

Indiana Bank & Thrift Stock Update

quarterly analysis for IBA members courtesy of Michael A. Renninger, Renninger & Associates

Stock Analysis as of June 30, 2024

Large Banks Largely Perform Better Than Smaller Banks in Q2



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Six months into 2024, the average of the four broad market indices tracked increased 12.3% YTD while the average of the four bank & thrift indices tracked increased 5.0%. That comports with the 3.4% median increase in the stock prices of the seven out-of-state banks with over \$100 billion in assets with significant operations in Indiana.

The performance of in-state and out-of-state banks under \$100 billion did not fare as well. The stock prices of the seven out-of-state banks under \$100 billion in assets with significant Indiana operations were all down YTD, with the median decline being 6.4%. The median stock price of Indiana-based banks and thrifts also declined, but only 0.21% YTD; only 11 of 29 banks' stock prices increased. On an individual stock basis, there was significant variation, with three banks having stock price increases above 10% and five banks having stock price decreases above 10%.

Mid-Southern Bancorp is up 38.8% YTD due to its January 25, 2024, announcement that it will sell substantially all its assets and liabilities to Beacon Credit Union. Beacon, based in Wabash with assets of \$1.5 billion, will pay cash of approximately \$46 million, which reportedly represents 156% of tangible common equity and 21.1 times earnings.

First Financial Corporation (Terre Haute) completed its acquisition of Simply Bank on July 1, 2024. Simply Bank, based in Dayton, Tennessee with \$703 million in assets, provides THFF with greater penetration into its existing southernmost markets. THFF paid \$73.4 million in an all-cash transaction

representing 132.4% of tangible book value and 9.0 times earnings.

The saga of New York Community Bancorp, the parent company of Flagstar Bank, continues. Its relevance to Indiana is, of course, the 31 branches and \$1.4 billion in deposits, primarily in northern Indiana. While its stock price remains down 68.5% YTD and trading at just 35.5% of tangible book value, the company has raised capital, sold assets, made board and management changes, and taken other actions to restore depositor, regulator and investor confidence.

Second quarter earnings results in the coming days and weeks are expected to be mixed, as banks address net interest margin pressure and asset quality concerns, particularly with respect to commercial real estate loans. The Federal Reserve continues to flirt with the possibility of interest rate cuts in 2024, and the upcoming election will provide uncertainty for investors. These factors suggest merger and acquisition activity will continue to be muted.

The Size, Pricing and Profitability Reports for Indiana banks and thrifts as of June 30, May 31, April 30 and March 31, 2024, are available by [clicking here](#). These reports present stock price changes for the 29 Indiana banks and thrifts that are traded on the NASDAQ and Over-the-Counter markets over the prior two years, one year and year-to-date, in addition to pricing and performance metrics. Selected banks headquartered outside Indiana, four broad market indices, and four bank and thrift indices are also tracked.

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