



NEWS RELEASE

FORESIGHT FINANCIAL GROUP, INC.

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FORESIGHT REPORTS FULL YEAR AND FOURTH QUARTER 2024 RESULTS

Foresight Financial Group, Inc. (OTCQX:FGFH) reported net income \$12.66 million for the year ended December 31, 2024, a \$1.89 million decrease compared to the \$14.55 million reported for 2023. Diluted Earnings per Share (EPS) decreased 12% to \$3.59 compared to \$4.08 the prior year. The results for 2024 produced a Return on Average Equity of 8.66% and Return on Average Assets (ROAA) of 0.79%. The net income in comparison to the prior year was largely the result of an increase in operating expenses.

Net income for the fourth quarter of 2024 equaled \$2.49 million, a \$4.24 million decrease from the \$6.73 million reported in the fourth quarter of 2023. The decrease was primarily due to a \$4.04 million increase in the provision for loans losses, reflecting a \$3.37 million negative provision in the fourth quarter of 2023. Diluted earnings per share for the fourth quarter of 2024 was \$0.69 compared to \$1.83 for the fourth quarter of 2023.

Net interest income for the full year 2024 decreased by \$283 thousand to \$48.99 million as compared to \$49.27 million the year before. The net interest margin on a fully taxable equivalent basis decreased nine basis points to 3.25% compared to 3.34% in 2023. The inverted yield curve, which persisted throughout 2024, continued to drive up deposit costs, with limited opportunities to increase yields on earning assets, which are typically priced off of longer-term points of the yield curve.

The provision for loan losses for 2024 of \$1.05 million was \$54 thousand less than the prior year provision of \$1.10 million. Foresight's asset quality remains strong. Non-performing assets of the Company as of December 31, 2024, was \$28.41 million compared to \$24.33 million the previous quarter and \$16.05 million at the end of 2023.

Noninterest income for the full year 2024 was \$7.25 million, a \$393 thousand decrease from \$7.64 million the year before. The decrease from 2023 was primarily the result of a \$438 thousand negative fair value adjustment to the Company's Originated Mortgage Servicing Rights, which are carried at fair value.

Operating expenses for 2024 totaled \$38.96 million, a \$2.27 million, or 6.2%, increase over \$36.69 million in 2023. The increase in operating expenses was largely driven by an increase in salary and employee benefits related to the addition of the Rockford based banking team as announced earlier in 2024, additional staffing to support our expanded treasury management services initiative, data processing fees related to our digital platform conversion, as well as legal and consulting fees related to our charter consolidation project which is expected to be fully implemented by Q4 2025.

Foresight's balance sheet experienced modest growth during 2024. Total loans grew by \$31.57 million, or 3%, to \$1.12 billion at December 31, 2024 compared to \$1.08 billion at the end of the previous year. Total deposits increased by \$43.15 million, or 3.2%, to \$1.40 billion at the end of 2024 compared to \$1.36 billion at the end of 2023.

Foresight CEO Peter Q. Morrison stated "2024 was a year of exciting changes for the organization including the addition of the Rockford banking team as well as the announcement of the charter consolidation initiative. We anticipate the legal consolidation to occur in the second quarter of 2025 followed by the conversions to a single data processing platform to be layered in between August and October of 2025. When fully implemented, the consolidation will provide significant savings via the reduction of duplicative operational expenses and well as efficiencies gained by operating under one functional banking platform rather than six, all of which are expected to be accretive to shareholder return."

The closing price for the Company's stock was \$32.92, as of close of business January 27, 2025. Book value per share of the Company's common stock increased by \$2.51 to \$42.59 as of December 31, 2024 compared to \$40.08 as of December 31, 2023. The book value per share of common stock, excluding Accumulated Other Comprehensive Income was \$51.83 at December 31, 2024 compared to \$49.38 at the end of 2023.

About Foresight Financial

Foresight Financial is a multi-bank holding company located in Northern Illinois, its subsidiary community banks include Northwest Bank of Rockford, State Bank in Freeport, State Bank of Davis, Foresight Bank in Pecatonica (fka German American State Bank), 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.