

Indiana Bank & Thrift Stock Update

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

Stock Analysis as of Sept. 30, 2025

Rising Stock Prices and Increased M&A Activity



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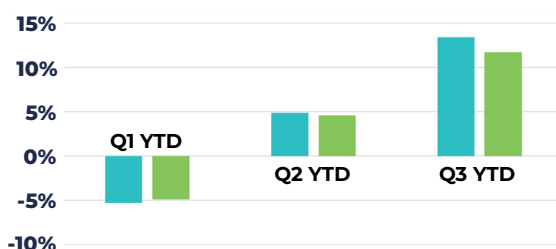
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The lackluster first quarter of 2025 and the volatile but positive second quarter have led to a breakout third quarter. The four broad market indices we track in this report decreased 5.3% in the first quarter of 2025, rebounded to be up 4.9% YTD at the end of the second quarter, and is up an average of 13.4% YTD as of Sept. 30. Similarly, the average of the four bank & thrift indices tracked decreased 4.9% in the first quarter, then increased 4.6% YTD in the second quarter, and are up an average of 11.7% YTD as of Sept. 30.



There are a number of factors that seem to be driving the broad market. The tech-heavy Nasdaq leads the way with a 17.3% YTD increase, buoyed by planned artificial intelligence investments. There appears to be an ebb and flow of optimism toward progress on the key issues of the day (negotiating mutually acceptable international trade agreements, limiting wars, maintaining employment, containing inflation, easing interest rates, etc.). Bank stocks seem to be benefiting from improving profitability from widening net interest margins and continued strong asset quality, an improving regulatory climate, and increasing mergers and acquisitions activity.

There were two Indiana M&A announcements in the third quarter of 2025. Charles-town-based New Independent Bancshares, Inc., the parent of New Washington State Bank (\$645M in assets) announced on July 16 the acquisition of the State Bank of Medora

(\$96M in assets). Terms of the deal were not disclosed. Then on Sept. 25, Muncie-based First Merchants Corporation (\$18.6B in assets) announced the acquisition of Jeffersonville-based First Savings Financial Group in an all-stock transaction valued at \$241.3 million. The purchase price represents 127.65% of common equity and 10.88 times earnings. The acquisition provides First Merchants with a presence in southern Indiana.

Two Ohio banks with a significant presence in Indiana recently announced major transactions, both involving Dallas-based banks. On July 14, Columbus, Ohio-based Huntington Bancshares (\$204.2B in assets) announced the acquisition of Veritex Holdings (\$12.6B in assets) in an all-stock deal valued at \$1.9 billion. The purchase price represents 152% of tangible book value and 14.3 times 2026 earnings. Then on Oct. 6, Cincinnati-based Fifth Third Bank (\$212.7B in assets) announced the acquisition of Comerica, Inc. (\$78B in assets) in an all-stock deal valued at \$10.9 billion. The purchase price represents 172.8% of tangible book value and 15.88 times earnings. While Comerica is headquartered in Dallas, it has a significant presence in Michigan, as does Fifth Third.

The Size, Pricing and Profitability Reports for Indiana banks and thrifts as of Sept. 30, June 30, March 31, 2025, and Dec. 31, 2024, are available by [clicking here](#). These reports present stock price changes for the 28 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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