

HORIZON BANCORP
Financial Highlights
(Dollars in thousands except share and per share data and ratios, Unaudited)

	March 31	December 31	September 30	June 30	March 31
	2010	2009	2009	2009	2009
Balance sheet:					
Total assets	\$ 1,301,660	\$ 1,387,020	\$ 1,321,224	\$ 1,343,296	\$ 1,442,851
Short term investments	3,741	4,783	4,464	10,418	6,444
Investment securities	368,752	344,789	333,031	331,941	327,289
Commercial loans	310,664	314,517	312,573	313,857	313,840
Mortgage warehouse loans	96,327	166,698	145,270	163,083	186,058
Residential mortgage loans	135,475	133,892	142,568	146,096	160,478
Installment loans	266,954	271,210	275,299	272,394	273,728
Earning assets	1,203,784	1,254,781	1,232,549	1,260,807	1,288,214
Non-interest bearing deposit accounts	91,482	84,357	87,725	83,940	81,000
Interest bearing transaction accounts	423,315	540,647	375,548	388,954	489,699
Time deposits	358,725	326,704	394,724	375,256	406,790
Borrowings	273,235	284,016	311,884	349,499	320,956
Subordinated debentures	27,837	27,837	27,837	27,837	27,837
Common stockholders' equity	91,371	90,299	89,566	82,965	82,236
Total stockholders' equity	115,716	114,605	113,833	107,194	106,427
Income statement:					
	Three months ended				
Net interest income	\$ 10,553	\$ 11,371	\$ 10,719	\$ 11,263	\$ 11,416
Provision for loan losses	3,233	3,700	3,416	3,290	3,197
Other income	4,374	4,304	4,542	4,516	4,494
Other expenses	9,554	9,558	8,929	9,928	9,397
Income tax expense	349	333	559	497	681
Net income	1,791	2,084	2,357	2,064	2,635
Preferred stock dividend	(352)	(351)	(351)	(350)	(350)
Net income available to common shareholders	1,439	1,733	2,006	1,714	2,285
Per share data:					
Basic earnings per share	\$ 0.44	\$ 0.53	\$ 0.62	\$ 0.53	\$ 0.71
Diluted earnings per share	0.44	0.53	0.61	0.52	0.70
Cash dividends declared per common share	0.17	0.17	0.17	0.17	0.17
Book value per common share	27.88	27.67	27.46	25.85	25.62
Tangible book value per common share	25.70	25.45	25.22	23.55	23.30
Market value - high	\$ 19.50	\$ 17.25	\$ 17.50	\$ 19.45	\$ 13.21
Market value - low	\$ 16.44	\$ 14.31	\$ 15.00	\$ 11.00	\$ 10.50
Basic common shares outstanding	3,270,217	3,262,927	3,245,505	3,209,482	3,209,482
Diluted common shares outstanding	3,293,192	3,275,588	3,273,742	3,270,178	3,250,424
Key ratios:					
Return on average assets	0.54%	0.62%	0.72%	0.59%	0.79%
Return on average common stockholders' equity	6.34	7.56	9.12	8.01	11.18
Net interest margin	3.55	3.76	3.64	3.51	3.78
Loan loss reserve to total loans	1.97	1.80	1.58	1.40	1.23
Non-performing loans to loans	2.00	1.92	1.87	1.49	1.11
Average equity to average assets	8.73	8.61	8.53	7.80	7.94
Bank only capital ratios:					
Tier 1 capital to average assets	8.83	8.64	8.79	8.22	8.51
Tier 1 capital to risk weighted assets	12.86	11.85	12.04	11.93	11.45
Total capital to risk weighted assets	14.10	13.10	13.29	13.19	12.61

HORIZON BANCORP

Allocation of the Allowance for Loan and Lease Losses

(Dollars in Thousands, Unaudited)

	March 31 2010	December 31 2009	September 30 2009	June 30 2009	March 31 2009
Commercial	\$ 6,010	\$ 5,766	\$ 4,699	\$ 3,076	\$ 2,441
Real estate	1,444	1,933	1,599	1,511	1,038
Mortgage warehousing	1,390	1,455	1,480	1,453	1,428
Installment	7,276	6,861	6,146	6,609	6,682
Unallocated	-	-	-	-	-
Total	\$ 16,120	\$ 16,015	\$ 13,924	\$ 12,649	\$ 11,589

Net Charge-offs

(Dollars in Thousands, Unaudited)

	Three months ended				
	March 31 2010	December 31 2009	September 30 2009	June 30 2009	March 31 2009
Commercial	\$ 1,832	\$ 527	\$ 530	\$ 262	\$ 1,076
Real estate	309	146	22	214	50
Mortgage warehousing	-	-	-	-	-
Installment	986	936	1,589	1,754	1,892
Total	\$ 3,127	\$ 1,609	\$ 2,141	\$ 2,230	\$ 3,018

Total Non-performing Loans

(Dollars in Thousands, Unaudited)

	March 31 2010	December 31 2009	September 30 2009	June 30 2009	March 31 2009
Commercial	\$ 7,024	\$ 9,229	\$ 9,235	\$ 7,959	\$ 6,474
Real estate	6,217	4,819	4,926	3,764	2,446
Mortgage warehousing	-	-	-	-	-
Installment	3,149	3,097	2,312	1,754	1,549
Total	\$ 16,390	\$ 17,145	\$ 16,473	\$ 13,477	\$ 10,469

Other Real Estate Owned and Repossessed Assets

(Dollars in Thousands, Unaudited)

	March 31 2010	December 31 2009	September 30 2009	June 30 2009	March 31 2009
Commercial	\$ 494	\$ -	\$ -	\$ -	\$ -
Real estate	1,581	1,730	1,671	2,212	2,492
Mortgage warehousing	-	-	-	-	-
Installment	101	23	142	115	204
Total	\$ 2,176	\$ 1,753	\$ 1,813	\$ 2,327	\$ 2,696

HORIZON BANCORP

Loan Portfolio Detail

	Loan	Non-	Percent	Specific	Percent of
March 31, 2010 (Unaudited)	Balance	Performing	of	Reserves on Non -	Non-performing
		Loans	Loans	Performing Loans	Loans
Owner occupied real estate	\$ 142,877	\$ 2,886	2.02%	\$ 525	18.19%
Non owner occupied real estate	102,128	1,101	1.08%	-	0.00%
Residential development	10,276	1,563	15.21%	125	8.00%
Commercial and industrial	55,383	1,474	2.66%	433	29.38%
Total commercial	310,664	7,024	2.26%	1,083	15.42%
Residential mortgage	137,268	6,078	4.43%	590	9.71%
Residential construction	6,889	139	2.02%	27	19.42%
Mortgage warehouse	96,327	-	0.00%	-	0.00%
Total mortgage	240,484	6,217	2.59%	617	9.92%
Direct installment	24,409	321	1.32%	48	14.95%
Indirect installment	131,291	1,022	0.78%	75	7.34%
Home equity	111,254	1,806	1.62%	1,141	63.18%
Total installment	266,954	3,149	1.18%	1,264	40.14%
Total loans	818,102	16,390	2.00%	2,964	18.08%
Allowance for loan losses	(16,120)				
Net loans	\$ 801,982	\$ 16,390	2.04%	\$ 2,964	18.08%

December 31, 2009 (Unaudited)	Loan	Non-	Percent	Specific	Percent of
	Balance	Performing	of	Reserves on Non -	Non-performing
		Loans	Loans	Performing Loans	Loans
Owner occupied real estate	\$ 138,999	\$ 3,152	2.27%	\$ 700	22.21%
Non owner occupied real estate	100,502	1,677	1.67%	125	7.45%
Residential development	16,101	2,343	14.55%	125	5.34%
Commercial and industrial	58,915	2,057	3.49%	725	35.25%
Total commercial	314,517	9,229	2.93%	1,675	18.15%
Residential mortgage	126,469	4,638	3.67%	441	9.51%
Residential construction	7,423	181	2.43%	71	39.29%
Mortgage warehouse	166,698	-	0.00%	-	0.00%
Total mortgage	300,590	4,819	1.60%	512	10.62%
Direct installment	24,908	387	1.55%	-	0.00%
Indirect installment	136,600	1,089	0.80%	95	8.72%
Home equity	109,702	1,621	1.48%	1,188	73.29%
Total installment	271,210	3,097	1.14%	1,283	41.43%
Total loans	886,317	17,145	1.93%	3,470	20.24%
Allowance for loan losses	(16,015)				
Net loans	\$ 870,302	\$ 17,145	1.97%	\$ 3,470	20.24%

HORIZON BANCORP AND SUBSIDIARIES

Average Balance Sheets

(Dollar Amounts in Thousands, Unaudited)

	Three Months Ended			Three Months Ended		
	March 31, 2010			March 31, 2009		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-earning assets						
Federal funds sold	\$ 68,209	\$ 12	0.07%	\$ 3,119	\$ 2	0.26%
Interest-earning deposits	4,857	5	0.42%	4,550	5	0.45%
Investment securities - taxable	253,848	2,429	3.88%	245,134	2,842	4.70%
Investment securities - non-taxable (1)	112,275	1,081	5.28%	89,508	920	5.56%
Loans receivable (2)	811,350	12,605	6.31%	917,566	14,905	6.59%
Total interest-earning assets (1)	1,250,539	16,132	5.36%	1,259,877	18,674	6.11%
Noninterest-earning assets						
Cash and due from banks	13,852			23,119		
Allowance for loan losses	(16,001)			(11,387)		
Other assets	84,904			76,270		
	<u>\$ 1,333,294</u>			<u>\$ 1,347,879</u>		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities						
Interest-bearing deposits	\$ 828,838	\$ 2,763	1.35%	\$ 784,791	\$ 3,996	2.07%
Borrowings	269,349	2,443	3.68%	339,417	2,892	3.46%
Subordinated debentures	27,837	373	5.43%	27,837	370	5.39%
Total interest-bearing liabilities	1,126,024	5,579	2.01%	1,152,045	7,258	2.56%
Noninterest-bearing liabilities						
Demand deposits	82,659			79,785		
Accrued interest payable and other liabilities	8,156			8,991		
Shareholders' equity	116,455			107,058		
	<u>\$ 1,333,294</u>			<u>\$ 1,347,879</u>		
Net interest income/spread		<u>\$ 10,553</u>	3.35%		<u>\$ 11,416</u>	3.55%
Net interest income as a percent of average interest earning assets (1)			3.55%			3.78%

- (1) Securities balances represent daily average balances for the fair value of securities. The average rate is calculated based on the daily average balance for the amortized cost of securities. The average rate is presented on a tax equivalent basis.
- (2) Includes fees on loans. The inclusion of loan fees does not have a material effect on the average interest rate.

HORIZON BANCORP AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Dollar Amounts in Thousands)

	March 31	December 31
	2010	2009
	(Unaudited)	
Assets		
Cash and due from banks	\$ 22,088	\$ 63,919
Interest-bearing deposits	3,741	4,783
Investment securities, available for sale	351,630	333,132
Investment securities, held to maturity	17,122	11,657
Loans held for sale	8,682	5,703
Loans, net of allowance for loan losses of \$16,120 and \$16,015	793,300	870,302
Premises and equipment	30,628	30,534
Federal Reserve and Federal Home Loan Bank stock	13,189	13,189
Goodwill	5,787	5,787
Other intangible assets	1,372	1,447
Interest receivable	6,206	5,986
Cash value life insurance	23,295	23,139
Other assets	24,620	17,442
Total assets	\$ 1,301,660	\$ 1,387,020
Liabilities		
Deposits		
Non-interest bearing	\$ 91,482	\$ 84,357
Interest bearing	782,040	867,351
Total deposits	873,522	951,708
Borrowings	273,235	284,016
Subordinated debentures	27,837	27,837
Interest payable	1,038	1,135
Other liabilities	10,312	7,719
Total liabilities	1,185,944	1,272,415
Commitments and contingent liabilities		
Stockholders' Equity		
Preferred stock, no par value, \$1,000 liquidation value		
Authorized, 1,000,000 shares		
Issued 25,000 shares	24,345	24,306
Common stock, \$.2222 stated value		
Authorized, 22,500,000 shares		
Issued, 3,295,953 and 3,273,881 shares	1,122	1,119
Additional paid-in capital	10,211	10,030
Retained earnings	74,310	73,431
Accumulated other comprehensive income	5,728	5,719
Total stockholders' equity	115,716	114,605
Total liabilities and stockholders' equity	\$ 1,301,660	\$ 1,387,020

HORIZON BANCORP AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Dollar Amounts in Thousands, Except Per Share Data)

	Three Months Ended	
	March 31	
	(Unaudited)	(Unaudited)
	2010	2009
Interest Income		
Loans receivable	\$ 12,605	\$ 14,905
Investment securities		
Taxable	2,446	2,849
Tax exempt	1,081	920
Total interest income	16,132	18,674
Interest Expense		
Deposits	2,763	3,996
Borrowed funds	2,443	2,892
Subordinated debentures	373	370
Total interest expense	5,579	7,258
Net Interest Income	10,553	11,416
Provision for loan losses	3,233	3,197
Net Interest Income after Provision for Loan Losses	7,320	8,219
Other Income		
Service charges on deposit accounts	865	934
Wire transfer fees	140	247
Interchange fees	454	388
Fiduciary activities	995	917
Gain on sale of mortgage loans	1,382	1,913
Mortgage servicing net of impairment	65	(134)
Increase in cash surrender value of bank owned life insurance	156	156
Other income	317	73
Total other income	4,374	4,494
Other Expenses		
Salaries and employee benefits	4,798	4,831
Net occupancy expenses	1,062	1,032
Data processing	402	379
Professional fees	471	395
Outside services and consultants	365	326
Loan expense	750	566
FDIC insurance expense	388	292
Other losses	27	385
Other expenses	1,291	1,191
Total other expenses	9,554	9,397
Income Before Income Tax	2,140	3,316
Income tax expense	349	681
Net Income	1,791	2,635
Preferred stock dividend and discount accretion	(352)	(350)
Net Income Available to Common Shareholders	\$ 1,439	\$ 2,285
Basic Earnings Per Share	\$ 0.44	\$ 0.71
Diluted Earnings Per Share	0.44	0.70