

HORIZON BANCORP /IN/
Form S-4/A
April 06, 2016
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As filed with the Securities and Exchange Commission on April 6, 2016

Registration No. 333-210244

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Horizon Bancorp
(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of

6021
(Primary standard industrial

35-1562417
(I.R.S. Employer

incorporation or organization) classification code number) Identification No.)
515 FRANKLIN SQUARE, MICHIGAN CITY, INDIANA 46360 (219) 874-0211

(Address, including zip code and telephone number, including area code, of principal executive offices)

Craig M. Dwight

Chairman and Chief Executive Officer

Horizon Bancorp

515 Franklin Square

Michigan City, Indiana 46360

(219) 874-9272

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon the effective time of the merger of Kosciusko Financial, Inc. with and into Registrant pursuant to the Agreement and Plan of Merger (the Merger Agreement) described in the joint proxy statement/prospectus included in Part I of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer

Non-accelerated filer " (Do not check if a smaller reporting company) Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed	Proposed	Amount of Registration Fee ⁽³⁾
		Maximum Offering Price Per Share	Maximum Aggregate Offering Price ⁽²⁾	
Common Stock, no par value	582,375	N/A	\$8,024,296	\$809

(1) Represents the maximum number of shares of common stock of the Registrant, Horizon Bancorp (NASDAQ: HBNC), that is expected to be issued in connection with the merger of Kosciusko Financial, Inc. into the Registrant. Under the Merger Agreement, in certain circumstances the Registrant may increase the exchange ratio pursuant to a formula in the Merger Agreement, and thus issue additional stock consideration to accommodate this increase, in order to prevent a termination of the Merger Agreement. In the event the Registrant increases the exchange ratio as described, the Registrant will file a registration statement pursuant to Rule 413 to cover the issuance of the additional shares of common stock.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(f)(2) and (f)(3), based on \$55.59 per share, the book value of a share of Kosciusko Financial, Inc. common stock as of December 31, 2015, multiplied by 297,444 shares of Kosciusko Financial, Inc. common stock that may be received by the Registrant and/or cancelled upon consummation of the merger, less \$8,510,616, which is the estimated aggregate amount of cash expected to be paid by the Registrant in exchange for shares of Kosciusko Financial, Inc. common stock.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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THE INFORMATION IN THIS JOINT PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS JOINT PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS

SUBJECT TO COMPLETION, DATED APRIL 6, 2016

**PROXY STATEMENT FOR THE SPECIAL MEETING OF
SHAREHOLDERS OF KOSCIUSKO FINANCIAL, INC.**

and

PROSPECTUS OF

HORIZON BANCORP

The boards of directors of Kosciusko Financial, Inc. (KFI) and Horizon Bancorp (Horizon) have approved an Agreement and Plan of Merger (which is referred to herein as the Merger Agreement) that provides for KFI to merge with and into Horizon. If the merger is approved by KFI s shareholders and all other closing conditions are satisfied, each outstanding share of KFI common stock (other than shares then held of record by Horizon, shares held as treasury shares of KFI, or dissenting shares) owned by shareholders owning of record and/or beneficially at least 100 shares of KFI common stock shall be converted into the right to receive, at the election of the shareholder, 3.0122 shares of Horizon common stock (subject to certain adjustments as described in the Merger Agreement), or \$81.75 in cash, subject to limitations and prorations such that 65% of the outstanding shares of KFI common stock will be converted into the stock consideration and 35% of the outstanding KFI shares will be converted into the cash consideration. A KFI shareholder may elect to receive the stock consideration for some of his or her shares and the cash consideration for some of his or her shares, subject to these limitations and prorations. Shareholders of KFI who own of record and/or beneficially fewer than 100 shares of KFI common stock will be entitled to receive only fixed consideration of \$81.75 per share in cash and will not be entitled to receive any shares of Horizon common stock. Each KFI shareholder also will receive cash in lieu of any fractional shares of Horizon common stock that such shareholder would otherwise receive in the merger, with the amount of cash based on the market value of one share of Horizon common stock determined shortly before the closing of the merger. Additionally, KFI has the right to terminate the Merger Agreement during the five-day period following the date on which all regulatory approvals and other approvals required for the merger are received if Horizon s average common stock closing price is below \$20.39 per share, and the percentage decrease in Horizon s stock price from its closing price on the date of the Merger Agreement is more than 15% greater than the percentage decrease in the SNL Small Cap U.S. Bank and Thrift Index during the same period. If KFI elects to exercise its termination rights, Horizon has the right to prevent KFI s

termination under those circumstances, however, by agreeing to increase the exchange ratio pursuant to a formula set forth in the Merger Agreement.

Based on the 297,444 shares of KFI common stock outstanding as of April 8, 2016, Horizon will issue an aggregate of 582,375 shares of common stock for the stock consideration and pay an aggregate of \$8.5 million in cash for the cash consideration. Subject to the adjustments described in the Merger Agreement and based on Horizon's closing stock price of \$24.54 on April 4, 2016, the value of the aggregate consideration that KFI's shareholders will receive in the merger is approximately \$22.8 million. The boards of directors of both KFI and Horizon believe that the merger is in the best interests of each of their respective companies and shareholders.

Your vote is very important. We cannot complete the merger unless the shareholders of KFI approve the Merger Agreement and the merger. This document is a proxy statement that KFI is using to solicit proxies for use at its special meeting of shareholders to be held on May 25, 2016 to vote on the Merger Agreement and the merger. This document also serves as a prospectus relating to Horizon's issuance of up to 582,375 shares of Horizon common stock in connection with the merger. This joint proxy statement/prospectus describes the KFI special meeting, the merger proposal, and other related matters.

KFI's board of directors unanimously recommends that KFI's shareholders vote FOR approval of the Merger Agreement and the merger.

Horizon's common stock is traded on the NASDAQ Global Select Market under the trading symbol HBNC. On February 4, 2016, the last day prior to the public announcement of the merger, the closing price of a share of Horizon common stock was \$23.99. On _____, 2016, the latest practicable date before the date of this document, the closing price of a share of Horizon common stock was \$ _____. There is no established trading market for KFI's common stock, and KFI's common stock is not listed on any national securities exchange. Please see ***Risk Factors*** beginning on page _____ for a discussion of certain risks relating to the merger.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund, or any other governmental agency.

This joint proxy statement/prospectus is dated _____, 2016, and it
is first being mailed to KFI's shareholders on or about _____, 2016.

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AVAILABLE INFORMATION

As permitted by Securities and Exchange Commission rules, this document incorporates certain important business and financial information about Horizon from other documents that are not included in or delivered with this document. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following:

Horizon Bancorp

515 Franklin Square

Michigan City, Indiana 46360

Attn: Dona Lucker, Investor Relations Officer

(219) 874-9272

In order to ensure timely delivery of these documents, you should make your request no later than five business days before the special meeting date, or by May 18, 2016.

You also can obtain documents incorporated by reference in this document through the SEC's website at www.sec.gov. See *Where You Can Find More Information*.

In addition, if you are a KFI shareholder and have questions about the merger or the KFI special meeting, need additional copies of this joint proxy statement/prospectus, or need to obtain proxy cards or other information related to the proxy solicitation, you may contact the following:

Kosciusko Financial, Inc.

102 E. Main Street

Mentone, Indiana 46539

Attn: Lindy J. Breeden, Executive Vice President

(574) 353-7521

In order to ensure timely delivery of these documents, you should make your request no later than five business days before the special meeting date, or by May 18, 2016.

KFI does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and accordingly does not file documents or reports with the SEC.

All information in this joint proxy statement/prospectus concerning Horizon and its subsidiaries has been furnished by Horizon, and all information in this joint proxy statement/prospectus concerning KFI and its subsidiaries has been furnished by KFI. You should rely only on the information contained or incorporated by reference in this joint proxy statement/prospectus to vote on the proposals to KFI's shareholders in connection with the merger. We have not

authorized anyone to provide you with information that is different from what is contained in this joint proxy statement/prospectus.

This joint proxy statement/prospectus is dated _____, 2016. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date, and neither the mailing of this joint proxy statement/prospectus to shareholders nor the issuance of Horizon shares as contemplated by the Merger Agreement shall create any implication to the contrary.

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102 E. Main Street

Mentone, Indiana 46539

(574) 353-7521

Notice of Special Meeting of Shareholders

To Be Held on May 25, 2016

To the Shareholders of Kosciusko Financial, Inc.:

We are pleased to notify you of and invite you to a special meeting of the shareholders of Kosciusko Financial, Inc. (KFI) to be held on Wednesday, May 25, 2016, at : [a.m./p.m.], local time, at the Bell Memorial Public Library, located at 101 W. Main Street, Mentone, Indiana 46539, to consider and vote upon the following matters:

1. *Merger Proposal.* To approve the Agreement and Plan of Merger dated February 4, 2016 (which we refer to as the Merger Agreement) by and between Horizon Bancorp (Horizon) and KFI, pursuant to which KFI will merge with and into Horizon. Simultaneously with the merger, Farmers State Bank, the wholly-owned Indiana state chartered bank subsidiary of KFI, will merge with and into Horizon Bank, National Association, the wholly-owned national bank subsidiary of Horizon. In connection with the merger, each outstanding share of KFI common stock will be converted into the right to receive, at the election of the shareholder:

3.0122 shares of Horizon common stock (subject to certain adjustments as provided in the Merger Agreement), which we refer to as the exchange ratio, or \$81.75 in cash, which we refer to as the cash consideration, subject to limitations and prorations such that the aggregate merger consideration will be paid 65% in Horizon common stock and 35% in cash; *provided, however, that*, if you own beneficially and/or of record fewer than 100 shares of KFI common stock, you will be entitled to receive only fixed consideration of \$81.75 per share in cash and will not be entitled to receive any shares of Horizon common stock. You can elect the stock consideration for some of your KFI shares and the cash consideration for some of your KFI shares, subject to the above limitations and prorations; and

in lieu of any fractional shares of Horizon common stock, an amount of cash equal to such fraction multiplied by the average of the daily closing sales price of a share of Horizon common stock as quoted on the NASDAQ Global Select Market during the 15 consecutive trading days immediately

preceding the second business day prior to the closing of the merger on which such shares were actually traded.

2. *Adjournment.* To approve a proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes present at the special meeting in person or by proxy to approve the Merger.

3. *Other Matters.* To vote upon such other matters as may properly come before the meeting or any adjournment thereof. The board of directors is not aware of any such other matters.

The enclosed joint proxy statement/prospectus describes the Merger Agreement and the proposed merger in detail and includes, as Appendix A, the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed merger. In particular, you should carefully read the section captioned *Risk Factors* beginning on page of the enclosed joint proxy statement/prospectus for a discussion of certain risk factors relating to the Merger Agreement and the merger.

The board of directors of KFI recommends that KFI's shareholders vote FOR the approval and adoption of the Merger Agreement and the merger, and FOR adjournment of the special meeting, if necessary.

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The board of directors of KFI has fixed the close of business on April 8, 2016, as the record date for determining the shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

YOUR VOTE IS VERY IMPORTANT. The Merger Agreement must be adopted by the affirmative vote of holders of a majority of the issued and outstanding shares of KFI common stock in order for the proposed merger to be consummated. **IF YOU DO NOT RETURN YOUR PROXY CARD OR DO NOT VOTE IN PERSON AT THE SPECIAL MEETING, THE EFFECT WILL BE A VOTE AGAINST THE PROPOSED MERGER.** Whether or not you plan to attend the special meeting in person, we urge you to date, sign, and return promptly the enclosed proxy card in the accompanying envelope. You may revoke your proxy at any time before the special meeting or by attending the special meeting and voting in person.

As required by Indiana Code 23-1-44-10, KFI is notifying all shareholders entitled to vote on the merger that you are or may be entitled to assert dissenters' rights under the dissenters' rights chapter of the Indiana Business Corporation Law. A copy of the dissenters' rights chapter is included with the accompanying joint proxy statement/prospectus as Appendix D. See also Dissenters' Rights beginning on page in the accompanying joint proxy statement/prospectus.

By Order of the Board of Directors,

Lindy J. Breeden
Executive Vice President and Secretary
Mentone, Indiana
, 2016

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

Q: Why do KFI and Horizon want to merge?

A: We believe that combining KFI and Horizon will create a stronger Indiana banking franchise. The merger will give the combined company greater scale, not only for serving existing customers more efficiently but also for future expansion. We have similar, community-oriented philosophies, and the merger is expected to give us a stronger presence in current and new markets. We also believe the locations of KFI's banking offices are consistent with Horizon's strategic expansion plan in the Northern Indiana market. We further believe Kosciusko County offers significant growth potential as evidenced by 2016 median household income and 2016 through 2021 projected population and household income growth that are all above the Indiana state aggregate.

For additional information regarding each company's reasons for the merger, see *The Merger KFI's Reasons for the Merger; Board Recommendation* beginning on page , and *The Merger Horizon's Reasons for the Merger* beginning on page .

Q: What will KFI's shareholders receive in the merger?

A: If the merger is completed, each share of KFI common stock held by a KFI shareholder owning 100 or more shares will be converted into the right to receive, at the election of the shareholder, (i) 3.0122 shares of Horizon common stock (subject to certain adjustments as described in the Merger Agreement) (which we refer to as the exchange ratio), or (ii) \$81.75 in cash (which we refer to as the cash consideration), subject to limitations and prorations such that the aggregate merger consideration will be paid 65% in Horizon common stock and 35% in cash. KFI shareholders can elect to receive the stock consideration for some of their KFI shares and the cash considerations for some of their KFI shares, subject to these limitations and prorations. We refer to the cash consideration and the exchange ratio, as adjusted, collectively as the merger consideration. The cash consideration and exchange ratio are subject to adjustment as described below. Because the exchange ratio for the stock consideration is fixed, the value of the stock consideration will fluctuate with the market price of Horizon's common stock. Accordingly, at the time of the merger, the per share value of the stock consideration may be greater or less than the per share value of the cash consideration. If the merger is completed, each share of KFI common stock held by a KFI shareholder who owns of record and/or beneficially fewer than 100 shares will receive fixed consideration in the amount of \$81.75 per share in cash and will not be entitled to receive any shares of Horizon common stock.

If the holders of more than 65% of the outstanding KFI shares make valid elections to receive the stock consideration or if the holders of more than 35% of the outstanding KFI shares make valid elections to receive the cash consideration, those KFI shareholders electing the over-subscribed form of consideration will have the over-subscribed form of consideration proportionately reduced and will receive a portion of their consideration in the other form, despite their election.

For those KFI shareholders who are entitled to receive the cash consideration, Horizon will be entitled to reduce the amount of the cash consideration if the estimated environmental clean-up costs with respect to the real property owned or leased by KFI exceed \$50,000, or exceed \$350,000 and Horizon elects not to terminate the Merger Agreement. For more details, see *The Merger Agreement Environmental Inspections* beginning on page .

For those KFI shareholders who are entitled to receive shares of Horizon common stock as part of the merger consideration, the exchange ratio is subject to adjustment as follows:

if prior to the effective time of the merger, Horizon changes the number of shares of Horizon common stock outstanding by way of a stock split, stock dividend, or similar transaction, or if Horizon establishes a record date for such a change, the exchange ratio will be adjusted so that the holders of KFI common stock receive at the effective time, in the aggregate, the number of shares of Horizon common stock representing the same percentage of the outstanding shares of Horizon common stock that they would have received if such change had not occurred; or

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if KFI elects to terminate the Merger Agreement because the average closing price of Horizon's common stock is less than \$20.39 for the fifteen consecutive trading days before the date of the receipt of the approvals and consents necessary to consummate the merger (including any waiting periods applicable to regulatory applications) and if the decline in Horizon's share price is more than 15% greater than the corresponding price decline in the SNL Small Cap U.S. Bank and Thrift Index, Horizon may elect to negate KFI's termination by exercising Horizon's option to increase the exchange ratio pursuant to the formula specified in the Merger Agreement. See *The Merger Agreement Merger Consideration* beginning on page .

In lieu of any fractional shares of Horizon common stock, Horizon will distribute an amount in cash equal to such fraction multiplied by the average per share closing price of a share of Horizon common stock as quoted on the NASDAQ Global Select Market during the fifteen consecutive trading days preceding the second business day prior to the closing of the merger on which such shares were actually traded.

Q: Will Horizon's shareholders receive any shares or cash as a result of the merger?

A: No, Horizon's shareholders will not receive any cash or shares in the merger.

Q: What risks should KFI's shareholders consider before voting on the Merger Agreement?

A: You should review *Risk Factors* beginning on page .

Q: What are the tax consequences of the merger to KFI's shareholders?

A: KFI shareholders generally will not recognize any gain or loss for federal income tax purposes to the extent their KFI shares are exchanged for the stock consideration, except with respect to any fractional share interest. If a KFI shareholder receives solely cash, then that shareholder generally will recognize gain or loss equal to the difference between the amount of cash the shareholder receives and the shareholder's basis in the shareholder's KFI shares. The tax treatment of any gain or loss will depend upon the shareholder's individual circumstances. If a KFI shareholder receives a combination of Horizon common stock and cash (other than cash in lieu of a fractional share interest), then that shareholder will generally recognize gain in an amount equal to the lesser of the total amount of cash received or the amount of gain realized on the exchange, but the shareholder is not permitted to recognize a loss. Any gain recognized may be treated as a dividend or capital gain, depending on the shareholder's particular circumstances. At the closing, Horizon and KFI are to receive an opinion confirming these tax consequences. See *Material Federal Income Tax Consequences* beginning on page .

Your tax consequences will depend on your personal situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Q: What will KFI's shareholders be voting on at the special shareholders meeting?

A: At the Special Meeting of Shareholders of KFI (the Special Meeting), KFI s shareholders will be asked to approve the Merger Agreement, as well as any proposal of the KFI board of directors to adjourn or postpone the Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes, in person or by proxy, to approve any of these items. The KFI board of directors unanimously recommends that KFI s shareholders vote **FOR** approval of the Merger Agreement, and **FOR** any proposal of the KFI board of directors to adjourn or postpone the Special Meeting, if necessary.

Q: What are the vote requirements to approve the matters that will be considered at the Special Meeting?

A: At the Special Meeting, the affirmative vote of holders of a majority of the issued and outstanding shares of KFI common stock is required to approve the Merger Agreement. Approval of the proposal to adjourn the Special Meeting to allow extra time to solicit proxies requires more votes to be cast in favor of the proposal than are cast against it.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly. If you hold stock in your name as a shareholder of record, you

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must complete, sign, date, and mail your proxy card in the enclosed return envelope as soon as possible. If you hold your stock through a bank or broker (commonly referred to as held in street name), you may direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

Submitting your proxy card or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the May 25, 2016 KFI Special Meeting.

Q: Why is my vote important?

A: If you do not vote by proxy or in person at the Special Meeting, it will be more difficult for KFI to obtain the necessary quorum to hold the Special Meeting. In addition, if you fail to vote, by proxy or in person, it will have the same effect as a vote AGAINST the approval of the Merger Agreement. The Merger Agreement must be approved by the holders of a majority of the issued and outstanding shares of KFI common stock entitled to vote at the Special Meeting.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: If you hold KFI shares in street name with a broker, your broker will not be able to vote your shares without instructions from you on the proposal to approve the Merger Agreement or the proposal to adjourn the Special Meeting. You should contact your broker and ask what directions your broker will need from you. If you hold KFI shares in street name with a broker and you do not provide instructions to your broker on how to vote on the merger, your broker will not be able to vote your shares on that proposal, and this will have the effect of a vote AGAINST the merger.

Q: Can I attend the Special Meeting and vote my shares in person?

A: Yes. All KFI shareholders are invited to attend the Special Meeting. If you are a KFI shareholder of record, you can vote in person at the Special Meeting. If you hold KFI shares in street name through a bank, broker, or other nominee, then you must obtain a legal proxy from the holder of record by contacting your bank, broker, or other nominee to vote your shares in person at the Special Meeting. However, we would prefer that you vote by proxy, even if you plan to attend the meeting. As noted below, you still will have a right to change your vote at the meeting, should you so choose.

Q: What happens if I do not vote?

A: Because the required vote of KFI's shareholders to approve the Merger Agreement is based upon the number of issued and outstanding shares of KFI common stock entitled to vote rather than upon the number of shares actually voted, abstentions from voting and broker non-votes will have the same practical effect as a vote AGAINST the merger. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR the approval and adoption of the Merger Agreement and the merger.

Q: Can I change my vote before the Special Meeting?

A: Yes. If you are a KFI shareholder of record, there are three ways for you to revoke your proxy and change your vote. First, you may send written notice to KFI's Corporate Secretary before the Special Meeting stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card before the Special Meeting that is dated later than the date of your prior proxy card. Third, you may vote in person at the Special Meeting. Merely being present at the Special Meeting, without voting at the meeting, will not constitute a revocation of a previously given proxy. If you hold your shares in street name with a bank or broker, you must follow the directions you receive from your bank or broker to change your vote.

Q: When do you currently expect to complete the merger?

A: We expect to complete the merger in the second quarter of 2016. However, we cannot assure you when or if the merger will occur. The approval of KFI's shareholders on the Merger Agreement, among other things, must first be obtained before we are able to close the merger.

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Q: Do KFI s shareholders have dissenters rights?

A: Dissenters rights are available to KFI s shareholders under Indiana law, but you will only be able to dissent from the proposed merger by complying with the applicable provisions of the Indiana Business Corporation Law (IBCL). To claim dissenters rights under the IBCL, you must (i) before the vote on the merger is taken at the Special Meeting, deliver to KFI written notice of your intent to demand payment for your shares if the merger is effectuated, and (ii) not vote in favor of the merger in person or by proxy at the Special Meeting. Your written notice to demand payment for your shares must be delivered to: Kosciusko Financial, Inc., 102 E. Main Street, Mentone, Indiana 46539, Attention: Lindy J. Breeden, Executive Vice President and Secretary. If the merger is approved at the Special Meeting, KFI will send any dissenting shareholders a notice of dissenters rights within 10 days after the Special Meeting date which will state the procedures such shareholders must follow to further exercise their dissenters rights in accordance with the IBCL. If a KFI shareholder executes and returns a proxy card but does not specify a choice on the merger, such shareholder will be deemed to have voted FOR the merger and to have waived such shareholder s dissenters rights, unless the shareholder revokes his or her proxy prior to its being voted. See *Dissenters Rights* beginning on page for a further description of the dissenters rights available to KFI s shareholders. See also Appendix D for the relevant section of the IBCL concerning dissenters rights.

Q: Should I send in my KFI stock certificates now?

A: No. As soon as practicable after the completion of the merger, you will receive a letter of transmittal describing how you may exchange your shares for the merger consideration and surrender your KFI share certificates. At that time, you must send your completed letter of transmittal to Horizon s exchange agent for the merger named in the letter of transmittal in order to receive the merger consideration. You should not send your KFI share certificates until you receive the letter of transmittal.

Q: Whom should I contact if I have other questions about the Merger Agreement or the merger?

A: If you have more questions about the Merger Agreement or the merger, you should contact:
Horizon Bancorp

515 Franklin Square

Michigan City, Indiana 46360

(219) 873-2611

Attention: Mark E. Secor, Chief Financial Officer

You may also contact:

Kosciusko Financial, Inc.

102 E. Main Street

Mentone, Indiana 46539

(574) 353-7521

Attention: J. Gregory Maxwell, President and CEO

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SUMMARY

*This summary highlights selected information in this joint proxy statement/prospectus and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the appendices and the documents referred to in this joint proxy statement/prospectus. A list of the documents incorporated by reference appears under the caption *Where You Can Find More Information* beginning on page .*

The Companies

Horizon Bancorp

515 Franklin Square

Michigan City, IN 46360

(219) 874-9272

Horizon Bancorp is a registered bank holding company incorporated in Indiana and headquartered in Michigan City, Indiana. Horizon provides a broad range of banking services in Northern and Central Indiana and Southwestern and Central Michigan through its bank subsidiary, Horizon Bank, National Association (Horizon Bank), and other affiliated entities. Horizon operates as a single segment, which is commercial banking, and also maintains trust offices in Indianapolis, Indiana and East Lansing, Michigan. Horizon Bank was chartered as a national banking association in 1873, has operated continuously since that time, and currently operates 46 full service offices. Horizon Bank is a full-service commercial bank offering commercial and retail banking services, corporate and individual trust and agency services, and other services incident to banking. Horizon Risk Management, Inc. is a captive insurance company incorporated in Nevada and was formed as a wholly-owned subsidiary of Horizon. Horizon's common stock is traded on the NASDAQ Global Select Market under the trading symbol HBNC. Horizon's primary regulator is the Board of Governors of the Federal Reserve System, referred to in this joint proxy statement/prospectus as the Federal Reserve Board.

Horizon's website address is www.horizonbank.com. Information contained in, or accessible through, Horizon's website does not constitute a part of this joint proxy statement/prospectus. Additional information about Horizon and its subsidiaries is included in documents incorporated by reference into this document. For more information, please see the section entitled *Where You Can Find More Information* beginning on page .

Kosciusko Financial, Inc.

102 E. Main Street

Mentone, IN 46539

(574) 353-7521

Kosciusko Financial, Inc., headquartered in Mentone, Indiana, is an Indiana corporation and is a unitary bank holding company. It owns 100% of the capital stock of its subsidiary bank, Farmers State Bank (FSB), an Indiana-chartered commercial bank. FSB was founded in 1892 and offers a full range of banking and trust services with five branch locations serving Northeast Indiana. There is no established trading market for KFI's common stock.

KFI's website address is www.fsbanking.com. Information contained in, or accessible through, KFI's website does not constitute a part of this joint proxy statement/prospectus. Additional information about KFI and FSB is included elsewhere in this joint proxy statement/prospectus. For more information, please see the section entitled *Where You Can Find More Information* beginning on page ..

Special Meeting of KFI's Shareholders; Required Vote (page)

The Special Meeting of KFI's shareholders is scheduled to be held on Wednesday, May 25, 2016, at : [a.m./p.m.], local time, at the Bell Memorial Public Library, located at 101 W. Main Street, Mentone, Indiana 46539. At the Special Meeting, KFI's shareholders will be asked to vote to approve the Merger Agreement and the merger of KFI into Horizon contemplated by that agreement. Only KFI shareholders of record as of the close of business on April 8, 2016 are entitled to notice of, and to vote at, the Special Meeting and any adjournments or postponements of the Special Meeting.

As of April 8, 2016, the directors and executive officers of KFI, and their affiliates, beneficially owned 42,674 shares or approximately 14.35% of the 297,444 outstanding shares of KFI common stock. In connection with the execution of the Merger Agreement, all of the directors and certain executive officers of KFI and FSB executed a voting agreement pursuant to which they agreed to vote all their shares in favor of the merger. A copy of that voting agreement is attached as Appendix C to this joint proxy statement/prospectus.

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Adoption of the Merger Agreement requires the affirmative vote of holders of a majority of the issued and outstanding shares of KFI common stock. Approval of the proposal to adjourn the Special Meeting to allow extra time to solicit proxies requires more votes to be cast in favor of the proposal than are cast against it.

The Merger and the Merger Agreement (page)

Horizon's acquisition of KFI is governed by the Merger Agreement. The Merger Agreement provides that, if all of the conditions are satisfied or waived, KFI will be merged with and into Horizon, with Horizon as the surviving corporation. Simultaneous with the merger, FSB will be merged with and into Horizon Bank, a wholly-owned subsidiary of Horizon, with Horizon Bank surviving. We encourage you to read the Merger Agreement, which is included as Appendix A to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

What KFI's Shareholders Will Receive in the Merger (page)

If the merger is completed, each share of KFI common stock held by a KFI shareholder owning 100 or more shares will be converted into the right to receive, at the election of the shareholder, (i) 3.0122 shares of Horizon common stock, or (ii) \$81.75 in cash, subject to limitations and prorations such that the aggregate merger consideration will be paid 65% in Horizon common stock and 35% in cash. However, if a shareholder owns beneficially and/or of record fewer than 100 shares of KFI common stock, that shareholder will be entitled to receive only \$81.75 per share in cash and will not be entitled to receive any shares of Horizon common stock. If the holders of more than 65% of the outstanding KFI shares make valid elections to receive the stock consideration or if the holders of more than 35% of the outstanding KFI shares make valid elections to receive the cash consideration, those KFI shareholders electing the over-subscribed form of consideration will have the over-subscribed form of consideration proportionately reduced and will receive a portion of their consideration in the other form, despite their election. The exchange ratio is subject to the following adjustments:

Anti-Dilution Adjustments. If prior to the effective time of the merger, Horizon changes the number of shares of Horizon common stock outstanding by way of a stock split, stock dividend, or similar transaction, or if Horizon establishes a record date for such a change, the exchange ratio will be adjusted so that the holders of KFI common stock receive at the effective time, in the aggregate, the number of shares of Horizon common stock representing the same percentage of the outstanding shares of Horizon common stock that they would have received if such change had not occurred; or

Decrease in Market Price of Horizon Common Stock. If KFI elects to terminate the Merger Agreement because the market price of Horizon's common stock has decreased below certain amounts specified in the Merger Agreement, Horizon will have the option of increasing the exchange ratio pursuant to the formula specified in the Merger Agreement in lieu of KFI's right to terminate the Merger Agreement. Because the exchange ratio for the stock consideration is fixed, the value of the stock consideration will fluctuate with the market price of Horizon's common stock. Accordingly, at the time of the merger, the per share value of the stock consideration may be greater or less than the per share value of the cash consideration.

In lieu of any fractional shares of Horizon common stock, Horizon will distribute an amount in cash equal to such fraction multiplied by the average per share closing price of a share of Horizon common stock as quoted on the NASDAQ Global Select Market during the fifteen consecutive trading days preceding the second business day prior

to the closing of the merger on which such shares were actually traded.

Recommendation of KFI s Board of Directors (page)

The KFI board of directors unanimously approved the Merger Agreement and the proposed merger. The KFI board believes that the Merger Agreement, including the merger contemplated by the Merger Agreement, is advisable and fair to, and in the best interests of, KFI and its shareholders, and therefore recommends that KFI s shareholders vote FOR the proposal to adopt the Merger Agreement. In reaching its decision, the KFI board of directors considered a number of factors, which are described in the section captioned *The Merger KFI s Reasons for the Merger; Board Recommendation* beginning on page . Because of the wide variety of factors considered, the KFI board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

The KFI board also recommends that you vote FOR the proposal to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes present at the Special Meeting in person or by proxy to approve the merger.

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Dissenters' Rights (page)

Dissenters' rights are available to KFI's shareholders under Indiana law, but KFI's shareholders will only be able to dissent from the proposed merger by complying with the applicable provisions of the Indiana Business Corporation Law (the "IBCL"). For more information, see *Dissenters' Rights* beginning on page .

Voting Agreements (page)

As of April 8, 2016, the directors and executive officers of KFI beneficially owned 42,674 shares or approximately 14.35% of the 297,444 outstanding shares of KFI common stock. In connection with the execution of the Merger Agreement, all of the directors and certain executive officers of KFI executed a voting agreement pursuant to which they agreed to vote their shares in favor of the merger. A copy of that voting agreement is attached as Appendix C to this joint proxy statement/prospectus.

Opinion of KFI's Financial Advisor (page)

In connection with the merger, KFI jointly retained Austin Associates, LLC ("Austin") and Investment Bank Services ("IBS") as its financial advisors. In this regard, Austin delivered a written opinion, dated February 4, 2016, to the KFI board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by the holders of KFI common stock in the proposed merger. The full text of Austin's opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Austin in preparing the opinion, is attached as Appendix B to this joint proxy statement/prospectus. **The opinion was for the information of, and was directed to, the KFI board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of KFI to engage in the merger or enter into the Merger Agreement or constitute a recommendation to the KFI board in connection with the merger, and it does not constitute a recommendation to any holder of KFI common stock as to how to vote in connection with the merger or any other matter.**

Reasons for the Merger (page)

The KFI board of directors believes that the merger and the Merger Agreement are advisable and fair to, and in the best interests of, KFI and its common shareholders and, therefore, the board of directors recommends that KFI's shareholders vote FOR the proposal to adopt the Merger Agreement. In reaching its decision, the KFI board of directors considered many factors, including the factors described under the heading *The Merger - KFI's Reasons for the Merger; Board Recommendation* beginning on page .

Regulatory Approvals (page)

Under the terms of the Merger Agreement, the merger cannot be completed until Horizon receives necessary regulatory approvals, which include a waiver from the Federal Reserve Bank of Chicago ("FRB") of the application requirements for the merger of KFI into Horizon, and the approval of the Office of the Comptroller of the Currency ("OCC") of the merger of FSB into Horizon Bank. As of the date of this joint proxy statement/prospectus, Horizon has filed the required application with the OCC, and we expect to receive OCC approval and the FRB's waiver in April 2016. Although we believe that we will be able to obtain these regulatory approvals and waivers, there can be no assurance that all requisite approvals and waivers will be obtained or that they will be obtained within the time period we anticipate.

New Horizon Shares Will Be Eligible for Trading (page)

The shares of Horizon common stock to be issued in the merger will be eligible for trading on the NASDAQ Global Select Market.

Conditions to the Merger (page)

The obligation of Horizon and KFI to consummate the merger is subject to the satisfaction or waiver, on or before the completion of the merger, of a number of conditions, including, but not limited to:

the Merger Agreement must receive the requisite approval of KFI's shareholders;

approval of the transaction by the appropriate regulatory authorities;

the representations and warranties made by the parties in the Merger Agreement must be true, accurate, and correct in all material respects as of the effective date of the merger;

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the covenants made by the parties must have been fulfilled or complied with in all material respects from the date of the Merger Agreement through and as of the effective time of the merger;

the parties must have received the respective closing deliveries of the other parties to the Merger Agreement;

the Registration Statement on Form S-4, of which this joint proxy statement/prospectus is a part, relating to the Horizon shares to be issued pursuant to the Merger Agreement, must have become effective under the Securities Act of 1933, as amended, and no stop order suspending the effectiveness of the Registration Statement shall have been issued or threatened by the Securities and Exchange Commission;

the boards of directors of Horizon and KFI must have received an opinion from Barnes & Thornburg LLP to the effect that the merger constitutes a tax free reorganization for purposes of Section 368 of the Internal Revenue Code, as amended (the Code);

Horizon must have received a letter of tax advice, in a form satisfactory to Horizon, from KFI's outside, independent certified public accountants to the effect that any amounts that are paid by KFI before the effective time of the merger, or required under KFI's employee benefit plans or the Merger Agreement to be paid at or after the effective time, to persons who are disqualified individuals under Section 280G of the Code with respect to KFI, FSB, or their successors, and that otherwise should be allowable as deductions for federal income tax purposes, should not be disallowed as deductions for such purposes by reason of Section 280G of the Code;

As of the end of the month prior to the effective time of the merger, KFI's adjusted consolidated shareholders' equity, as defined in the Merger Agreement, shall not be less than \$16,197,000;

FSB shall have provided notice of termination to FiServ Solutions, Inc. under that certain Master Agreement, dated June 25, 2010 between FSB and FiServ;

the KFI employees specified in the Merger Agreement shall have executed and delivered noncompetition agreements;

certain KFI employees shall have executed and delivered mutual termination of employment agreements to Horizon;

the shares of Horizon common stock to be issued to KFI's shareholders in the merger must have been approved for listing on the NASDAQ Global Select Market; and

there shall be no legal proceedings initiated or threatened seeking to prevent the completion of the merger.

For a further description of the conditions necessary to the completion of the merger, see *The Merger Agreement Conditions to the Merger* beginning on page . We cannot be certain when, or if, the conditions to the merger will be satisfied or waived or that the merger will be completed.

Termination (page)

Horizon or KFI may mutually agree at any time to terminate the Merger Agreement without completing the merger, even if KFI's shareholders have approved it. Also, either party may decide, without the consent of the other party, to terminate the Merger Agreement under specified circumstances, including if the merger is not consummated by December 31, 2016, if the required regulatory approvals are not received, or if KFI's shareholders do not approve the Merger Agreement at the Special Meeting. In addition, either party may terminate the Merger Agreement if there is a breach of the agreement by the other party that would cause the failure of conditions to the terminating party's obligation to close, unless the breach is capable of being cured and is cured within twenty business days of notice of the breach. KFI also has the right to terminate the Merger Agreement if it receives a proposal which its board of directors determines is superior to the merger with Horizon.

Additionally, KFI has the right to terminate the Merger Agreement during the five-day period following the date on which all regulatory approvals and other approvals (disregarding any waiting period applicable to the regulatory approvals) required for the merger are received if Horizon's average common stock closing price is below \$20.39 per share, and the percentage decrease in stock price of Horizon from Horizon's closing stock price on the date of the Merger Agreement is more than 15% greater than the percentage decrease in the SNL Small Cap U.S. Bank and Thrift Index during the same

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period. Horizon has the right to prevent KFI's termination under those circumstances, however, by agreeing to increase the exchange ratio pursuant to a formula set forth in the Merger Agreement.

Termination Fee (page)

KFI is required to pay Horizon a \$1,226,000 termination fee under the following circumstances:

if Horizon terminates the Merger Agreement because KFI's board of directors fails to include its recommendation to approve the merger in the joint proxy statement/prospectus delivered to shareholders or has withdrawn, modified, or changed its approval or recommendation of the Merger Agreement or approves or publicly recommends an acquisition proposal with a third party, or KFI has entered into or publicly announced an intention to enter into another acquisition proposal;

if either party terminates the Merger Agreement because it is not approved by the requisite vote of the shareholders of KFI at the Special Meeting and, prior to the date that is twelve months after such termination KFI or FSB enters into any acquisition agreement with a third party or an acquisition proposal is consummated;

if either party terminates the Merger Agreement because the consummation of the merger has not occurred by December 31, 2016, and (i) prior to the date of such termination an acquisition proposal was made by a third party, and (ii) prior to the date that is twelve months after such termination, KFI or FSB enters into any acquisition agreement or any acquisition proposal is consummated; or

if Horizon terminates the Merger Agreement because an event occurs which is not capable of being cured prior to December 31, 2016 and would result in the conditions to Horizon's obligation to close not being satisfied, KFI breaches or fails to perform any of its representations, warranties, or covenants, or an event occurs that has or would reasonably be expected to have a material adverse effect on KFI, and such matters are the result of an intentional, willful, or grossly negligent breach or nonperformance by KFI of any representation, warranty, or covenant in the Merger Agreement.

Interests of Officers and Directors in the Merger that Are Different From Yours (page)

When KFI's shareholders consider the recommendation of the KFI board of directors to approve the Merger Agreement and the merger, you should be aware that certain of KFI's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of KFI's shareholders generally that may present actual or apparent conflicts of interest, including certain payments under employment agreements for certain officers and directors of KFI, the assumption of the salary continuation agreement of a KFI executive officer, the payment of a bonus to a KFI executive officer as a result of the merger, and the continuation of director and officer indemnification and liability insurance protections. See *Interests of Certain Directors and Officers of KFI in the Merger* beginning on page .

Accounting Treatment of the Merger (page)

The merger will be accounted for as a purchase transaction in accordance with United States generally accepted accounting principles.

Rights of Shareholders After the Merger (page)

When the merger is completed, KFI's shareholders owning at least 100 shares of KFI common stock who receive Horizon stock as all or part of the merger consideration will become Horizon shareholders, and their rights then will be governed by Horizon's articles of incorporation and bylaws and applicable law. Horizon and KFI are both organized under Indiana law. To review the differences in the rights of shareholders under each company's governing documents, see *Comparison of the Rights of Shareholders* beginning on page .

Material Federal Tax Consequences of the Merger (page)

Horizon and KFI expect the merger to qualify as a reorganization for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, for U.S. federal income tax purposes:

a holder of KFI common stock generally will recognize gain, but not loss, in an amount equal to the lesser of (1) the amount of cash received, or (2) the amount of gain realized in the merger. The amount of gain a KFI shareholder realizes will equal the amount by which (a) the cash plus the fair market value of the Horizon common stock received, exceeds (b) the shareholder's aggregate adjusted tax basis in the KFI common stock; and

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a KFI shareholder will recognize gain or loss, if any, on any fractional share of Horizon common stock for which cash is received equal to the difference between the amount of cash received and the KFI shareholder's allocable tax basis in the fractional share.

To review the tax consequences of the merger to KFI's shareholders in greater detail, please see the section *Material Federal Income Tax Consequences* beginning on page . Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF HORIZON**

The following data is derived from Horizon's audited annual historical financial statements at or for the periods indicated. Per share amounts have been adjusted to reflect all completed stock dividends and splits. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto incorporated by reference into this joint proxy statement/prospectus. Results for past periods are not necessarily indicative of results that may be expected for any future period.

(in thousands, except per share data)

	At or for the year ended December 31,				
	2015	2014	2013	2012	2011
Summary of Operations:					
Interest Income	\$ 88,588	\$ 76,205	\$ 74,886	\$ 72,528	\$ 64,614
Interest Expense	13,854	13,222	13,503	14,322	16,501
Net Interest Income	74,734	62,983	61,383	58,206	48,113
Provision for Loan Losses	3,162	3,058	1,920	3,524	5,282
Net Interest Income after Provision for Loan Losses	71,572	59,925	59,463	54,682	42,831
Non-Interest Income	30,402	26,277	25,906	27,331	20,299
Non-Interest Expense	74,193	61,946	58,445	54,024	46,147
Income Before Income Taxes	27,781	24,256	26,924	27,989	16,983
Income Tax Expense	7,232	6,155	7,048	8,446	4,186
Net Income	20,549	18,101	19,876	19,543	12,797
Net Income Available to Common Shareholders	\$ 20,424	\$ 17,968	\$ 19,506	\$ 19,062	\$ 11,472
Period-End Balances:					
Total Assets	\$ 2,652,401	\$ 2,076,922	\$ 1,758,276	\$ 1,848,227	\$ 1,547,162
Total Loans, Net	1,734,597	1,362,053	1,052,836	1,172,447	964,311
Total Deposits	1,880,153	1,482,319	1,291,520	1,294,153	1,009,865
Total Borrowings	482,144	383,840	288,782	378,095	400,787
Total Shareholders' Equity	\$ 266,832	\$ 194,414	\$ 164,520	\$ 158,968	\$ 121,465
Per Share Data:					
Basic Earnings Per Share	\$ 1.94	\$ 1.98	\$ 2.26	\$ 2.39	\$ 1.55
Cash Dividends	0.58	0.51	0.42	0.38	0.31
Book Value Per Common Share at Period-End	\$ 21.30	\$ 19.75	\$ 17.64	\$ 17.00	\$ 14.68

Table of Contents**Per Share Equivalent Information**

The following table sets forth the book value per share, cash dividends per share, and basic and diluted earnings per common share data for each of Horizon and KFI on a historical basis, for Horizon on a pro forma combined basis, and on a pro forma combined basis per KFI equivalent share. The data in the column Pro Forma Equivalent per KFI Share shows the effect of the merger from the perspective of an owner of KFI common stock, and was obtained by multiplying the Combined Pro Forma Amounts for Horizon by the exchange ratio of 3.0122. The pro forma financial information in the table below is provided for illustrative purposes, does not include any projected cost savings, revenue enhancements, or other possible financial benefits of the merger to the combined company, and does not attempt to suggest or predict future results.

This information does not purport to reflect what the historical results of the combined company would have been had KFI and Horizon been combined during these periods.

	Horizon Historical	KFI Historical	Combined Pro Forma Amounts for Horizon	Pro Forma Equivalent Per KFI Share
Book value per share at December 31, 2015	\$ 21.30	\$ 55.59	\$ 21.37	\$ 64.37
Cash dividends per share, year ended December 31, 2015	\$ 0.58	\$ 1.50	\$ 0.58	\$ 1.75
Basic earnings per share, year ended December 31, 2015	\$ 1.94	\$ 3.80	\$ 2.03	\$ 6.11
Diluted earnings per share, year ended December 31, 2015	\$ 1.89	\$ 3.79	\$ 1.98	\$ 5.96

Market Prices and Share Information

The following table shows (1) the closing market prices of Horizon common stock as quoted on the NASDAQ Global Select Market on February 4, 2016, the last business day prior to the announcement of the merger, and on April 4, 2016, the most recent date practicable preceding the date of this joint proxy statement/prospectus, and (2) the equivalent pro forma value of a share of KFI common stock at such dates based on the value of the consideration to be received in the merger with respect to each share. No historical market value is provided in the table for KFI common stock because there is no established trading market for KFI common stock. The equivalent prices per share of KFI common stock were calculated by multiplying the market price of Horizon common stock by 3.0122, which is the exchange ratio for the stock consideration in the merger (subject to adjustment), representing the number of shares of Horizon common stock that KFI shareholders electing to receive the stock consideration would receive in the merger for each share of KFI common stock, assuming no proration. All amounts in the table below are presented in dollars per share.

	Horizon Common Stock	Equivalent Pro Forma Per Share of KFI Common Stock
February 4, 2016	\$ 23.99	\$ 72.26

April 4, 2016

\$ 24.54

\$

73.92

Recent Developments of Horizon

On March 10, 2016, Horizon announced that it entered into an Agreement and Plan of Merger to acquire LaPorte Bancorp, Inc., a Maryland corporation (LaPorte). LaPorte is a savings and loan holding company headquartered in LaPorte, Indiana with total assets of \$543.2 million as of December 31, 2015, and which conducts its business primarily through its wholly-owned subsidiary, The LaPorte Savings Bank (LPS Bank), which has seven full-service banking locations in northern Indiana and one loan production office in southwest Michigan. Pursuant to the transaction, LaPorte will merge with and into Horizon, with Horizon as the surviving corporation. Immediately following the merger, LPS Bank will merge with and into Horizon Bank, with Horizon Bank as the surviving bank.

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Upon completion of the merger with LaPorte, each LaPorte shareholder will have the right to receive, at the shareholder's election, \$17.50 per share in cash or 0.629 shares of Horizon common stock, or a combination of both, for each share of LaPorte's common stock, subject to allocation provisions. The merger agreement provides that, in the aggregate, 65% of the outstanding shares of LaPorte will be converted into the right to receive shares of Horizon common stock and the remaining 35% of the outstanding shares will be converted into the right to receive cash. Based on Horizon's March 9, 2016 closing price of \$24.21 per share as reported on the NASDAQ Global Select Market, the transaction value is estimated at \$94.1 million. Subject to the approval of the merger by LaPorte's shareholders, regulatory approvals, and other customary closing conditions, the parties anticipate completing this merger during the third quarter of 2016. It is uncertain what, if any, conditions may be imposed with respect to the proposed merger by a regulator.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus (see *Where You Can Find More Information* on page), including the risk factors included in Horizon's Annual Report on Form 10-K for the year ended December 31, 2015, you should consider carefully the risk factors described below in deciding how to vote. You should keep these risk factors in mind when you read forward-looking statements in this document and in the documents incorporated by reference into this document. Please refer to the section of this joint proxy statement/prospectus titled *Cautionary Note About Forward-Looking Statements* on page .

Fluctuations in the market price of Horizon's common stock may cause the value of the stock portion of the merger consideration to decrease.

Upon completion of the merger, each share of KFI common stock will be converted into the right to receive merger consideration consisting of 3.0122 shares of Horizon common stock or \$81.75 cash pursuant to the terms of the Merger Agreement. Because the exchange ratio for the stock portion of the merger consideration is fixed, any change in the market price of Horizon's common stock prior to completion of the merger will affect the value of any stock consideration that KFI shareholders receive upon completion of the merger. At the time of the Special Meeting and prior to the election deadline, KFI shareholders will not necessarily know what the market value of 3.0122 shares of Horizon common stock will be upon completion of the merger or whether this value will be greater or less than the \$81.75 per share cash merger consideration. While KFI will have the right to terminate the merger agreement in the event of a specified decline in the market value of Horizon common stock relative to the value of a designated market index unless Horizon elects to increase the aggregate merger consideration (see *The Merger Agreement Termination*), neither company is otherwise permitted to terminate the merger agreement or resolicit the vote of KFI's shareholders solely because of changes in the market price of Horizon's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Horizon's business, operations, and prospects, and regulatory considerations. Many of these factors are beyond the control of Horizon. You should obtain current market quotations for shares of Horizon common stock before you vote.

KFI shareholders may receive a form of consideration different from what they elect.

While each KFI shareholder may elect to receive all Horizon common stock, all cash, or a combination of stock and cash in the merger, the percentages of the shares of KFI common stock outstanding immediately prior to the merger that will be converted into the stock consideration and the cash consideration are fixed at 65% and 35%, respectively. As a result, if either a stock election or a cash election proves to be more popular among KFI shareholders and you choose the form of election that is more popular, you might receive a portion of your consideration in the form you did not elect. If you receive less Horizon common stock than you elected, you will likely recognize more gain for federal income tax purposes than you would have recognized had you received more Horizon common stock. You will not know which form of merger consideration you will receive for all of your KFI shares until after we complete the merger.

The Merger Agreement may be terminated in accordance with its terms and the merger may not be completed, which could have a negative impact on KFI.

The Merger Agreement with Horizon is subject to a number of conditions that must be fulfilled in order to close. Those conditions include: approval by the shareholders of KFI, regulatory approval, the continued accuracy of certain representations and warranties by both parties and the performance by both parties of certain covenants and agreements. In particular, Horizon is not obligated to close if, subject to the conditions in the Merger Agreement, the

estimated environmental clean-up costs exceed \$350,000. In addition, certain circumstances exist in which KFI may terminate the merger, including by accepting a superior proposal or by electing to terminate if Horizon's stock price declines below a specified level. KFI has the right to terminate the Merger Agreement if Horizon's average common stock closing price over the 15-trading day period immediately preceding the date on which all regulatory approvals approving the merger (disregarding any waiting period applicable thereto) and all other approvals and consents necessary for the consummation of the merger are received (referred to as the determination date) is below \$20.39 per share, and the percentage decrease in the stock price of Horizon from Horizon's closing stock price on the date of the Merger Agreement is more than 15% greater than the percentage decrease in the SNL Small Cap U.S. Bank and Thrift Index during the same period. However, Horizon has the right to prevent KFI's termination by agreeing

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to increase the exchange ratio pursuant to a formula set forth in the Merger Agreement. See *The Merger Agreement Merger Consideration* (beginning on page) for a more complete discussion of the merger consideration to be paid in this proposed transaction and *Termination* for a more complete discussion of the circumstances under which the Merger Agreement could be terminated. There can be no assurance that the conditions to closing the merger will be fulfilled or that the merger will be completed.

If the Merger Agreement is terminated, there may be various consequences to KFI, including:

KFI's business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger; and

KFI may have incurred substantial expenses in connection with the merger, without realizing any of the anticipated benefits of completing the merger.

If the Merger Agreement is terminated and KFI's board of directors approves another merger or business combination, under certain circumstances KFI may be required to pay Horizon a \$1,226,000 termination fee, and KFI's shareholders cannot be certain that KFI will be able to find a party willing to pay an equivalent or more attractive price than the price Horizon has agreed to pay in the merger.

KFI's shareholders who receive the stock consideration will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

KFI's shareholders currently have the right to vote in the election of the KFI board of directors and on other significant matters affecting KFI, such as the proposed merger with Horizon. When the merger occurs, each KFI shareholder who holds at least 100 shares of KFI common stock and receives stock consideration in the merger will become a shareholder of Horizon with a percentage ownership of the combined organization that is much smaller than the shareholder's percentage ownership of KFI. In addition, on March 10, 2016, Horizon announced that it entered into an Agreement and Plan of Merger to acquire LaPorte. As part of the merger consideration for that transaction, Horizon will issue shares of its common stock to LaPorte's shareholders such that, in the aggregate, 65% of the outstanding shares of LaPorte will be converted into the right to receive shares of Horizon common stock and the remaining 35% of the outstanding shares will be converted into the right to receive cash. See *Summary Recent Developments of Horizon* on page above. The issuance of Horizon shares in the LaPorte transaction will be further dilutive to the KFI shareholders. Based on the anticipated number of Horizon common shares to be issued in the merger, and assuming the completion of Horizon's merger with LaPorte, it is anticipated that the KFI shareholders will only own approximately 4.0% of all of the outstanding shares of Horizon's common stock. Because of this, KFI's shareholders will have less influence on the management and policies of Horizon than they now have on the management and policies of KFI. Furthermore, shareholders of Horizon do not have preemptive or similar rights, and therefore, Horizon can sell additional voting securities in the future without offering them to the former KFI shareholders, which would further reduce their ownership percentage in, and voting control over, Horizon.

Horizon may be unable to successfully integrate FSB's operations and retain FSB's employees.

Simultaneous with the closing of the merger, FSB will be merged with and into Horizon Bank. The possible difficulties of merging the operations of FSB with Horizon Bank include:

integrating personnel with diverse business backgrounds;

combining different corporate cultures;

integrating systems; and

retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of Horizon, Horizon Bank, or FSB, and the loss of key personnel. The merger of FSB with Horizon Bank will benefit greatly from the experience and expertise of certain key employees of FSB who are expected to be retained by Horizon. However, there can be no assurances that Horizon will be successful in retaining these employees for the time period necessary to integrate FSB into Horizon Bank at the level desired by Horizon. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and integration of FSB into Horizon Bank could have an adverse effect on the business and results of operations of Horizon or Horizon Bank, and therefore, its stock price.

Horizon may be unable to retain KFI's customers or grow the KFI business.

KFI operates in geographic markets and with customers primarily located in or near Kosciusko County in North-Central Indiana. Horizon's markets and customers are located primarily in Northern and Central Indiana and Southwest Michigan. Although Horizon is not anticipating major differences between the preferences of KFI's

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customers compared to Horizon's customers, any time there is a change in products, services, ownership, or management of a bank, there is a risk that customers may seek to obtain some or all of their banking products and services from other banks. Horizon believes that the desire of KFI's customers to seek products or services elsewhere as a result of the merger will be lessened by the fact that the shareholders of KFI will continue to own a portion of the combined operations after the merger and because key employees of KFI will be continuing with the bank after the merger.

The fairness opinion delivered to KFI's board of directors does not reflect changes in circumstances subsequent to the date of the fairness opinion.

The fairness opinion of Austin was delivered to KFI's board of directors on February 4, 2016 and speaks only as of such date. Changes in operations and prospects of Horizon and KFI, general market and economic conditions, and other factors both within and outside of Horizon's and KFI's control may significantly alter the relative value of the companies by the time the merger is completed. Austin's opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion.

The termination fee and the restrictions on solicitation contained in the Merger Agreement may discourage other companies from attempting to acquire KFI.

Until the completion of the merger, with some exceptions, KFI is prohibited from soliciting, initiating, encouraging, or participating in any discussion of, or otherwise considering, any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person or entity other than Horizon. In addition, KFI has agreed to pay a termination fee of \$1,226,000 to Horizon if the board of directors of KFI withdraws, modifies, or changes its approval or recommendation of the Merger Agreement and approves or recommends an alternate acquisition transaction with a third party. These provisions could discourage other companies from trying to acquire KFI even though such other companies might be willing to offer greater value to KFI's shareholders than Horizon has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on KFI's financial condition.

Certain of KFI's officers and directors have interests that are different from, or in addition to, the interests of KFI's shareholders generally.

Certain of KFI's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of KFI's shareholders generally that may present actual or apparent conflicts of interest, including payments under the employment agreements for certain executive officers of KFI, the assumption by Horizon of the salary continuation agreement of a KFI executive officer, the payment of a bonus to a KFI executive officer as a result of the merger, and the continuation of director and officer indemnification and liability insurance protections. See *Interests of Certain Directors and Officers of KFI in the Merger* beginning on page .

The merger may fail to qualify as a reorganization for federal tax purposes, resulting in the recognition by KFI's shareholders of taxable gain or loss in respect of their KFI shares.

Horizon and KFI intend the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. Although the Internal Revenue Service will not provide a ruling on the matter, Horizon and KFI, as a condition to closing, will obtain an opinion from Horizon's legal counsel that the merger will constitute a reorganization for federal tax purposes. This opinion does not bind the IRS or prevent the IRS from adopting a contrary position. If the merger fails to qualify as a reorganization, a KFI shareholder generally would recognize gain or loss in an amount equal to the difference between (1) the sum of the amount of cash and the aggregate fair market value of the Horizon common

stock received in the exchange, and (2) the KFI shareholder's aggregate adjusted tax basis in the KFI common stock surrendered in the exchange.

The shares of Horizon common stock to be received by KFI shareholders as a result of the merger will have different rights from the shares of KFI common stock.

The rights associated with KFI's common stock are different from the rights associated with Horizon's common stock. See the section of this joint proxy statement/prospectus entitled *Comparison of the Rights of Shareholders* (beginning on page) for a discussion of the different rights associated with Horizon's and KFI's common stock.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements that have been made pursuant to the provisions of, and in reliance on the safe harbor under, the Private Securities Litigation Reform Act of 1995 (the Reform Act). Forward-looking statements include statements with respect to management s beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond the control of Horizon and KFI, and which may cause actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements.

In addition, certain statements may be contained in the future filings of Horizon with the SEC, in press releases, and in oral and written statements made by or with the approval of Horizon that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of such forward-looking statements include, but are not limited to:

statements about the benefits of the merger between Horizon and KFI, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the merger;

statements of plans, objectives, and expectations of Horizon or KFI or their managements or boards of directors;

statements of future economic performance; and

statements of assumptions underlying such statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. Words such as believe, contemplate, seek, estimate, plan, project, anticipate, assume, expect, intend, ta remain, will, should, indicate, would, may, and other similar expressions are intended to identify forward-look statements but are not the exclusive means of identifying such statements. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance, nor should they be relied upon as representing management s views as of any subsequent date. The forward-looking statements are based on management s expectations and are subject to a number of risks and uncertainties.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

the risk that the businesses of Horizon and KFI will not be integrated successfully or such integration may be more difficult, time-consuming, or costly than expected;

expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame;

revenues or earnings following the merger may be lower than expected;

deposit attrition, operating costs, customer loss, and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

the inability to obtain governmental approvals of the merger on the proposed terms and schedule;

the failure of KFI's shareholders to approve the merger;

local, regional, national, and international economic conditions and the impact they may have on Horizon and KFI and their customers and Horizon's and KFI's assessment of that impact;

changes in the level of non-performing assets, delinquent loans, and charge-offs;

material changes in the value of Horizon's common stock;

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changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate, or not predictive of actual results;

inflation, interest rate, securities market, and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

prepayment speeds, loan originations, and credit losses;

sources of liquidity;

competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships, and revenues;

changes in laws and regulations (including laws and regulations concerning taxes, banking, and securities) with which Horizon and KFI must comply;

the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;

Horizon's and KFI's common shares outstanding and common stock price volatility;

legislation affecting the financial services industry as a whole, and/or Horizon and KFI and their subsidiaries, individually or collectively;

governmental and public policy changes;

financial resources in the amounts, at the times, and on the terms required to support Horizon's and KFI's future businesses; and

the impact on Horizon's or KFI's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause Horizon's results to differ materially from those described in the forward-looking statements can be found in Horizon's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to Horizon or KFI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. Horizon and KFI undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

We caution you not to place undue reliance on the forward-looking statements.

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SPECIAL MEETING OF KFI S SHAREHOLDERS

General

This document is being furnished to KFI shareholders in connection with the solicitation of proxies by the board of directors of KFI for use at the Special Meeting of KFI s Shareholders to be held on Wednesday, May 25, 2016 at : [a.m./p.m.], local time, at the Bell Memorial Public Library, located at 101 W. Main Street, Mentone, Indiana 46539, and at any adjournment or postponement of that meeting. This document and the enclosed form of proxy are being sent to KFI s shareholders on or about April , 2016.

Purpose of the Meeting

The Special Meeting is being held for the following purposes:

To consider and approve the Merger Agreement by and between Horizon and KFI, pursuant to which KFI will merge with and into Horizon. Simultaneously with the merger, FSB, an Indiana-chartered commercial bank and wholly-owned subsidiary of KFI, will merge with and into Horizon Bank, the wholly-owned national bank subsidiary of Horizon;

To approve a proposal to adjourn the Special Meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes present at the Special Meeting in person or by proxy to approve the merger; and

To transact such other business as may properly come before the Special Meeting or any adjournment of the Special Meeting.

KFI s board of directors and management is not aware of any other matters to be presented at the meeting other than those mentioned above and has not received notice from any shareholders requesting that other matters be considered. However, if any other business is properly presented before the Special Meeting and may properly be voted upon, the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the proxy holders named therein.

A copy of the Merger Agreement is attached as Appendix A to this joint proxy statement/prospectus.

Recommendation of KFI s Board of Directors

The board of directors of KFI unanimously voted in favor of the Merger Agreement and the merger. KFI s board of directors believes that the Merger Agreement, the merger, and the transactions contemplated thereby are in the best interests of KFI and its shareholders, and recommends that KFI s shareholders vote:

FOR the approval and adoption of the Merger Agreement and the merger; and

FOR any proposal of the KFI board of directors to adjourn the meeting, if necessary.

Record Date and Voting

The close of business on April 8, 2016 has been selected as the record date for the determination of KFI's shareholders entitled to notice of and to vote at the Special Meeting. On that date, 297,444 shares of KFI's common stock, par value \$10.00 per share, were outstanding. Shareholders will be entitled to one vote for each share of KFI's common stock held by them of record at the close of business on the record date on any matter that may be presented for consideration and action by the shareholders. The presence, in person or represented by proxy, of the holders of a majority of the outstanding shares of KFI's common stock will constitute a quorum for the transaction of business at the Special Meeting.

You may vote your shares in person by attending the Special Meeting, or by mailing us your completed proxy if you are unable or do not wish to attend. We encourage you to vote by mailing the proxy card even if you plan to attend the meeting. If you are a shareholder of record as of April 8, 2016, you may vote your shares in person at the meeting. If your shares are held by a broker or other nominee, you must obtain a proxy from the broker or nominee giving you the right to vote the shares at the meeting.

All proxies properly submitted in time to be counted at the Special Meeting will be voted in accordance with the instructions contained in the proxy. If you submit a proxy without voting instructions, the proxies named in the proxy will vote on your behalf for each matter described above in accordance with the recommendations of the

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KFI board of directors on all the proposals as set forth in this joint proxy statement/prospectus and on any other matters in accordance with their best judgment.

If you have shares held by a broker or other nominee, you may instruct the broker or other nominee to vote your shares by following the instructions the broker or other nominee provides to you. Proxies solicited by this joint proxy statement/prospectus may be exercised only at the Special Meeting and any adjournment or postponement thereof and will not be used for any other meeting.

Vote Required

The following votes will be required to approve the proposals:

The approval of the Merger Agreement (Proposal 1) requires the affirmative vote of the holders of a majority of the outstanding shares of KFI common stock entitled to vote at the Special Meeting.

The proposal to adjourn the Special Meeting, if necessary, to solicit additional proxies (Proposal 2) requires for approval that more votes be cast in favor of the proposal than against the proposal.

Abstentions and broker non-votes (described below) are counted for purposes of determining the presence or absence of a quorum but are not considered votes cast. **The required vote of KFI's shareholders on the Merger Agreement is based on the number of outstanding shares of KFI common stock and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote in person at the Special Meeting, or the abstention from voting by a KFI shareholder, or the failure of any KFI shareholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker (thereby resulting in a broker non-vote), will have the same effect as a vote AGAINST the Merger Agreement.** Abstentions and broker non-votes will not be included in the vote count on the proposal to adjourn the Special Meeting and will have no effect on the outcome of that proposal.

A broker non-vote occurs when a broker submits a proxy that does not indicate a vote on a proposal because the broker has not received instructions from the beneficial owners on how to vote on such proposal and the broker does not have discretionary authority to vote in the absence of instructions. Brokers generally have the authority to vote, even though they have not received instructions, on matters that are considered routine. However, under the rules of the New York Stock Exchange, the Merger Agreement proposal and the adjournment proposal to be considered at the Special Meeting are not considered routine matters and brokers are not entitled to vote shares held for a beneficial owner on these matters without instructions from the beneficial owner of the shares. **To avoid a broker non-vote of your shares on the Merger Agreement and adjournment, each of which is a non-routine matter, you must provide voting instructions to your broker or other nominee.**

As of the record date:

KFI's directors and executive officers and their affiliates owned and were entitled to vote 42,674 shares of KFI common stock, representing approximately 14.35% of the outstanding shares of KFI common stock; and

Horizon's directors and executive officers and their affiliates owned and were entitled to vote less than 1% of the outstanding shares of KFI common stock. Horizon owns no shares of KFI common stock.

Revocability of Proxies

Submitting a proxy on the enclosed form of proxy does not preclude a KFI shareholder from voting in person at the Special Meeting. A KFI shareholder may revoke a proxy at any time prior to the vote at the Special Meeting by:

delivering to Lindy J. Breeden, KFI's Executive Vice President and Secretary, at KFI's corporate office at 102 E. Main Street, Mentone, Indiana 46539, on or before the date of the Special Meeting, a later-dated and signed proxy card or a written revocation of the proxy;

delivering to KFI at the Special Meeting prior to the taking of the vote a later-dated and signed proxy card or a written revocation;

attending the Special Meeting and voting in person; or

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if you have instructed a broker to vote your shares, following the directions received from your broker to change those instructions.

Revoking a proxy will not affect a vote once it has been taken. Attendance at the Special Meeting will not, in itself, constitute a revocation of a proxy. You must vote in person at the Special Meeting if you wish to change a vote that you have previously made by submitting a signed proxy.

Solicitation of Proxies

The proxy solicitation of KFI's shareholders is being made by KFI on behalf of the KFI board of directors and will be paid for by KFI. In addition to solicitation by mail, directors, officers, and employees of KFI may solicit proxies for the Special Meeting from KFI's shareholders personally or by telephone, the Internet, or other electronic means. However, KFI's directors, officers, and employees will not be paid any special or extra compensation for soliciting such proxies, although they may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation. Upon request, KFI will reimburse brokers, dealers, banks, trustees, and other fiduciaries for the reasonable expenses they incur in forwarding proxy materials to beneficial owners of KFI's common stock.

THE MATTERS TO BE CONSIDERED AT THE SPECIAL MEETING ARE OF GREAT IMPORTANCE TO THE SHAREHOLDERS OF KFI. ACCORDINGLY, HOLDERS OF KFI COMMON STOCK ARE URGED TO READ AND CAREFULLY CONSIDER THE INFORMATION PRESENTED IN THIS JOINT PROXY STATEMENT/PROSPECTUS, AND TO COMPLETE, DATE, SIGN, AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE PRE-PAID ENVELOPE.

Assistance

If you need assistance in completing your proxy card or have questions regarding the Special Meeting, please contact Kosciusko Financial, Inc., 102 E. Main Street, Mentone, Indiana 46539, Attention: Lindy J. Breeden, (574) 353-7521.

Security Ownership of Certain Beneficial Holders and Management

The following table sets forth as of April 8, 2016, which is the most recent practicable date, information regarding the beneficial share ownership of KFI's common stock by: (i) each of the directors of KFI; (ii) each executive officer of KFI; (iii) the directors and executive officers of KFI as a group; and (iv) each person who is known to KFI to be the beneficial owner of more than 5% of any class of KFI's voting securities. Information with respect to KFI's directors, executive officers, and 5% shareholders is based on KFI's records and data supplied by each of the directors, executive officers, and 5% shareholders. Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Kosciusko Financial, Inc., 102 E. Main Street, Mentone, Indiana 46539.

Name	Position	Shares of Common Stock	
		Beneficially Owned	Percent of Class ⁽¹⁾
DIRECTORS:			
Chad Tucker	Director	10,368 ⁽²⁾	3.5%
Daniel Manwaring	Director	8,791 ⁽³⁾	3.0%
J. Gregory Maxwell	President and Chief Executive Officer, Director	6,539	2.2%

Dave Reuter	Director	4,637 ⁽⁴⁾	1.6%
Stanley Pequignot	Director	3,461 ⁽⁵⁾	1.2%
Wallace Stouder, Jr.	Director	1,271 ⁽⁶⁾	*
James Caskey	Director	1,164 ⁽⁷⁾	*
James Maze	Director	231 ⁽⁸⁾	*

**EXECUTIVE
OFFICERS WHO ARE
NOT DIRECTORS:**

Michael Shade	Senior Vice President of Bank Operations/Trust	2,944 ⁽⁹⁾	*
Lindy J. Breeden	Executive Vice President and Secretary	2,460 ⁽¹⁰⁾	*
Michael E. Walters	Senior Vice President	700	*
Rebecca Woodward	Vice President of Branch Administration	108	*

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All executive officers and directors of KFI as a group (12 persons)	42,674	14.35%
GREATER THAN 5% SHAREHOLDERS:		
Forrest Miner 4355 Kariba Lake Terrace Sarasota, Florida 34243	28,217 ⁽¹¹⁾	9.49%
James Manwaring 1135 Country Club Drive Warsaw, Indiana 46580	23,304 ⁽¹²⁾	7.83%
Chan Tucker 7077 S. State Road 19 Mentone, Indiana 46539	16,995 ⁽¹³⁾	5.71%
Orville McFadden 7426 S. Beaver Dam Road Claypool, Indiana 46510	14,926 ⁽¹⁴⁾	5.02%

* Indicates less than 1% of the total number of outstanding shares of KFI's common stock.

- (1) For each individual or group disclosed in the table above, the figures in this column are based on 297,444 shares of KFI common stock issued and outstanding as of April 8, 2016, which is the most recent practicable date, plus the number of shares of common stock each such individual or group has the right to acquire on or within 60 days after April 8, 2016, computed in accordance with Rule 13d-3(d)(1) under the Exchange Act.
- (2) Includes 7,274 shares owned jointly by Mr. Tucker and his spouse, and 3,094 shares held of record by CM Tucker Farms LLC, of which Mr. Tucker is a member. Mr. Tucker may be deemed to have voting and investment power with respect to the shares held in CM Tucker Farms LLC.
- (3) Includes 8,339 shares held in the Daniel Manwaring Revocable Trust for which Mr. Manwaring is the grantor and serves as trustee, and 452 shares held in a joint revocable trust as to which Mr. Manwaring and his spouse are co-grantors and co-trustees. As a grantor and trustee of each trust, Mr. Manwaring may be deemed to have voting and investment power with respect to the shares held in the trusts.
- (4) All of the shares are owned jointly by Mr. Reuter and his spouse.
- (5) Includes 2,470 shares held of record by Bend & Company, nominee for 1st Source Bank, as custodian for Mr. Pequignot's self-directed IRA. Mr. Pequignot may be deemed to have voting and investment power with respect to the shares held by Bend & Company.
- (6) Includes 665 shares held in the Wallace Stouder, Jr. Revocable Trust for which Mr. Stouder is the grantor and serves as trustee, and 606 shares held of record by Matanzas Court LLC, of which Mr. Stouder is the Member Manager. As a grantor and trustee of his trust, and the Member Manager of Matanzas Court LLC, Mr. Stouder may be deemed to have voting and investment power with respect to the shares held by the trust and his affiliated company.
- (7) Includes 162 shares held in Mr. Caskey's individual retirement account, and 1,002 shares held in a joint revocable trust as to which Mr. Caskey and his spouse are co-grantors and co-trustees. As a grantor and trustee of this trust, Mr. Caskey may be deemed to have voting and investment power with respect to the shares held in the trust.
- (8) All of the shares are owned jointly by Mr. Maze and his spouse.
- (9)

- Includes 2,774 shares owned jointly by Mr. Shade and his spouse, and 170 shares held in a Uniform Transfers to Minors Act account for the benefit of Mr. Shade's daughter for which Mr. Shade serves as custodian.
- (10) Includes 75 shares held in Mr. Breeden's individual retirement account, and 211 shares held in his spouse's individual retirement account.
- (11) All of the shares are held in the Forrest Miner Revocable Trust for which Mr. Miner is the grantor and serves as trustee. As a grantor and trustee of the trust, Mr. Miner may be deemed to have voting and investment power with respect to the shares held in the trust.
- (12) Includes 18,393 shares held of record by a limited partnership, of which Mr. Manwaring and his spouse are the sole owners, 4,260 shares held in Mr. Manwaring's individual retirement account, and 651 shares held in his spouse's individual retirement account. Mr. Manwaring may be deemed to have voting and investment power with respect to the shares held by the limited partnership.
- (13) Includes 200 shares held of record by Mr. Tucker's spouse, 800 shares owned jointly by Mr. Tucker and his spouse, 1,625 shares held in Uniform Transfers to Minors Act accounts for the benefit of Mr. Tucker's children for which Mr. Tucker serves as custodian, 99 shares held of record by Mr. Tucker's minor children, and 3,094 shares held of record by CM Tucker Farms LLC, of which Mr. Tucker is a member. Mr. Tucker may be deemed to have voting and investment power with respect to the shares held in CM Tucker Farms LLC.

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- (14) Includes 7,463 shares held the Orville McFadden Revocable Trust for which Mr. McFadden is the grantor and serves as trustee, and 7,463 shares held of record by Mr. McFadden s spouse s revocable trust. Mr. McFadden may be deemed to have voting and investment power with respect to the shares held in the trusts.

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THE MERGER

This section of the joint proxy statement/prospectus describes material aspects of the proposed merger. While Horizon and KFI believe that the description covers the material terms of the merger, this summary may not contain all of the information that is important to you. You should read this entire joint proxy statement/prospectus and the other documents that we refer to carefully for more detailed information regarding the merger.

General

Horizon's and KFI's boards of directors have approved and adopted the Merger Agreement, the merger, and the transactions contemplated thereby. The Merger Agreement provides for the merger of KFI with and into Horizon, with Horizon as the surviving corporation. Simultaneously with this merger, FSB, the wholly-owned Indiana-chartered commercial bank subsidiary of KFI, will merge with and into Horizon Bank, the wholly-owned national bank subsidiary of Horizon.

In connection with the merger, each outstanding share of KFI common stock owned by shareholders owning at least 100 shares of KFI common stock will be converted into the right to receive, at the election of the shareholder, (i) 3.0122 shares of Horizon common stock (subject to certain adjustments as described in the Merger Agreement), or (ii) \$81.75 in cash, subject to limitations and prorations such that 65% of the outstanding shares of KFI common stock will be converted into the stock consideration and 35% of the outstanding KFI shares will be converted into the cash consideration. KFI shareholders holding fewer than 100 shares will receive fixed consideration of \$81.75 per share in cash and will not be entitled to receive any shares of Horizon common stock. All of the executive officers and members of the board of directors of KFI and FSB have entered into a voting agreement pursuant to which they have agreed to vote their shares of KFI common stock in favor of the approval and adoption of the Merger Agreement and the merger.

Under the Merger Agreement, the executive officers and directors of Horizon and Horizon Bank serving at the effective time of the merger will continue to serve as such after the merger is consummated.

Please see *The Merger Agreement* beginning on page for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating and amending the Merger Agreement.

Background of the Merger

Kosciusko Financial, Inc. was organized to become a bank holding company in October 1981 (originally named Farmers State Corporation of Mentone, amended in 1984) to own and operate Farmers State Bank. FSB and KFI grew steadily over the years and at the close of business on December 31, 2015 FSB had \$148,207,500 in total assets and \$132,955,090 in total liabilities with capital of \$15,252,410. KFI had \$16,469,206 in total assets, \$0 in total liabilities, and capital of \$16,469,206 as of December 31, 2015.

As a privately owned company, there is no public trading market for KFI common stock. There has been minimal trading of the KFI common stock since KFI's inception. In addition, since the trades are privately transacted, KFI is not always aware of the sales price of its stock. The regular quarterly dividend paid to holders of KFI stock has been \$0.25 for the last four calendar quarters. A non-recurring special dividend of \$0.50 was paid on May 15, 2015.

Over the years FSB grew steadily, and in 1978 FSB entered the Warsaw market, and then later the Syracuse market becoming a truly Kosciusko county-wide bank. The bank continued to grow in the 1980's and 1990's, but at a rate

slower than the total market opportunity. The bank remained smaller than many of its competitors, and that has continued to the present date. The bank's loan portfolio was reduced from \$78 million to \$70 million during 2007 and 2008 due to the early effects of the recent recession. Later, with a focus on agricultural opportunities, the loan balances began to grow again, and were near \$105 million at December 31, 2015. FSB's market niche has historically been residential mortgage loans and agricultural loans and those sectors held up reasonably well in Kosciusko County during the recession. Despite some credit costs in 2008 and 2009, the bank's profitability has been constantly improving over the last decade.

As part of KFI's ongoing strategic planning process, the KFI Board of Directors regularly discussed issues impacting the future success of KFI. Among the issues discussed were the impact on earnings in the event of rising

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interest rates, residential lending activity in a rising interest rate environment, management succession in all functional areas of the company, and the cost of complying with current and increasing bank and business regulations. The directors also were aware of the increasing inability to meet the credit needs of some borrowing customers due to the size and scope of our company. In addition, the KFI Board of Directors discussed the lack of liquidity in KFI's common stock.

As a result of KFI's improved performance and standing in the industry, several financial institutions had inquired as to KFI's interest in combining organizations, including an inquiry from Horizon. On May 15, 2015, Mr. Greg Maxwell, President and CEO of KFI and FSB, met with Mr. Craig Dwight, Chairman and CEO of Horizon, to discuss their interest in a possible business combination.

After several months of strategic discussions, in early August, 2015, the KFI Board of Directors decided to undertake the potential sale of KFI. The directors instructed Mr. Maxwell to pursue the possibility of a business combination that would fulfill the interests of all of the stakeholders of the company, those being principally the shareholders, but also including our customers, the communities we serve, and our employees.

To that end, and at the instruction of the board of directors, Mr. Maxwell contacted Mr. Richard Maroney, Managing Director and Principal of Austin Associates, LLC, Toledo, Ohio. FSB and KFI have been clients of Austin for over 25 years working with Mr. Maroney on several strategic planning sessions over the past few years. On August 10, 2015, Mr. Maroney submitted an engagement letter to KFI and FSB.

Discussions with Mr. Maroney led to a meeting with the KFI Board of Directors on September 4, 2015 where he presented his analysis of the community banking environment in Indiana, and ways to increase shareholder value. Mr. Maroney also presented an update on the merger and acquisition market for community banks, and some likely acquirers. Mr. Maroney then left the meeting. After a lengthy discussion describing the fees and costs of the investment banking agreement, KFI entered into a joint agreement with Austin and Investment Banking Services, Inc. on September 4, 2015.

Mr. Maroney and Mr. Maxwell worked together to develop a list of possible purchasers. The process resulted in a list of 13 potential purchasers. Austin contacted each of those companies, including Horizon. Horizon's management and board of directors regularly review the financial services industry environment, including the trend towards consolidation in the industry, and periodically discuss ways in which to enhance Horizon's competitive position, including the possible acquisition of another financial institution. Twelve of the thirteen companies signed nondisclosure agreements and were provided confidential information on KFI. The parties were invited to submit nonbinding indications of interest on or before November 12, 2015. During the months of October and November, 2015, several of the interested parties held targeted diligence calls seeking additional information and representatives of Horizon had discussions with management of KFI and Austin. Horizon's management team also discussed, on a preliminary basis, with Horizon's board of directors the opportunity to submit an indication of interest for KFI. Seven companies submitted nonbinding indications of interest, which contained information on pricing, the form of consideration, timing, and an indication of the proposed structure of a combined organization. Prior to submitting its bid, Horizon's board of directors reviewed and approved Horizon's indication of interest, after discussion with Horizon's management and financial advisors.

After receiving and reviewing the offers, there was very little difference between the financial terms of the seven proposals. Some of the proposals were all cash and some offered a mix of stock and cash. The bidders were then invited and encouraged to adjust their offers. Six of the seven companies increased their offers and submitted the revised offers by November 18, 2015. The price increases ranged from 2% to 9% from the original offers. The KFI Board of Directors then met on November 19, 2015. Mr. Maroney from Austin presented the offers and discussed the

merits of each offer. The KFI Board of Directors asked a number of questions and those questions were answered by Mr. Maroney to their satisfaction. The KFI Board of Directors then decided to proceed with two finalist banks, one being Horizon. Subsequent to that meeting, Mr. Maroney received a verbal increase in a proposal from one of the parties who was not selected, which resulted in the aggregate per share offer from this party being marginally in excess of Horizon's offer. The KFI Board of Directors convened a meeting via teleconference on November 20, 2015 to discuss the verbal proposal and its terms. After considering a number of factors, the Board unanimously reaffirmed the decision of the prior day to proceed with the two selected parties, one being Horizon.

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During the remainder of November and early December, the two banks completed their review of KFI's loan portfolio and additional due diligence investigation. The CEOs of both banks also had discussions with Mr. Maxwell and other officers of KFI. In addition, on December 17, 2015, both parties met with the Board of Directors of KFI to discuss their respective companies and the proposed transaction. Throughout the process, Horizon's board of directors was kept apprised of its management's and financial advisors' continuing discussions with KFI, and on December 1, 2015, Horizon's board of directors approved a revised indication of interest, after reviewing updated modeling projections with Horizon's management and financial advisors.

Mr. Craig Dwight, Chairman and CEO, Mr. Thomas Edwards, President and Chief Credit Officer, and Mr. Maury Winkler, III, Director of Horizon and Horizon Bank, met with the KFI Board of Directors and presented the profile of Horizon and Horizon Bank. Horizon is an Indiana banking corporation headquartered in Michigan City Indiana, with 46 banking centers in Indiana and Michigan. Horizon has \$2.7 billion in assets and \$1.3 billion in trust assets under management. They discussed their steady growth, superior returns, financial strength, and seasoned executive management team. They felt our cultures and structures were very similar to theirs. It was noted that since there was no overlap in the footprint of each bank's branch system they did not plan to close any branches as a result of the proposed merger. The KFI directors asked each of the attendees several questions and thanked them for the presentation. After the presentations, Mr. Maroney led a discussion with the KFI Board of Directors concerning the offers from the two banks. Mr. Maroney reviewed the revised letters of intent that both banks had provided to KFI. Following the review of each letter of intent, questions and discussions were held about each of the offers. Much of the discussion was centered on the value and the fairness of each of the offers. The board then requested that Mr. Maroney finalize a few questions for each of the banks and to re-convene with the KFI Board of Directors the following week. Both of the banks were also invited to make any final adjustments to their offer after finalizing all of the due diligence.

A special meeting of the KFI Board of Directors was held offsite in Warsaw, Indiana on December 22, 2015. Mr. Maroney was invited to share the latest communications from each bank and to present the final offers. Mr. Maroney had prepared a detailed comparison of the two banks and the two offers. A lengthy discussion with the KFI Board of Directors ensued with a great deal of focus on the fairness and the quality of the offers. Horizon had made a final upward adjustment to their offer, while the other bank decided not to make any changes to their final offer.

The KFI Board of Directors agreed, with input from Mr. Maroney, that the offer from Horizon was fair. The Board of Directors believed that Horizon represented the best fit for KFI and all of its constituents. The final offer received from Horizon on December 21, 2015 was for an increase in the purchase price for KFI stock to \$81.75. Horizon offered to acquire KFI under the following terms: the option for each shareholder to elect to receive \$81.75 per share in cash, or 3.0122 shares of Horizon's common stock, (the Exchange Ratio), or a combination thereof, provided the overall shares exchanged consist of 65% stock and 35% cash. KFI's shareholders holding less than 100 shares will receive \$81.75 in cash for each share.

At the conclusion of its meeting on December 22, 2015, the Board of Directors of KFI voted to accept the most recent offer from Horizon and to begin the process of negotiating a definitive agreement to combine with Horizon.

Horizon's legal counsel submitted a draft merger agreement to the parties on December 29, 2015. From December 29, 2015, and through February 3, 2016, the parties exchanged comments and negotiated changes to the draft agreement.

On February 3, 2016, the board of directors of Horizon met with Horizon's management and financial advisors who presented the terms of the merger agreement that had been distributed to the board prior to the meeting and the strategic rationale for the transaction. Following this presentation, the board of directors of Horizon reviewed and discussed the draft of the merger agreement and the consideration to be paid by Horizon to KFI. Horizon's

management and financial advisors responded to questions from the board regarding the merger and the merger consideration. Following a lengthy discussion, the board voted to approve management's finalization and execution of the merger agreement and all related documents.

On February 4, 2016 the KFI Board of Directors met by teleconference to discuss and ratify the final Merger Agreement between Horizon Bancorp and KFI. Chairman Caskey opened the meeting by noting that all directors had had access to the agreement via the KFI Board portal and asked if there were any general questions.

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Mr. Caskey then asked Mr. Maroney to present the financial analysis of the agreement, and to make any other general comments. Mr. Maroney orally reviewed the entire lengthy and complete sales process to date, beginning with the invitations to the original banks and ending with the presentation of the fairness opinion. Mr. Maroney then presented the KFI Board of Directors with Austin's fairness opinion. This opinion presented a financial perspective for the shareholders of KFI of the terms of the Agreement and Plan of Merger dated February 4, 2016 by and between Horizon Bancorp and Kosciusko Financial, Inc. A draft of this opinion letter had also been provided to each of the board members a few days earlier for their review prior to the meeting. The KFI board members had several questions for Mr. Maroney, which were all answered to their satisfaction.

Attorneys Stanley Pequignot with Rockhill-Pinnick, and Thomas Blank with Shumaker, Loop & Kendrick, LLP, then reviewed the terms of the Merger Agreement. The attorneys indicated that the Merger Agreement was typical of agreements in this type of transaction. Mr. Blank noted that the Merger Agreement contained a provision providing for indemnification of the directors and officers of KFI and FSB by Horizon for a period of six years after closing of the transaction, which obligation would be supported by an appropriate insurance policy. Mr. Pequignot reviewed the language and explained the downside price protection KFI has if the value of Horizon stock should drop in excess of a specified bank index. The KFI Board of Directors then reviewed the terms of the agreement, and unanimously passed a resolution to approve the Merger Agreement between Horizon and KFI.

KFI and Horizon executed the definitive Merger Agreement after the close of business on February 4, 2016. Horizon and KFI issued a joint press release publicly announcing the transaction on the morning of February 5, 2016.

KFI's Reasons for the Merger; Board Recommendation

KFI's board of directors has determined that the Merger Agreement and the merger are in the best interests of KFI and its shareholders and recommends that KFI's shareholders vote FOR the approval of the Merger Agreement and the transactions contemplated by the Merger Agreement.

KFI's board of directors believes that the merger with Horizon is consistent with KFI's goal of enhancing shareholder value and providing liquidity for the holders of KFI common stock. In addition, the board of directors believes that the merger with Horizon addresses the board's priorities that any potential transaction be in the best interest of the customers, the communities we serve, and the employees of FSB. To this end, KFI's board of directors considered a variety of factors including the following:

the significant increase in liquidity to KFI shareholders as a privately held company; there have been very few sales and purchases of KFI stock since its inception. Horizon stock is actively traded and listed on NASDAQ Global Select Market;

Horizon's perceived ability and resources to negotiate, execute, and close, and conduct due diligence in connection with, a definitive merger agreement on an expedited basis;

Horizon's superior access to capital and managerial resources relative to that of KFI;

the expectation that the historical liquidity of Horizon's stock will offer KFI shareholders who receive Horizon stock in the merger the opportunity to participate in the growth and opportunities of Horizon by retaining their Horizon stock following the merger, or to exit their investment, should they prefer to do so;

the expected results to KFI shareholders from continuing to operate as an independent community banking institution compared with the value of the merger consideration offered by Horizon;

that the shareholders of KFI who would have received an annual cash dividend of \$1.00 per share with respect to their shares would likely receive an equivalent per share annual dividend of \$1.80 for each of their former KFI shares (based upon the annual per share dividend rate of \$0.60 for Horizon common stock that then prevailed and the stated exchange ratio, subject to adjustment, of 3.0122);

the opinion of Austin that as of February 4, 2016, and subject to assumptions and limitations set forth in the opinion, the merger consideration (subject to potential adjustments specified by the Merger Agreement) was fair to KFI common shareholders from a financial point of view;

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that the merger is intended to qualify as a reorganization under Section 368 of the Internal Revenue Code;

the terms of the Merger Agreement, including the nature and scope of the closing conditions to the merger and potential adjustments to the exchange ratio;

the expectation that the merger should result in economies of scale, cost savings, and efficiencies to the combined company;

the KFI board of directors' view of the current and prospective economic, competitive, and regulatory environment facing the financial services industry, generally, and each of KFI and Horizon in particular;

the expected benefit to KFI customers resulting from the greater depth of banking services that would become available to them as a result of the combination with Horizon;

the belief that Horizon shares KFI's community banking philosophy;

KFI's favorable impressions of the experience and capability of Horizon's management team;

satisfactory results of KFI's summary due diligence review of Horizon;

the belief, based on historical information with respect to Horizon's business, earnings, operations, financial condition, prospects, capital levels, and asset quality, that the combined company has the ability to grow as an independent community financial institution that will be positioned to take advantage of multiple strategic options in the future and increase shareholder value; and

the expectation that the merger would likely be approved by the regulatory authorities and by the shareholders of KFI in a timely manner.

The foregoing discussion of the information and factors considered by the KFI board of directors is not intended to be exhaustive, but includes all material factors they considered in arriving at this determination to approve the Merger Agreement and the transactions it contemplates and recommend that the KFI shareholders vote to approve it. The KFI board did not assign any relative or specific weights to the above factors and individual directors may have given different weights to different factors.

For the reasons set forth above, KFI's board of directors unanimously determined that the merger and the Merger Agreement are advisable and in the best interests of KFI and its shareholders, and unanimously approved and adopted the Merger Agreement. The KFI board of directors unanimously recommends that KFI's shareholders vote FOR approval of the Merger Agreement and the merger.

Horizon's Reasons for the Merger

In reaching its decision to approve the Merger Agreement, Horizon's board of directors consulted with Horizon's management, as well as its financial and legal advisors, and considered a number of factors, including:

the business, earnings, operations, financial condition, management, prospects, capital levels, and asset quality of both Horizon and KFI, taking into account the results of Horizon's due diligence review of KFI, including Horizon's assessments of KFI's credit policies, asset quality, adequacy of loan loss reserves, interest rate risk, and litigation;

the overall greater scale that will be achieved by the merger that will better position the combined company for future growth;

its belief that Horizon and KFI have similar cultures and similar community-oriented philosophies, and the complementary nature of the strengths of the management personnel of each company;

the belief of Horizon's management that the merger will result in pre-tax annual cost savings of approximately \$1.2 million in 2016, \$2.0 million in 2017, and \$2.0 million in 2018. Approximately \$618,000 of the expected savings in 2016 are expected to result from reduced expenses for salaries, employee benefits, and other employee matters, approximately \$294,000 are expected to result from reduced data processing expenses, approximately \$85,000 are expected to result from reduced

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professional fees, approximately \$26,000 are expected to result from reduced occupancy expense, and approximately \$213,000 are expected to result from reduced general, administrative, and other expenses;

the belief of Horizon that the merger will produce earnings enhancement opportunities from additional sources of non-interest income;

the estimation by Horizon's management that the merger will result in after-tax earnings per share accretion of \$0.05 in 2016, \$0.09 in 2017, and \$0.09 in 2018;

the likelihood of a successful integration of KFI's business, operations, and workforce with those of Horizon and of successful operation of the combined company, and the belief that customer disruption in the transition phase would not be significant due to the complementary nature of the markets served by Horizon and KFI;

the historical and current market prices of Horizon's common stock;

the fact that KFI's shareholders would own approximately 4.6% of the diluted share ownership of the combined company;

the financial and other terms and conditions of the Merger Agreement, including the fact that the exchange ratio and the per share amount of the cash merger consideration are both fixed, provisions designed to limit the ability of the KFI's board of directors to entertain third party acquisition proposals, a provision giving KFI the right to terminate the Merger Agreement in the event of a specified decline in the market value of Horizon's common stock relative to a designated market index unless Horizon agrees to pay additional merger consideration, and provisions providing for payment by KFI to Horizon of a \$1.226 million termination fee if the Merger Agreement is terminated under certain circumstances;

the board's belief that Horizon will be able to finance the cash portion of the merger consideration on substantially the terms contemplated by it;

the interests of KFI's directors and executive officers in the merger, in addition to their interests generally as shareholders, as described under *Interests of Certain Directors and Officers of KFI in the Merger* beginning on page ; and

the need to obtain KFI's shareholder approval and regulatory approvals in order to complete the transaction.

The foregoing discussion of the factors considered by Horizon's board of directors is not intended to be exhaustive, but rather includes the material factors considered by Horizon's board of directors. In reaching its decision to approve the Merger Agreement and the merger, Horizon's board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. Horizon's board of directors considered all these factors as a whole, including discussions with, and questioning of, Horizon's management and its financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, Horizon's board of directors unanimously approved the Merger Agreement and the merger, and the transactions contemplated by the Merger Agreement.

Effects of the Merger

The respective boards of directors of Horizon and KFI believe that, over the long-term, the merger will be beneficial to Horizon's shareholders, including the current shareholders of KFI who receive the stock consideration and become Horizon shareholders if the merger is completed. The Horizon board of directors believes that one of the potential benefits of the merger is the cost savings that may be realized by combining the two companies and integrating FSB into Horizon's banking subsidiary, which savings are expected to enhance Horizon's earnings.

Horizon expects to reduce expenses by combining accounting, data processing, retail and lending support, and other administrative functions after the merger, which will enable Horizon to achieve economies of scale in these areas. Promptly following the completion of the merger, which is expected to occur during the second quarter

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of 2016, Horizon plans to begin the process of eliminating redundant functions and eliminating duplicative expenses. It is contemplated that after the merger Horizon Bank will continue to operate the main offices and branch offices of FSB. For more information about FSB's branch offices, see *Additional Information About KFI Properties* beginning on page .

The amount of any cost savings Horizon may realize in 2016 will depend upon how quickly and efficiently Horizon is able to implement the processes outlined above during the year.

Horizon believes that it will achieve cost savings based on the assumption that it will be able to:

reduce data processing costs;

reduce staff;

achieve economies of scale in advertising and marketing budgets; and

reduce legal and accounting fees.

Horizon has based these assumptions on its present assessment of where savings could be realized based upon the present independent operations of the two companies. Actual savings in some or all of these areas could be higher or lower than is currently expected.

Horizon also believes that the merger will be beneficial to the customers of KFI as a result of the additional products and services offered by Horizon and because of its increased lending capability.

Negotiations, Transactions, or Materials Contracts

Except as set forth above or elsewhere in this joint proxy statement/prospectus, none of KFI, FSB, nor any of their respective directors, executive officers, or other affiliates had any negotiations, transactions, or material contracts with Horizon, Horizon Bank, or any of their directors, executive officers, or other affiliates during the past three years that would require disclosure under the rules and regulations of the SEC applicable to this joint proxy statement/prospectus.

Opinion of KFI's Financial Advisor

In September 2015, KFI jointly engaged Austin Associates, LLC (Austin) and Investment Bank Services (IBS), a registered broker dealer, to provide financial advisory services in connection with the potential sale of KFI. Austin is an investment banking and consulting firm specializing in community bank mergers and acquisitions. Principals of Austin's investment banking team that assisted KFI are also limited registered representatives of IBS. KFI selected Austin and IBS as its financial advisors on the basis of their experience and expertise in representing community banks in similar transactions and their familiarity with KFI.

Austin acted as financial advisor to KFI in connection with the proposed merger and participated in the negotiations leading to the Merger Agreement. As part of its engagement, Austin assessed the fairness, from a financial point of

view, of the merger consideration being received by the shareholders of KFI. Austin attended the February 4, 2016 meeting (telephonically) at which KFI's board considered and approved the Merger Agreement. At that meeting, Austin presented its financial analysis of the transaction and delivered to the board its opinion, in writing, that the merger consideration was fair to KFI, and its shareholders, from a financial point of view. The full text of Austin's opinion is attached as Appendix B to this Proxy Statement. The description of the opinion set forth below is qualified in its entirety by reference to the opinion.

You should consider the following when reading the discussion of Austin's opinion in this document:

The opinion letter details the procedures followed, assumptions made, matters considered, and qualifications and limitations of the review undertaken by Austin in connection with its opinion, and should be read in its entirety;

Austin expressed no opinion as to the price at which KFI's or Horizon's common stock would actually be trading at any given time;

Austin's opinion does not address the relative merits of the merger and the other business strategies considered by KFI's board, nor does it address the board's decision to proceed with the merger; and

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Austin's opinion rendered in connection with the merger does not constitute a recommendation to any KFI shareholder as to how he or she should vote at the special meeting.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, Austin made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of KFI and Horizon and may not be realized. Any estimates contained in Austin's analyses are not necessarily predictive of future results or values, and may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by Austin was assigned a greater significance by Austin than any other. The relative importance or weight given to these analyses is not affected by the order of the analyses or the corresponding results. The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

With respect to the internal projections and estimates for KFI and Horizon, and the expected transaction costs, purchase accounting adjustments and cost savings, KFI's and Horizon's management and advisors confirmed to us that they reflected the best currently available estimates and judgments of management of the future financial performance of KFI and Horizon, respectively, and we assumed that such performance would be achieved. We express no opinion as to such financial projections and estimates or the assumptions on which they are based. We have also assumed that there has been no material change in KFI or Horizon's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that KFI and Horizon will remain as going concerns for all periods relevant to our analyses, that all of the representations and warranties contained in the Agreement are true and correct, that each party to the Agreement will perform all of the covenants required to be performed by such party under the Agreement, and that the closing conditions in the Agreement are not waived. Finally, we have relied upon the advice KFI has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the Merger Agreement.

Austin has relied, without independent verification, upon the accuracy and completeness of the information it reviewed for the purpose of rendering its opinion. Austin did not undertake any independent evaluation or appraisal of the assets and liabilities of KFI or Horizon, nor was it furnished with any appraisals. Austin has not reviewed any individual credit files of KFI or Horizon, and has assumed that KFI's and Horizon's allowances are, in the aggregate, adequate to cover inherent credit losses. Austin's opinion is based on economic, market and other conditions existing on the date of its opinion. No limitations were imposed by KFI's board or its management upon Austin with respect to the investigations made or the procedures followed by Austin in rendering its opinion.

In rendering its opinion, Austin made the following assumptions:

all material governmental, regulatory and other consents and approvals necessary for the consummation of the merger would be obtained without any adverse effect on KFI, Horizon or on the anticipated benefits of the merger;

KFI and Horizon have provided all of the information that might be material to Austin in its review;
and

the financial projections it reviewed were reasonably prepared on a basis reflecting the best currently available estimates and judgment of the management of KFI and Horizon as to the future operating and financial performance of KFI and Horizon, respectively.

In connection with its opinion, Austin reviewed:

- (i) the Merger Agreement dated as of February 4, 2016;
- (ii) certain publicly available financial statements and other historical financial information of KFI and Horizon that we deemed relevant;
- (iii) certain non-public internal financial and operating data of KFI and Horizon that were prepared and provided to us by the respective management of KFI and Horizon;

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- (iv) internal financial projections for KFI and Horizon for the year ending December 31, 2016 prepared by and reviewed with management of KFI and Horizon, respectively;
- (v) the pro forma financial impact of the merger on Horizon, based on assumptions relating to transaction expenses, preliminary purchase accounting adjustments and cost savings as discussed with representatives of Horizon;
- (vi) publicly reported historical price and trading activity for Horizon's common stock, including an analysis of certain financial and stock market information of Horizon compared to certain other publicly traded companies;
- (vii) the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;
- (viii) the current market environment generally and the banking environment in particular; and,
- (ix) such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant.

Austin also discussed with certain members of senior management of KFI the business, financial condition, results of operations and prospects of KFI, including certain operating, regulatory and other financial matters. We held similar discussions with certain members of senior management of Horizon regarding the business, financial condition, results of operations and prospects of Horizon.

The following is a summary of the material factors considered and analyses performed by Austin in connection with its opinion dated February 4, 2016. The summary does not purport to be a complete description of the analyses performed by Austin. Capitalized terms used herein without definition shall have the meanings given to such terms in the Merger Agreement.

Summary of Financial Terms of Merger Agreement. Austin reviewed the financial terms of the Merger Agreement, including the form of consideration, the exchange ratio for the stock portion of the consideration, and the resulting value per share to be received by KFI common shareholders pursuant to the proposed merger.

The financial terms of the Merger Agreement provide for each share of KFI common stock to receive, at the election of the holder, either (or a combination of): (i) 3.0122 shares of Horizon common stock (Exchange Ratio); or (ii) \$81.75 in cash. KFI stockholders owning less than 100 shares of KFI common stock will only be entitled to receive \$81.75 per share in cash and will not be entitled to receive any of the stock consideration. The Merger Agreement allows for 193,338 shares of KFI common stock (65 percent of KFI shares outstanding) to be converted into the stock consideration and the remaining shares of KFI common stock outstanding shall be converted into the cash consideration.

Based on 297,444 common shares of KFI outstanding and Horizon's closing stock price of \$23.99 on February 3, 2016, the implied deal value per share equaled \$75.58 and the aggregate transaction value approximates \$22.5 million. Austin calculated that the value of \$22.5 million represented as of December 31, 2015:

137 percent of book value;

137 percent of tangible book value;

20.0 times last twelve months net income; and

5.7 percent premium above tangible equity as a percent of core deposits.

Comparable Transaction Analysis. Austin compared the financial performance of certain selling institutions and the prices paid in selected transactions to KFI's financial performance and the transaction multiples being paid by Horizon for KFI. Specifically, Austin reviewed certain information relating to Indiana, Ohio and Michigan bank and thrift transactions since January 1, 2014 (with seller's last 12 months return on average assets of greater than zero percent and total assets of less than \$250 million). Eighteen transactions were included in the three state region based on the selected criterion. The following lists the transactions reviewed by Austin:

Table of Contents**Guideline M&A Transactions**

				Announced	
Buyer Name	State	Seller Name	State	Date	
Ohio Valley Banc Corp.	OH	Milton Bancorp Inc.	OH	01/07/16	
CNB Financial Corp.	OH	Lake National Bank	OH	12/30/15	
Eastern Michigan Financial Corp.	MI	Ruth Bank Corp.	MI	11/09/15	
Level One Bancorp Inc.	MI	Bank of Michigan	MI	10/22/15	
Farmers National Banc Corp.	OH	Tri-State 1 st Banc Inc.	OH	06/24/15	
First Commonwealth Financial	OH	First Community Bank	OH	05/11/15	
First Merchants Corp.	OH	C Financial Corp.	OH	01/06/15	
LCNB Corp.	OH	BNB Bancorp Inc.	OH	12/29/14	
Level One Bancorp Inc.	MI	Lotus Bancorp Inc.	MI	11/20/14	
Independent Alliance Banks	IN	First State Bank of Bourbon IN	IN	10/09/14	
First Citizens Banc Corp.	OH	TCNB Financial Corp.	OH	09/11/14	
Talmer Bancorp Inc.	MI	First of Huron Corp.	MI	08/06/14	
Mackinac Financial Corp	MI	Peninsula Financial Corp.	MI	07/18/14	
Community Bancshares	OH	Citizens Bank of Ashville Ohio	OH	07/15/14	
Peoples Bancorp Inc.	OH	North Akron Savings Bank	OH	04/21/14	
MainSource Financial Group	IN	MBT Bancorp	IN	04/07/14	
First Federal of Northern MI Bancorp	MI	Alpena Banking Corp.	MI	01/23/14	
Peoples Bancorp Inc.	OH	Midwest Bancshares Inc.	OH	01/21/14	

The following table highlights the results of the guideline M&A transaction comparison:

M&A		
Seller s Financial Performance	Guideline Median	KFI ⁽¹⁾
Total Assets (\$mils)	\$ 108.7	\$ 148.1
Tangible Equity / Tangible Assets	9.81%	10.30%
Return on Average Assets	0.59%	0.82%
Return on Average Equity	4.04%	7.75%
Efficiency Ratio	77.0%	69.5%
Nonperforming Assets ⁽²⁾ /Assets	2.52%	0.07%
Deal Transaction Multiples		
Price/Tangible Book Value Ratio	131%	137%