



NEWS RELEASE

FORESIGHT FINANCIAL GROUP, INC.

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FORESIGHT REPORTS SECOND QUARTER 2025 RESULTS

Foresight Financial Group, Inc. (OTCQX: FGFH) reported net income of \$2.99 million for the quarter ended June 30, 2025, an 8% decrease compared to the \$3.27 million reported for the second quarter of 2024, and a 307% increase compared to the \$734 thousand reported for the first quarter of 2025. Diluted Earnings per Share for the second quarter was \$0.82 compared to \$0.94 for the second quarter of 2024 and \$0.20 for the quarter ended March 31, 2025. The second quarter of 2025 results include \$1.56 million of charter consolidation expenses, which were partially offset by nonrecurring revenue of \$1.20 million related to a debit card branding agreement. The second quarter results produced a Return on Average Equity of 7.60% and Return on Average Assets of 0.75%.

Net income for the six months ended June 30, 2025 decreased 45% to \$3.72 million compared to \$6.77 million for the first half of 2024. The decrease in net income reflects a \$1.33 million increase in provision for loan losses, a \$1.96 million impairment charge related to other investments and \$1.88 million of charter consolidation expenses. Diluted Earnings per share for the first six months of 2025 was \$1.03 compared to \$1.94 for the half of 2024.

Foresight CEO Peter Q. Morrison stated “The legal consolidation of our Company’s six banking charters occurred on May 1, 2025, and the conversions of operating systems to a single platform is on track to be completed in the third and fourth quarters of this year. The charter consolidation is expected to provide significant savings via the elimination of duplicative expenses and efficiencies gained by operating under one banking platform. These efficiencies combined with more consistent credit administration practices gained through the charter consolidation will improve credit quality, earnings, and shareholder value.”

Net interest income for the second quarter of 2025 increased by \$588 thousand, or 5%, to \$12.95 million as compared to \$12.36 million for the second quarter of 2024; and increased by \$685 thousand, or 6%, compared to the quarter ended March 31, 2025. The net interest margin on a fully taxable equivalent basis increased to 3.40% compared to 3.24% in the second quarter of 2024; and 3.25% for the quarter ended March 31, 2025.

Net interest income for the six months ended June 30, 2025, increased \$740 thousand, or 3%, to \$25.21 million compared to \$24.47 million in the first six months of 2024. The net interest margin on a fully taxable equivalent basis was 3.29% for the first six months of 2025.

Total loans increased by \$29.27 million during the quarter to \$1.13 billion as of June 30, 2025 compared to \$1.10 billion as of March 31, 2025; and increased \$8.3 million as compared to total loans as of June 30, 2024. Total deposits decreased by \$8.8 million during the second quarter to \$1.38 billion as of June 30, 2025; and increased by \$11.5 million as compared to total deposits as of June 30, 2024.

The provision for loan losses for the quarter ended June 30, 2025 increased by \$100 thousand to \$238 thousand as compared to \$138 thousand in the second quarter of the prior year; and decreased by \$1.06 million compared to the first quarter of 2025. During the second quarter of 2025 loan net charge-offs totaled \$2.93 million. The provision for loan losses for the six months ended June 30, 2025 was \$1.54 million, a \$1.33 million increase over the provision expense for the first half of 2024.

Total non-performing assets of the Company as of June 30, 2025 were \$28.29 million compared to \$29.71 million the previous quarter, and \$21.40 million as of June 30, 2024. The ratio of non-performing assets to total assets equaled 1.76% as of June 30, 2025 compared to 1.83% as of March 31, 2025 and 1.34% as of June 30, 2024.

Noninterest income for the quarter ended June 30, 2025 increased \$1.35 million to \$3.0 million compared to \$1.66 million in the second quarter of the prior year. The increase is primarily attributable to \$1.2 million of non-recurring revenue received under a debit card branding agreement.

Noninterest income for the six months ended June 30, 2025 increased by \$1.61 million to \$4.95 million compared to \$3.33 million the first half of 2024. This increase includes the \$1.2 million non-recurring revenue received under the debit card branding agreement.

Noninterest expenses for the quarter ended June 30, 2025 totaled \$11.95 million, a \$2.31 million increase over \$9.64 million in the second quarter of 2024; and a \$234 thousand decrease from the quarter ended March 31, 2025. The increase in operating expenses over the second quarter of 2024 includes \$1.56 million in charter consolidation expenses, including \$57 thousand in salary and benefits, \$143 thousand in outside services and \$1.36 million in other expenses, which is primarily related to data system conversions.

Noninterest expense for the six months ended June 30, 2025 increased by \$5.34 million to \$24.13 million compared to \$18.79 million the first half of 2024. This increase in noninterest expense

includes \$1.88 million in charter consolidation expenses and a \$1.96 million impairment charge related to a nonmarketable equity investment.

The closing price for the Company's stock was \$31.25, as of the close of business July 18, 2025. Tangible book value per share of the Company's common stock increased by \$1.78 and \$2.82 to \$44.37 as of June 30, 2025, compared to \$42.59 and \$41.55 as of December 31, 2024 and June 30, 2024, respectively. The tangible book value per share of the Company's common stock, excluding Accumulated Other Comprehensive Income was \$52.43 as of June 30, 2025, compared to \$51.79 at the end of 2024 and \$51.36 as of June 30, 2024.

About Foresight Financial Group, Inc.

Foresight Financial Group, Inc. is a bank holding company headquartered in Winnebago County, Illinois and is the parent company of Foresight Bank, which operates in Northern Illinois under its divisional names Northwest Bank of Rockford, State Bank in Freeport, State Bank of Davis, German American State Bank in German Valley, Winnebago and Pecatonica, Lena State Bank, and the State Bank of Herscher. Foresight's common stock is listed on the "OTCQX" market under the trading symbol FGFH.

Forward-Looking Statements

When used in this communication, the words "believes," "expects," "likely", "would", and similar expressions are intended to identify forward-looking statements. The Company's actual results may differ materially from those described in the forward-looking statements. Factors which could cause such a variance to occur include, but are not limited to: heightened competition; adverse state and federal regulation; failure to obtain new or retain existing customers; ability to attract and retain key executives and personnel; changes in interest rates; unanticipated changes in industry trends; unanticipated changes in credit quality and risk factors, including general economic conditions particularly in the Company's markets; potential deterioration in real estate values, success in gaining regulatory approvals when required; changes in the Federal Reserve Board monetary policies; unexpected outcomes of new and existing litigation in which the Company, or its subsidiaries, officers, directors or employees is named defendants; technological changes; changes in accounting principles generally accepted in the United States; changes in assumptions or conditions affecting the application of "critical accounting policies"; inability to recover previously recorded losses as anticipated, and the inability of third party vendors to perform critical services for the Company or its customers. The inclusion of forward-looking information should not be construed as a representation by the Company or any person that future events or plans contemplated by the Company will be achieved. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information or otherwise.

Foresight Financial Group, Inc. and Subsidiaries
Consolidated Balance Sheets
June 30, 2025 and December 31, 2024
(Unaudited)

	June 30, 2025	December 31, 2024
Assets		
	(in thousands, except per share data)	
Cash and due from banks	\$ 28,002	\$ 16,905
Interest-bearing deposits in banks	13,025	45,357
Federal funds sold	787	1,738
Total cash and cash equivalents	<u>41,814</u>	<u>64,000</u>
Interest-bearing deposits in banks - term deposits	2,259	4,434
Debt securities:		
Debt securities available-for-sale (AFS)	361,146	369,945
Debt securities held-to-maturity (HTM)	3,263	3,263
Marketable equity securities and other investments	5,446	7,592
Loans held for sale	480	852
Loans, net of allowance for credit losses	1,116,498	1,100,657
Foreclosed assets and other real estate owned, net	703	-
Premises and equipment, net	16,889	17,125
Bank owned life insurance	24,646	24,459
Other assets	37,870	40,892
Total assets	<u>\$ 1,611,014</u>	<u>\$ 1,633,219</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 247,002	\$ 249,076
Interest-bearing	1,136,961	1,151,627
Total deposits	<u>1,383,963</u>	<u>1,400,703</u>
Federal funds purchased	-	5,804
Securities sold under agreements to repurchase	12,466	15,017
Federal Home Loan Bank (FHLB) and other borrowings	39,889	40,911
Accrued interest payable and other liabilities	14,737	17,386
Total liabilities	<u>1,451,055</u>	<u>1,479,821</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock	1,062	1,060
Additional paid-in capital	16,704	16,482
Retained earnings	187,237	184,961
Treasury stock, at cost	(16,013)	(16,008)
Accumulated other comprehensive loss	(29,031)	(33,097)
Total stockholders' equity	<u>159,959</u>	<u>153,398</u>
Total liabilities and stockholders' equity	<u>\$ 1,611,014</u>	<u>\$ 1,633,219</u>

Foresight Financial Group, Inc. and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
	(in thousands, except per share data)	
Interest and dividend income:		
Loans, including fees	\$ 34,657	\$ 34,092
Debt securities:		
Taxable	4,059	3,578
Tax-exempt	802	831
Interest-bearing deposits in banks and other	933	1,099
Federal funds sold	8	69
Total interest income	<u>40,459</u>	<u>39,669</u>
Interest expense:		
Deposits	14,464	14,329
Federal funds purchased	2	28
Securities sold under agreements to repurchase	111	218
FHLB and other borrowings	669	621
Total interest expense	<u>15,246</u>	<u>15,196</u>
Net interest income	<u>25,213</u>	<u>24,473</u>
Provision for credit losses	<u>1,536</u>	<u>202</u>
Net interest and dividend income, after provision for credit losses	23,677	24,271
Noninterest income:		
Customer service fees	893	684
Loss on sales and calls of AFS securities, net	0	-111
Gain on sale of loans, net	163	287
Loan servicing fees, net	535	155
Bank owned life insurance	334	379
ATM / interchange fees	1,049	1,057
Other	1,971	882
Total noninterest income	<u>4,945</u>	<u>3,333</u>
Noninterest expenses:		
Salaries and employee benefits	12,610	11,985
Occupancy expense of premises, net	1,398	1,225
Outside services	1,088	765
Data processing	1,936	1,432
Foreclosed assets and other real estate owned, net	0	6
Other	7,096	3,372
Total noninterest expenses	<u>24,128</u>	<u>18,785</u>
Income before income taxes	4,494	8,819
Income tax expense	<u>772</u>	<u>2,045</u>
Net income	<u>\$ 3,722</u>	<u>\$ 6,774</u>
Earnings per common share:		
Basic	\$ 1.03	\$ 1.95
Diluted	\$ 1.03	\$ 1.94

Foresight Financial Group, Inc. and Subsidiaries
Consolidated Condensed Statements of Income
(Unaudited)

	For the Quarter Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Interest and dividend income:					
Loans, including fees	\$ 17,739	\$ 16,918	\$ 17,249	\$ 17,943	\$ 17,394
Interest on investment securities	2,394	2,467	2,269	2,183	2,236
Interest on fed funds sold and other deposits	285	656	818	573	625
Total interest income	20,418	20,041	20,336	20,699	20,255
Interest expense:					
Deposits	7,099	7,365	7,641	7,885	7,448
Federal funds purchased	-	5	7	29	8
Securities sold under agreements to repurchase	39	72	132	134	103
FHLB and other borrowings	331	335	328	365	335
Total interest expense	7,469	7,777	8,108	8,413	7,894
Net interest income	12,949	12,264	12,228	12,286	12,361
Provision for credit losses	238	1,298	665	185	138
Net interest income after provision for loan losses	12,711	10,966	11,563	12,101	12,223
Noninterest income:					
Customer service fees	551	342	371	366	342
Net securities gains (losses)	-	-	-	-	-
Gain on sale of loans, net	26	137	182	303	183
Loan servicing fees, net	226	309	192	(98)	86
Bank owned life insurance	177	157	160	571	163
ATM / debit card revenue	555	494	539	547	550
Other	1,468	503	429	298	334
Total noninterest income	3,003	1,942	1,873	1,987	1,658
Noninterest expenses:					
Salaries and employee benefits	6,408	6,202	6,383	6,302	6,230
Occupancy expense of premises, net	796	602	587	592	587
Outside services	422	666	435	411	391
Data processing	1,205	731	968	788	716
Foreclosed assets and other real estate owned, net	-	-	-	6	6
Other	3,116	3,980	1,878	1,759	1,709
Total noninterest expenses	11,947	12,181	10,251	9,858	9,639
Income before income taxes	3,767	727	3,185	4,230	4,240
Income tax expense	779	(7)	692	833	975
Net income	\$ 2,988	\$ 734	\$ 2,493	\$ 3,397	\$ 3,265

Foresight Financial Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	As of				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Assets					
Cash and due from banks	\$ 28,002	\$ 19,996	\$ 16,905	\$ 30,162	\$ 21,290
Interest-bearing deposits in banks	13,025	46,118	45,357	20,040	11,196
Federal funds sold	787	452	1,738	2,183	3,433
Total cash and cash equivalents	41,814	66,566	64,000	52,385	35,919
Interest-bearing deposits in banks - term deposits	2,259	2,466	4,434	5,169	4,983
Debt securities:					
Debt securities available-for-sale (AFS)	361,146	380,667	369,945	368,386	359,762
Debt securities held-to-maturity (HTM)	3,263	3,263	3,263	3,616	3,609
Marketable equity securities and other investments	5,446	5,671	7,592	6,738	6,215
Loans held for sale	480	573	852	794	480
Loans, net of allowance for credit losses	1,116,498	1,084,761	1,100,657	1,102,342	1,107,199
Foreclosed assets and other real estate owned, net	703	-	-	-	68
Premises and equipment, net	16,889	16,978	17,125	17,125	17,234
Bank owned life insurance	24,646	24,615	24,459	24,300	24,653
Other assets	37,870	40,519	40,892	39,350	39,550
Total assets	<u>\$ 1,611,014</u>	<u>\$ 1,626,079</u>	<u>\$ 1,633,219</u>	<u>\$ 1,620,205</u>	<u>\$ 1,599,672</u>
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits:					
Noninterest-bearing	\$ 247,002	\$ 250,709	\$ 249,076	\$ 237,685	\$ 244,414
Interest-bearing	1,136,961	1,142,009	1,151,627	1,138,578	1,128,081
Total deposits	1,383,963	1,392,718	1,400,703	1,376,263	1,372,495
Federal funds purchased	-	55	5,804	4,764	6,053
Securities sold under agreements to repurchase	12,466	21,095	15,017	23,381	21,930
Federal Home Loan Bank (FHLB) and other borrowings	39,889	37,810	40,911	39,174	39,293
Accrued interest payable and other liabilities	14,737	16,670	17,386	16,970	16,674
Total liabilities	1,451,055	1,468,348	1,479,821	1,460,552	1,456,445
Stockholders' equity:					
Preferred stock	-	-	-	-	-
Common stock	1,062	1,060	1,060	1,060	1,022
Additional paid-in capital	16,704	16,482	16,482	16,445	11,660
Retained earnings	187,237	184,972	184,961	183,118	180,346
Treasury stock, at cost	(16,013)	(16,008)	(16,008)	(16,008)	(16,008)
Accumulated other comprehensive loss	(29,031)	(28,775)	(33,097)	(24,963)	(33,793)
Total stockholders' equity	159,959	157,731	153,398	159,653	143,227
Total liabilities and stockholders' equity	<u>\$ 1,611,014</u>	<u>\$ 1,626,079</u>	<u>\$ 1,633,219</u>	<u>\$ 1,620,205</u>	<u>\$ 1,599,672</u>

KEY FINANCIAL RATIOS
(Unaudited)

	As of and for the Quarter Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Basic earnings per common share	\$ 0.83	\$ 0.20	\$ 0.69	\$ 0.97	\$ 0.95
Diluted earnings per common share	0.82	0.20	0.69	0.97	0.94
Dividends per common share		0.20	0.18	0.18	0.18
Book value per common share	44.41	43.84	42.63	44.38	41.59
Tangible book value per common share	44.37	43.80	42.59	44.34	41.55
Tangible book value, excluding AOCI, per share	52.43	51.80	51.79	51.28	51.36
End of period shares outstanding	3,606,087	3,598,042	3,598,042	3,597,418	3,443,937
Average number of shares outstanding	3,606,137	3,598,042	3,597,478	3,494,270	3,450,527
Return on average assets	0.75%	0.21%	0.58%	0.82%	0.82%
Return on average equity	7.60%	2.18%	6.08%	8.83%	9.40%
Net interest margin, tax equivalent	3.40%	3.25%	3.14%	3.21%	3.24%
Efficiency ratio, tax equivalent	73.61%	83.72%	72.58	68.97	68.13

ASSET QUALITY DATA**(Unaudited)**

(Amounts in thousands)

	As of				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Nonaccrual Loans	25,939	28,564	28,175	23,653	21,366
Accruing loans past due 90 days or more	688	185	230	680	32
Total non-performing loans	26,627	28,749	28,405	24,333	21,398
Other real estate owned and other assets	703	6	13	7	-
Impaired other investments	961	961	-	-	-
Total non-performing Assets	28,291	29,716	28,418	24,340	21,398
Total Loans	1,130,124	1,100,853	1,115,351	1,117,022	1,121,742
Allowance for credit losses	13,626	16,092	14,694	14,678	14,543
Loans, net of allowance for credit losses	1,116,498	1,084,761	1,100,657	1,102,344	1,107,199
Nonperforming assets tototal assets	1.76%	1.83%	1.74%	1.50%	1.34%
Nonperforming loans to total loans	2.36%	2.61%	2.55%	2.18%	1.91%
Allowance for credit losses to total loans	1.21%	1.46%	1.32%	1.31%	1.30%
Allowance for credit losses to noperforming loans	51.17%	55.97%	51.73%	60.32%	67.96%