

# Indiana Bank & Thrift Stock Update

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

Stock Analysis as of Dec. 31, 2023

## IN banks, thrifts recover in Q4 but still end 2023 down



by **Michael A. Renninger**

Principal  
Renninger &  
Associates LLC

[MRenninger@  
RenningerLLC.com](mailto:MRenninger@RenningerLLC.com)

*Mike Renninger is a CPA with 35 years of accounting and financial management experience. He holds the NASD Series 7, 63 and 79 licenses with 22 years of investment banking experience.*

*Renninger is a fellow with the Life Management Institute and regularly presents at conferences on the subject of mergers and acquisitions.*



Indiana banks and thrifts traded on the NASDAQ and Over-the-Counter markets continued to underperform the broad stock indices as 2023 came to a close. Indiana's NASDAQ-traded banks dropped a median 7.0% in 2023 and the state's OTC/Pink Sheet-listed banks fell 15.3%. Two key exceptions were Merchants Bancorp and First Farmers, which increased 75.1% and 30.3%, respectively. For comparison, the selected bank indices decreased an average of only 1.8% for the year while the selected broad indices increased an average 26.3%.

The relatively small average 1.8% annual decrease in the selected bank indices as of Dec. 31, 2023, masks the volatility that occurred throughout the year. Those same indices were up an average of 8.3% as of March 31. They were then down 20.0% as of June 30 and remained down 20.9% as of Sept. 30 before the fourth quarter comeback.

The volatility was largely attributable to the fallout from several large bank failures in March, which caused widespread concern about the safety, liquidity and cost of bank deposits. Now that those risks have largely abated, bank stock prices are recovering, but headwinds persist.

Ninety-eight bank merger and acquisition deals were announced last year, including First Financial Corporation, Terre Haute, acquiring Simply Bank, Dayton, TN, and Old National Bancorp, Evansville, acquiring CapStar Financial Holdings Inc., Nashville, TN. The First Financial all-stock transaction is valued at \$73.4 million, representing 132.4% of tangible common equity. Old National's all-stock transaction is valued

at \$344.4 million, representing 114.8% of tangible common equity. Both acquisitions will result in deeper penetration into each bank's most-southern existing markets and continue a trend of Indiana banks acquiring banks in other states.

The 98 nationwide M&A deal announcements last year represent a significant drop from the 160 deals in 2022 and 202 deals in 2021. M&A activity in 2024 is expected to be more robust as optimism increases regarding potential Federal Reserve interest rate cuts and improving stock prices of acquirers. While higher stocks might incentivize higher acquisition prices, sellers may also expect offers higher than 2023's median deal value of 124.5% of tangible common equity.

*The Size, Pricing and Profitability Reports for Indiana banks and thrifts as of Dec. 31, Nov. 30, Oct. 31 and Sept. 30, 2023, 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**

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.