance ("ESG") efforts. Through its Charter-required monitoring activities, the committee reviews and sets strategy for Horizon's ESG activities, monitors ESG market trends, privacy and data security, political contributions and lobbying, and seeks diverse candidates in Horizon's director applicant pools.

Our board recruitment plan requires that the applicant pool for new directors include diverse candidates. In 2018 our director search resulted in the three finalists – all of whom were women and/or minorities – and the selection of our third female director.

BUSINESS ETHICS

We hold our code of conduct in esteem and encourage all team members to hold our company and their colleagues accountable, utilizing EthicsPoint® for advisors to anonymously report policy violations or other concerns.

Our formal code of ethics, charters and policies, including those relating to anti-hedging, insider trading and restrictions on pledging company stock, are available in the Corporate Governance section of our Investor Relations website, investor.horizonbank.com/corporate-information/corporate-governance.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURES

TOPIC	SASB CODE	ACCOUNTING METRIC	
COMMERCIAL BANK STANDARDS			
Data Security	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Horizon Bank takes the security of its customers' personal and financial data and responsibility to prevent fraud very seriously. Laws and regulations, including the Gramm Leach Bliley and Sarbanes-Oxley Acts, guide our policies, procedures, and controls. We follow COBIT 2019 and the NIST Frameworks to help manage cybersecurity risk. For additional details on our data security approach, as well as our formal privacy policy, please visit www.horizonbank.com/Privacy-and-Security .
Financial Inclusion & Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	346 loans totaling \$86.7 million at 12/31/20, excluding PPP loans
Financial Inclusion & Capacity Building	FN-CB-240a.2	Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	7 loans totaling \$0.6 million delinquent >30 days and 8 non-accrual loans totaling \$3.2 million at 12/31/20
Financial Inclusion & Capacity Building	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	1,189 Fresh Start Checking Accounts at 12/31/20
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Please find details on our diverse commercial lending portfolio in recent investor presentations, available at investor.horizonbank.com
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis.	When underwriting commercial credit, Horizon considers many factors that may impact a business and its ability to operate successfully in order to meet payment requirements. We continuously evaluate our underwriting process to ensure we are identifying key risks inherent in a business or industry.
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	There were no losses of this nature in 2020.
Business Ethics	FN-CB-510a.2	Description of whistleblower policies and procedures	Horizon utilizes EthicsPoint®, a confidential and anonymous web and telephone reporting system that allows shareholders, directors, customers, vendors and employees to report concerns, as well as pose questions and suggestions, confidentially and anonymously. Horizon also has formal non-retribution and open door policies to encourage individuals to report concerns.

TOPIC	SASB CODE	ACCOUNTING METRIC	
Systemic Risk Management	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Annually, Horizon completes and updates its three year rolling strategic plan, the results of which are reported to the Board quarterly. The plan is reviewed annually and updated as needed. Capital planning, capital stress testing and liquidity contingency plan testing are also completed annually.
Activity Metric	FN-CB-000.A	Number and value of checking and savings accounts by segment: personal and small business	114,259 personal checking accounts totaling \$1.34 billion and 14,650 business accounts totaling \$988.3 million at 12/31/20
Activity Metric	FN-CB-000.B	Number and value of loans by segment: personal, small business, and corporate	66,789 personal loans, including consumer and residential mortgage, totaling \$1.30 billion at 12/31/20; 1,767 small business loans totaling \$89.0 million and 7,703 commercial loans, excluding small business, totaling \$2.11 billion at year end
MORTGAGE FINANCE STANDARDS			
Lending Practices	FN-MF-270a.1	Number and value of residential mortgages of the following types: Hybrid or Option Adjustable-rate Mortgages (ARM), prepayment penalty, higher rate, total, by fico scores above or below 660	Hybrid ARMs: 2,097 loans totaling \$438.6 million; Option ARM's: None; Prepayment Penalty: None; Higher Rate (High Cost Loans): None; Fico scores >660: 2,834 loans totaling \$512.7 million; Fico scores <660: 856 loans totaling \$128.9 million
Lending Practices	FN-MF-270a.4	Description of remuneration structure of loan originators	Horizon employs non-commission, salaried lenders dedicated to serving low-to-moderate income and majority-minority communities who are responsible for community development, small business and mortgage lending. These community lenders, along with the bank's CRA officer, report to Horizon's VP of Community Development.
Fair Lending ¹	FN-MF-270b.3	Description of policies and procedures for insuring nondiscriminatory mortgage origination	Horizon is committed to making credit products available to all qualified applicants without discrimination. All home equity and mobile home applications denials are subject to a second review, as is a portion of all mortgages. Internal Audit performs periodic reviews and data analysis to identify possible discriminatory lending patterns and reports any findings promptly to the Board. These and other policies are outlined in Horizon's Fair Lending Policy, available at www.horizonbank.com/about-us/community-outreach/affordable-loan-options .
Activity metric	FN-MF-000.A	Number and value of mortgages originated by category: residential and commercial	3,711 residential mortgage loans originated during 2020 totaling \$756.8 million; 371 commercial mortgage loans originated totaling \$218.8 million as of 12/31/20
Activity metric	FN-FM-000.B	Number and value of mortgages purchased by category: residential and commercial	29 residential mortgage loans purchased in 2020 totaling \$3.3 million; no commercial mortgages purchased

¹ This topic is referred to as "Discriminatory Lending" by the SASB

2020 HIGHLIGHTS

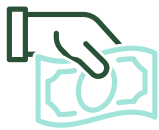
As of December 31, 2020



Total assets
\$5.9B



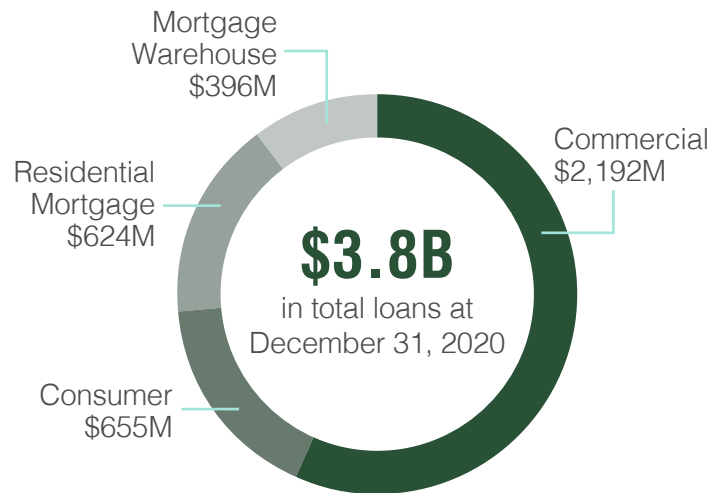
Total loans
\$3.9B



Total deposits
\$4.5B



Employees
815



ABOUT HORIZON BANCORP, INC.

Horizon Bancorp, Inc. (NASDAQ GS: HBNC) is the commercial bank holding company for Horizon Bank, which serves customers across diverse and economically attractive Midwestern markets.

Customers rely on Horizon's convenient digital and virtual tools for a majority of their transactions with the bank, along with its Indiana and Michigan branches. Horizon's retail offering includes prime residential, indirect auto and other secured consumer lending to in-market customers, as well as a range of personal

banking and wealth management solutions.

Commercial lending represents over half of total loans outstanding with a primary focus on in-market sponsors, and Horizon also provides a comprehensive array of business banking and treasury management services. More information on Horizon, headquartered in Northwest Indiana's Michigan City, is available at horizonbank.com and investor.horizonbank.com.

For more information about how to join the brightest advisors with a passion for what they do and a desire to succeed, please visit www.horizonbank.com/about-us/careers/join-our-team

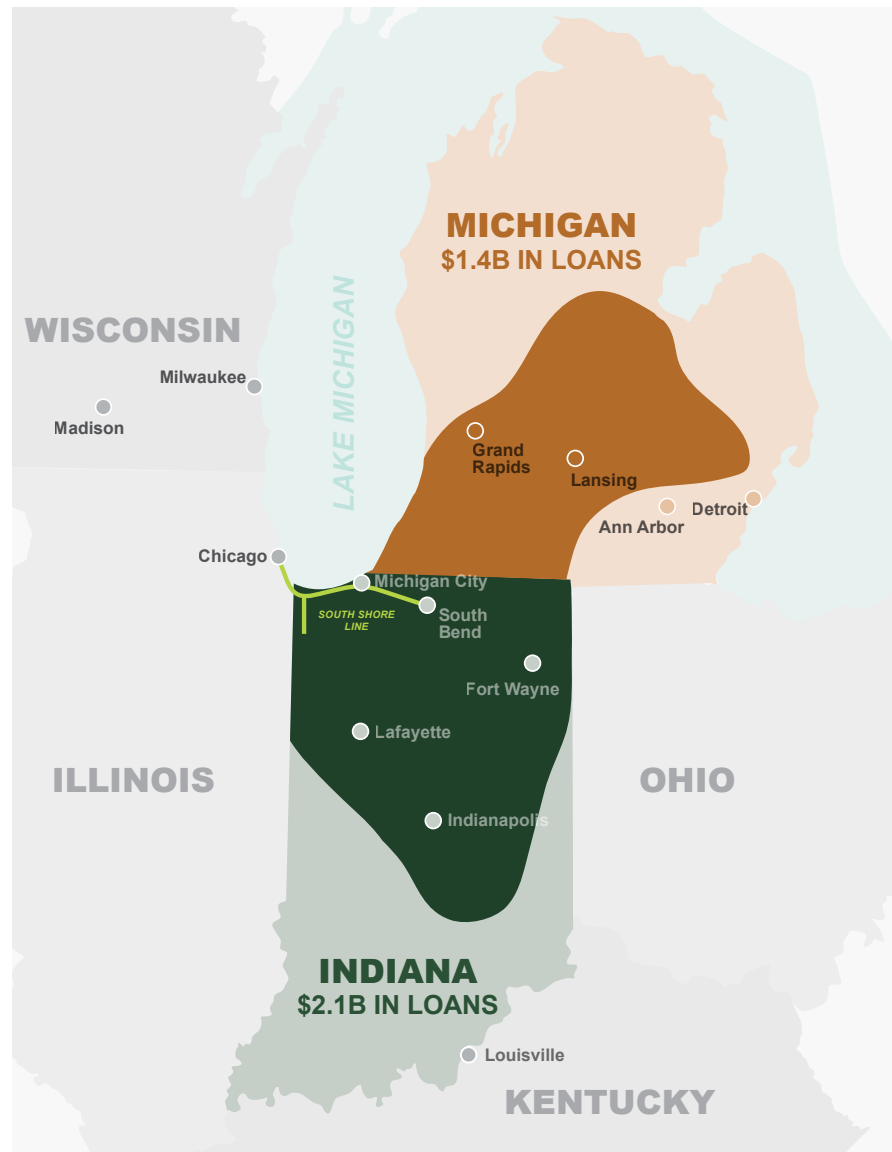
HEADQUARTERS

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FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements regarding 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. Forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are further detailed in Horizon's reports filed with the Securities and Exchange Commission (the "SEC"), including in its Annual Report on Form 10-K for the year ended December 31, 2020 and other subsequent filings with the SEC. 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.



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A NASDAQ Traded Company – Symbol HBNC

