

NewsRoom

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Arizona Federal Credit Union is buying its second bank

Ken McCarthy

Arizona Federal Credit Union in Phoenix has agreed to buy Horizon Community Bank in Lake Havasu City for \$91.4 million.

The deal, which is expected to close this year, is the fifth instance of a credit union agreeing to buy a bank announced in 2022 and the second second bank acquisition for the \$2.8 billion-asset Arizona FCU, which in 2019 bought Pinnacle Bank in Scottsdale.

"Arizona Federal has demonstrated their competency and commitment to community

banking and they will be a great partner for our bank," said Ralph Tapscott, president and CEO of the \$539 million-asset Horizon Community Bank, in the press release. "We believe this will create significant long-term value for all stakeholders."

Horizon Community Bank was founded in 2002 and operates branches in Fort Mohave, Kingman, Lake Havasu City, Mesa, Parker and Quartzsite, Arizona. The credit union said all of the bank's branches will remain open after the deal closes.

"We believe that quality growth and diversification is essential to continued success in

our industry, and we intend to achieve it both organically and through mergers or acquisitions," said Ronald Westad, president and CEO of Arizona FCU, in the press release.

The credit union will benefit by expanding into new market areas in western Arizona, Westad said. The acquisition will also help the credit union continue investments in new products and services and help fund the expansion of services to additional new markets, he said.

The most recent announcement in which a credit union agreed to buy a bank involved Barksdale Federal Credit Union in Bossier City, Louisiana, buying HomeBank of Arkansas.

"With this announcement, you are starting to see some geographic diversity regarding where these are taking place," said attorney Mike Bell of Honigman, who represented Arizona FCU in the transaction. "I expect that diversity to continue as more deals announce shortly. This is relevant to all selling banks everywhere."

Horizon Bancorp, the holding company that is selling Horizon Community Bank, announced 2021 net income of roughly \$5.7 million, up 50% compared to a year earlier, according to call report data.

Arizona FCU earned \$15.9 million in 2021, a 489% increase compared to \$2.7 million a year earlier, according to call report data from the National Credit Union Administration.

--- Index References ---

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