



NEWS RELEASE

FORESIGHT FINANCIAL GROUP, INC.

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FORESIGHT REPORTS 2025 FOURTH QUARTER AND FULL YEAR RESULTS

Foresight Financial Group, Inc. (OTCQX: FGFH) reported net income of \$2.54 million for the quarter ended December 31, 2025, a 2% increase compared to \$2.49 million reported for the fourth quarter of 2024, and a 59% increase compared to \$1.60 million reported for the third quarter of 2025. Diluted Earnings per Share for the fourth quarter was \$0.70 compared to \$0.69 for the fourth quarter of 2024 and \$0.44 for the most recent quarter ended September 30, 2025. The 2025 fourth quarter results include \$1.16 million in non-recurring expenses, a \$961 thousand impairment charge on a non-marketable equity investment and \$197 thousand of conversion related expenses. The fourth quarter results produced a Return on Average Equity of 5.96% and Return on Average Assets of 0.60%.

Net income for the year ended December 31, 2025 decreased by 38% to \$7.87 million compared to \$12.66 million for 2024. The decrease in net income reflects a \$1.63 million increase in provision for loan losses, a \$2.92 million impairment charge related to an other equity investment and \$3.49 million of charter consolidation related expenses. Diluted Earnings per Share for 2025 was \$2.17 compared to \$3.59 for 2024.

Foresight CEO Peter Q. Morrison stated “the final systems conversions and operational consolidation of our Company’s six separate banking charters into one was completed during the fourth quarter. The charter consolidation process, which included five core and ancillary systems conversions, was an expensive and time-consuming effort that we are happy to have behind us. That, coupled with the legacy credit challenges and associated credit marks, which were primarily from our German American market, caused 2025 to be both a challenging and transitional year. As a result of concerted efforts throughout 2025 to significantly improve our credit profile, we were able to achieve a 46% reduction in non-performing assets which is reflected in our fourth quarter results. We are grateful to see renewed interest in Foresight’s stock, which closed at

\$43.25 on January 21, 2026, a 34% increase over the closing price one year earlier. As we enter 2026, the Company is positioned for future growth and profitability, and we are focused on gaining operational efficiencies, strengthening our sales culture, enhancing our product offerings, and maintaining a strong credit culture”.

Net interest income for the fourth quarter of 2025 increased by \$2.08 million, or 17%, to \$14.30 million as compared to \$12.23 million for the fourth quarter of 2024; and increased by \$1.15 million, or 9%, compared to the quarter ended September 30, 2025. The taxable equivalent net interest margin increased to 3.53% compared to 3.14% in the fourth quarter of 2024; and 3.41% for the quarter ended June 30, 2025.

Net interest income for the year ended December 31, 2025 increased by \$3.69 million, or 8%, to \$52.67 million compared to \$48.99 million for 2024. The tax equivalent net interest margin was 3.35% for 2025, increasing ten basis points over 2024. The Federal Reserve rate cuts in late third quarter and in the fourth quarter of 2025 contributed to the Company’s ability to lower cost of funds more than the decrease in earning asset yields.

Total loans increased by \$4.6 million during the quarter to \$1.141 billion as of December 31, 2025 compared to \$1.137 billion as of September 30, 2025; and increased by \$26.2 million, or 2%, since the end of 2024. Overall loan growth for the quarter was hindered by pay-offs of participations purchased and other intentional exits of watch credits.

Total deposits increased by \$46.4 million during the fourth quarter to \$1.43 billion as of December 31, 2025; and increased by \$27.8 million as compared to total deposits at the end of 2024.

The provision for loan losses for the quarter ended December 31, 2025 increased by \$107 thousand to \$772 thousand as compared to \$665 thousand in the fourth quarter of the prior year; and increased by \$400 thousand compared to the third quarter of 2025. The provision for loan losses for the year ended December 31, 2025 was \$2.68 million, a \$1.63 million increase over the provision expense for 2024. Net loan charge-offs totaled \$1.41 million and \$5 million for the quarter and year ended December 31, 2025, respectively.

Total non-performing assets of the Company as of December 31, 2025 were \$15.31 million compared to \$28.43 million in the previous quarter, and \$28.42 million at the end of 2024. The ratio of non-performing assets to total assets dropped to 0.92% from 1.75% as of September 30, 2025 and 1.74% as of December 31, 2024. The drop in non-performing assets during the fourth includes \$1.69 million of net paydowns, \$1.41 million of net loan charge-offs, \$961 thousand investment impairment charged to expense, \$7.39 million of net upgrades to performing status, and \$1.65 million reduction in loans over 90 days delinquent and foreclosed assets.

Non-interest income for the quarter ended December 31, 2025 decreased \$102 thousand to \$1.77 million compared to \$1.87 million in the fourth quarter of the prior year.

Non-interest income for the year ended December 31, 2025 increased by \$1.31 million to \$8.50 million compared to \$7.19 million for 2024. This increase includes \$1.2 million of non-recurring revenue received under a branding agreement.

Non-interest expense for the quarter ended December 31, 2025 totaled \$11.87 million, a \$1.62 million increase over \$10.25 million in the fourth quarter of 2024; and a \$487 thousand decrease from the most recent quarter ended September 30, 2025.

Non-interest expense for the year ended December 31, 2025 increased by \$9.46 million to \$48.35 million compared to \$38.89 million in 2024. This increase includes \$6.65 million in non-recurring expenses. The table below breaks out non-recurring expenses by expense category for the full year 2025:

	Year Ended December 31,			
	2025			2024
	Actual	Non-Recurring	Excluding Non-Recurring	Actual
Operating Expenses:	Expenses	Expenses	Expenses	Expenses
	(in thousands)			
Salaries and employee benefits	26,032	379	25,653	24,670
Occupancy expense of premises, net	3,042		3,042	2,692
Outside services	2,112	453	1,659	1,611
Data processing	5,281		5,281	4,302
Other	11,887	5,816	6,071	5,619
	48,354	6,648	41,706	38,894

The non-recurring salaries and benefits and outside services are all attributable to the charter consolidation effort. Non-recurring other expenses include \$2.69 million of charter consolidation expenses, a \$2.92 million impairment of an other investment, and \$238 thousand of other nonrecurring expenses. Excluding the non-recurring items noninterest expenses increased \$2.72 million, or 7%, over 2024.

The closing price for the Company's stock was \$43.25, as of the close of business January 21, 2025. Tangible Book Value per Share of the Company's common stock increased by \$0.94 and \$4.59 to \$47.18 compared to \$46.24 as of September 30, 2025 and \$42.59 as of December 31, 2024, respectively. The Tangible Book Value per Share of the Company's common stock, excluding Accumulated Other Comprehensive Income increased \$1.33 to \$53.12 as of December 31, 2025, compared to \$51.79 at the end of 2024.

About Foresight Financial Group, Inc.

Foresight Financial Group, Inc. is the largest 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 traded 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.

	Year Ended December 31,	
	2025	2024
	(in thousands, except per share data)	
Interest and dividend income:		
Interest and fees on Loans	\$ 70,893	\$ 69,284
Interest on investment securities	10415	8,861
Interest on fed funds sold and other deposits	1384	2,559
Total interest income	82,692	80,704
Interest expense:		
Deposits	28,553	29,855
Federal funds purchased	6	64
FHLB and other borrowings	1,459	1,798
Total interest expense	30,018	31,717
Net interest income	52,674	48,987
Provision for credit losses	2,680	1,052
Net interest and dividend income, after provision for credit losses	49,994	47,935
Noninterest income:		
Customer service fees	1,761	1,421
Net securities gains (losses)	0	(111)
Gain on sale of loans, net	324	772
Loan servicing fees, net	749	249
Bank owned life insurance	667	1,110
ATM / interchange fees	2,236	2,143
Other	2,764	1,609
Total noninterest income	8,501	7,193
Noninterest expenses:		
Salaries and employee benefits	26,032	24,670
Occupancy expense of premises, net	3,042	2,692
Outside services	2,112	1,611
Data processing	5,281	4,302
Other	11,887	5,619
Total noninterest expenses	48,354	38,894
Income before income taxes	10,141	16,234
Income tax expense	2,273	3,570
Net income	\$ 7,868	\$ 12,664
Earnings per common share:		
Basic	\$ 2.18	\$ 3.61
Diluted	\$ 2.17	\$ 3.59

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

	December 31, 2025	December 31, 2024
Assets		
	(in thousands, except per share data)	
Cash and due from banks	\$ 15,844	\$ 16,905
Interest-bearing deposits in banks	11,254	45,357
Federal funds sold	775	6,172
Total cash and cash equivalents	<u>27,873</u>	<u>68,434</u>
Debt Securities:		
Available-for-sale (AFS)	428,688	369,945
Held-to-maturity (HTM)	2,378	3,263
Marketable equity securities and other investments	4,427	7,592
Loans held for sale	1,549	852
Loans, net of allowance for credit losses	1,127,617	1,100,657
Premises and equipment, net	17,855	17,125
Bank owned life insurance	24,979	24,459
Other assets	33,281	40,892
Total assets	<u>\$ 1,668,647</u>	<u>\$ 1,633,219</u>
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	\$ 219,275	\$ 249,076
Interest-bearing	1,209,276	1,151,627
Total deposits	<u>1,428,551</u>	<u>1,400,703</u>
Federal funds purchased	-	5,804
Securities sold under agreements to repurchase	-	15,017
Federal Home Loan Bank (FHLB) and other borrowings	53,429	40,911
Accrued interest payable and other liabilities	16,405	17,386
Total liabilities	<u>1,498,385</u>	<u>1,479,821</u>
Preferred stock	-	-
Common stock	1,063	1,060
Additional paid-in capital	16,720	16,482
Retained earnings	189,941	184,961
Treasury stock, at cost	(16,013)	(16,008)
Accumulated other comprehensive loss	(21,449)	(33,097)
Total stockholders' equity	<u>170,262</u>	<u>153,398</u>
Total liabilities and stockholders' equity	<u>\$ 1,668,647</u>	<u>\$ 1,633,219</u>

	For the Quarter Ended				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Interest and dividend income:					
Interest and fees on Loans	\$ 18,343	\$ 17,893	\$ 17,739	\$ 16,918	\$ 17,249
Interest on investment securities	2,983	2,447	2,394	2,591	2,269
Interest on fed funds sold and other deposits	417	150	285	532	818
Total interest income	21,743	20,490	20,418	20,041	20,336
Interest expense:					
Deposits	7,158	6,930	7,099	7,366	7,641
Federal funds purchased	-	4	-	2	7
FHLB and other borrowings	282	398	370	409	460
Total interest expense	7,440	7,332	7,469	7,777	8,108
Net interest income	14,303	13,158	12,949	12,264	12,228
Provision for credit losses	772	372	238	1,298	665
Net interest income after provision for loan losses	13,531	12,786	12,711	10,966	11,563
Noninterest income:					
Customer service fees	445	424	551	341	371
Net securities gains (losses)	-	-	-	-	-
Gain on sale of loans, net	81	79	26	138	182
Loan servicing fees, net	108	106	226	309	192
Bank owned life insurance	167	166	177	157	160
ATM / debit card revenue	581	605	555	495	539
Other	389	404	1,468	503	429
Total noninterest income	1,771	1,784	3,003	1,943	1,873
Noninterest expenses:					
Salaries and employee benefits	6,613	6,808	6,408	6,203	6,383
Occupancy expense of premises, net	795	775	772	700	660
Outside services	409	615	422	666	435
Data processing	1,330	1,407	1,403	1,141	1,359
Other	2,722	2,751	2,943	3,471	1,414
Total noninterest expenses	11,869	12,356	11,948	12,181	10,251
Income before income taxes	3,433	2,214	3,766	728	3,185
Income tax expense	889	612	779	(7)	692
Net income	\$ 2,544	\$ 1,602	\$ 2,987	\$ 735	\$ 2,493

	As of				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Assets					
Cash and due from banks	\$ 15,844	\$ 19,601	\$ 28,002	\$ 19,996	\$ 16,905
Interest-bearing deposits in banks	11,254	26,994	13,025	46,118	45,357
Federal funds sold	775	1,989	3,046	2,918	6,172
Total cash and cash equivalents	27,873	48,584	44,073	69,032	68,434
Debt securities:					
Debt securities available-for-sale (AFS)	428,688	369,287	361,146	380,667	369,945
Debt securities held-to-maturity (HTM)	2,378	2,741	3,263	3,263	3,263
Marketable equity securities and other investments	4,427	5,545	5,446	5,671	7,592
Loans held for sale	1,549	-	480	573	852
Loans, net of allowance for credit losses	1,127,617	1,123,376	1,116,498	1,084,761	1,100,657
Premises and equipment, net	17,855	18,054	16,889	16,978	17,125
Bank owned life insurance	24,979	24,812	24,646	24,615	24,459
Other assets	33,281	36,373	38,573	40,519	40,892
Total assets	\$ 1,668,647	\$ 1,628,772	\$ 1,611,014	\$ 1,626,079	\$ 1,633,219
Liabilities and Stockholders' Equity					
Liabilities:					
Deposits:					
Noninterest-bearing	\$ 219,275	\$ 241,473	\$ 247,002	\$ 250,709	\$ 249,076
Interest-bearing	1,209,276	1,140,725	1,136,961	1,142,009	1,151,627
Total deposits	1,428,551	1,382,198	1,383,963	1,392,718	1,400,703
Federal funds purchased	-	-	-	55	5,804
Securities sold under agreements to repurchase	-	26,354	12,466	21,095	15,017
Federal Home Loan Bank (FHLB) and other borrowings	53,429	37,662	39,889	37,810	40,911
Accrued interest payable and other liabilities	16,405	15,666	14,737	16,670	17,386
Total liabilities	1,498,385	1,461,880	1,451,055	1,468,348	1,479,821
Stockholders' equity:					
Preferred stock	-	-	-	-	-
Common stock	1,063	1,063	1,062	1,060	1,060
Additional paid-in capital	16,720	16,716	16,704	16,482	16,482
Retained earnings	189,941	188,119	187,237	184,972	184,961
Treasury stock, at cost	(16,013)	(16,013)	(16,013)	(16,008)	(16,008)
Accumulated other comprehensive loss	(21,449)	(22,992)	(29,031)	(28,775)	(33,097)
Total stockholders' equity	170,262	166,892	159,959	157,731	153,398
Total liabilities and stockholders' equity	\$ 1,668,647	\$ 1,628,772	\$ 1,611,014	\$ 1,626,079	\$ 1,633,219

SELECTED FINANCIAL DATA (Unaudited)

(Dollars in thousands, except per share amounts and ratios)

The following table outlines selected financial data as of and for the :

	Three Months Ended					Twelve Months Ended	
	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
PER COMMON SHARE							
Basic earnings	\$ 0.71	\$ 0.44	\$ 0.83	\$ 0.20	\$ 0.69	\$ 2.18	\$ 3.61
Diluted earnings	0.70	0.44	0.82	0.20	0.69	2.17	3.59
Dividends	0.20	0.20	0.20	0.20	0.18	0.80	0.72
Book value	47.21	46.28	44.41	43.84	42.63	47.21	42.63
Tangible book value	47.18	46.24	44.37	43.80	42.59	47.18	42.59
Tangible book value, excluding AOCI	53.12	52.62	52.43	51.80	51.79	53.12	51.79
End of period shares outstanding	3,606,123	3,606,123	3,606,087	3,598,042	3,598,042	3,606,123	3,598,042
Average number of shares outstanding	3,606,119	3,606,119	3,606,137	3,598,042	3,597,478	3,604,133	3,509,509
Market Price	41.78	32.48	31.13	31.63	32.21	41.78	32.21

PERFORMANCE RATIOS

Return on average assets	0.60%	0.40%	0.75%	0.21%	0.58%	0.48%	0.79%
Return on average equity	5.96%	3.90%	7.60%	2.18%	6.08%	4.88%	8.66%
Net interest margin, tax equivalent	3.53%	3.41%	3.40%	3.25%	3.14%	3.35%	3.25%
Efficiency ratio, tax equivalent	73.32%	81.23%	73.61%	83.72%	72.58%	78.4%	68.6%
Loan to Deposit Ratio	79.91%	82.26%	81.66%	79.04%	79.63%	79.91%	79.63%

ASSET QUALITY DATA

Nonaccrual Loans	14,937	25,452	25,939	28,564	28,175	14,937	28,175
Accruing loans 90+ days past due	373	1,967	688	185	230	373	230
Total non-performing loans	15,310	27,419	26,627	28,749	28,405	15,310	28,405
Foreclosed assets	-	56	703	6	13	-	13
Impaired other investments	-	961	961	961	-	-	-
Total non-performing Assets	15,310	28,436	28,291	29,716	28,418	15,310	28,418

Total Loans	1,141,600	1,137,006	1,130,124	1,100,853	1,115,351	1,141,600	1,115,351
Allowance for credit losses	12,983	13,630	13,626	16,092	14,694	12,983	14,694
Loans, net of ACL	1,128,617	1,123,376	1,116,498	1,084,761	1,100,657	1,128,617	1,100,657

Nonperforming assets to total assets	0.92%	1.75%	1.76%	1.83%	1.74%	0.92%	1.74%
Nonperforming loans to total loans	1.34%	2.41%	2.36%	2.61%	2.55%	1.34%	2.55%
Allowance to total loans	1.14%	1.20%	1.21%	1.46%	1.32%	1.14%	1.32%
Allowance to nonperforming loans	84.80%	49.71%	51.17%	55.97%	51.73%	84.80%	51.73%

ALLOWANCE FOR CREDIT LOSSES ACTIVITY

Beginning of period balance	13,630	13,626	16,092	14,694	14,678	14,694	14,197
Provision for loan losses	772	372	238	1,298	665	2,680	1,052
Provision for unfunded commitments	(14)	(5)	224	110	(260)	315	27
Charge-offs	(1,594)	(373)	(2,958)	(74)	(405)	(4,999)	(658)
Recoveries	189	10	30	64	16	293	76
Ending of period balance	12,983	13,630	13,626	16,092	14,694	12,983	14,694