

Indiana Bank & Thrift Stock Update

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

Stock Analysis as of March 31, 2025

The Relative Calm Before the Storm



by Michael A. Renninger
Principal
Renninger &
Associates LLC
MRenninger@RenningerLLC.com

Mike Renninger is a former CPA, auditor and CFO with 43 years of accounting and financial management experience. He holds the NASD Series 7, 63 and 79 licenses with 30 years of investment banking experience, and regularly presents at conferences on the subject of mergers and acquisitions.

Securities offered through Ausdal Financial Partners Inc., Member FINRA/SIPC

*5187 Utica Ridge Rd.
Davenport, IA 52807
563.326.2064*

Renninger & Associates and Ausdal Financial Partners Inc. are separately owned and operated.

The average of the four broad market indices we track in this report decreased 5.3% over the first quarter of 2025, in line with the average of the four bank & thrift indices tracked, which decreased 4.9%. The median for Indiana-based NASDAQ banks decreased 2.4% and the median for Indiana-based OTC banks outpaced the field by increasing 3.0% over the same period. The median stock price for the seven out-of-state banks over \$100 billion in assets with significant Indiana operations decreased 7.3% and for the seven out-of-state banks under \$100 billion in assets decreased 7.1%.

While post-election optimism in November 2024 partially subsided by the end of the year, the average of the aforementioned broad and bank market indices still increased 21.8% and 25.3%, respectively, for the year ended Dec. 31, 2024. The subsequent first quarter 2025 decline was largely attributed to concerns about the economy and expectations that Federal Reserve interest rate cuts would be further delayed. Fed officials indicated their justification for delaying a cut included the unemployment rate trend not being as problematic and inflation not being fully tamed.

Then on Apr. 2, 2025, President Trump announced sweeping tariffs on foreign imports to lessen trade deficits and encourage U.S.-based production. The tariff threat ignited fears about a protracted trade war and high inflation, and the risk of a potentially deep recession. Within days, the broad and bank & thrift indices plummeted an average of 11.0% and 12.6%, respectively, from their March 31, 2025, levels. One week later, with U.S. debt markets in disarray, President Trump announced a 90-day tariff delay to

allow time for new trade deals to be negotiated with willing foreign countries. A number of countries, including China and Canada, responded by further increasing their tariffs on U.S. imports. As of Apr. 14, 2025, those stock indices partially recovered to be down an average of 3.6% and 9.9%, respectively, on the belief that there is a chance trade tensions will ease and the risk of recession may lessen.

Early indications are that first quarter 2025 bank performance will be favorable based on net interest margin expansion and stable credit risks. That could all change as bank performance is largely tied to the overall economy, which is highly dependent on the level of success or failure of international trade negotiations.

Indiana mergers and acquisitions activity during the first quarter of 2025 centered around progress toward completing transactions that were announced in the second half of 2024. Announced transactions that have not been completed as of Mar. 31, 2025 are expected to consummate in the second quarter.

The Size, Pricing and Profitability Reports for Indiana banks and thrifts as of March 31, Feb. 28 and Jan. 31, 2025, 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.

Renninger & Associates, LLC

Mergers and Acquisitions / Financial Consultants

