Indiana Bank & Thrift Stock Update

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

Stock Analysis as of Sept. 30, 2026

Uneven Q3 Stock Performance, Still Strong YTD



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.

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5187 Utica Ridge Rd. Davenport, IA 52807 563.326.2064

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The four broad market indices we track in this report increased an average of 11.2% YTD as of Sept. 30, 2026, which is slightly better than the 10.4% YTD increase in the second quarter, but significantly better than the 4.9% YTD decrease in the first quarter. Banks and thrifts did not fare as well. The average of the four bank and thrift indices tracked increased an average of just 5.0% YTD as of Sept. 30 after being up 11.4% YTD as of June 30, but still overcoming the 4.1% YTD decrease in the first quarter.

Indiana banks performed even better than the broad and bank indices through the third quarter. The median price for the 12 NASDAQ Indiana banks increased 14.7% YTD as of Sept. 30, compared to 17.2% YTD in the second quarter and just 1.9% YTD in the first quarter. The 13 OTC/Pink Sheet Indiana banks had a median price increase of 18.0% YTD increase as of Sept. 30, 2026, compared to 11.5% YTD in the second quarter and 4.5% YTD in the first quarter.

The Federal Reserve increased interest rates by 25 basis points on Sept. 16, marking the first increase in rates since July 2023. Persistent inflation above the 2% target level has increased the possibility of another rate increase before year end. Increasing rates have triggered increased deposit competition as loan growth remains robust. Early indications are that bank earnings will be strong.

Two merger and acquisition transactions involving Indiana financial institutions were announced in the third quarter of 2026. On July 21, Munster-based Finward Bancorp, with $2 billion in assets and 24 Indiana and Illinois offices, announced sale to Cincinnati-based First Financial Bancorp for $208.3 million in an all-stock deal. The purchase price represents 134.0% of common equity and 21.1 times earnings. The acquisition will help FFBC to grow its $22.4 billion asset base and its existing presence in Northwest Indiana and the Chicagoland region.

On Aug. 27, Terre Haute-based First Financial Corporation announced it is acquiring Decatur, IL-based First Illinois Corp. for $111.3 million in cash and stock. The purchase price represents 135.2% of common equity and 13.06 times earnings. First Illinois has $717 million in assets and its eight branches helps THFF fill out its presence in Central Illinois.

Two M&A transactions were completed in the third quarter, and one was completed early in the fourth quarter. Richmond Mutual Bancorporation (First Bank Richmond) *completed its merger* with Frankfort-based Farmers Bancorp (The Farmers Bank) on July 1, forming First Bank Midwest. On July 10, Kentland Bank acquired all deposits and substantially all $3.73 million in assets of Kentland Federal Savings & Loan from the FDIC. On Oct. 12, Goshen-based Interra Credit Union completed its acquisition of Ohio-based Hicksville Bank for an undisclosed amount of cash.

The Size, Pricing and Profitability Reports for Indiana banks and thrifts as of Sept. 30, June 30 & March 31, 2026; and Dec. 31, 2025, are available by clicking here. These reports present stock price changes for the 26 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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