

**FOR IMMEDIATE RELEASE, ON OR ANYTIME AFTER FEBRUARY 2, 2026**

**SUBJECT: Merchants Financial Group, Inc. Announces Preliminary Earnings of \$32,377,995 for 2025**

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**WINONA, Minn.** – Merchants Financial Group, Inc. (MFGI) made a preliminary earnings announcement for 2025 projecting net income of \$32,377,995 according to MFGI President & CEO Gregory M. Evans. The earnings report, subject to external audit, is \$4.04 million above plan and a year-over-year earnings increase of \$13.84 million (74.64%) compared to 2024.

“This will only be the second time in Company history that earnings have exceeded \$30 million in net income,” said Evans. “I am enormously proud of the commitment of our team and that this record earnings year was the culmination of our 150<sup>th</sup> anniversary year of uninterrupted service to our customers and 19 communities.”

2025’s performance results far exceed MFGI’s previous record for net income in 2022 of \$30.42 million. Key drivers of Merchants’ financial rebound were strategic balance sheet management resulting in improvement in net interest income, progress in working out of a small number of large and stressed credit facilities, and strong year-over-year profit contribution growth for residential mortgage lending and the Trust division of the Company’s wealth management practice, with increases of 7.64% and 8.20% respectively.

Year-over-year deposit growth for Merchants was 4.02%, which was above plan by \$97.39 million. Loan growth did not materialize as planned in 2025, with total net loans declining by 3.66% compared to 2024. However, the lack of growth and stabilization of the risk profile in MFGI’s consolidated loan portfolio allowed a reversal \$1.6 million of excess Allowance for Credit Loss (ACL) throughout the year, compared to the \$10.1 million added to ACL in 2024.

Additionally, Evans noted that the Company made significant progress on several strategic initiatives and is positioned for strong performance in 2026. Merchants community commitment remains steadfast, with contributions of 1.73% of pre-tax earnings made to more than 400 organizations and employees volunteering thousands of hours last year.

Merchants Financial Group, Inc. is a publicly-traded Company. Ownership is made up of its more than 400 employees and mostly individuals and families from southeastern Minnesota and west-central Wisconsin.

Merchants Bank is a full service community bank with bank locations in southeastern Minnesota and west-central Wisconsin and a leasing division, Merchants Bank Equipment Finance, in Edina. Headquartered in Winona, MN, MFGI has more than \$2.8 billion in assets and is the seventh largest bank chartered in the state of Minnesota. Merchants was founded in 1875. Member FDIC.

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