

# Bank Watch

## Southeast

## Process of Elimination Becomes the Catalyst

by Jeff K. Davis, CFA

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An old market saw is that bull markets take the stairs and bear markets take the elevator. The current market fits the bull market description given the slow grind higher. The S&P 500 has produced a total return of 9% YTD, 15% since the post-election low on November 14 and 43% since October 4, 2011, when equities and credit cratered following the downgrade of the U.S. and seizure in the funding markets for European banks.

The recent gains are impressive given the lack of any meaningful pullbacks other than two brief periods of less than 10% since the Q3'11 swoon. Otherwise, the S&P 500, Russell 2000 and NASDAQ Composite charts are a series of higher highs and higher lows. The recent run is curious because of the weekly announcements of weak and/or an unusually uncertain operating environment (I recognize the future, by definition, is uncertain) that retail-oriented companies are making. Markets have an uncanny ability to see 6-to-9 months out. So, recent strength may point to an improving economic backdrop by the fall.

Or maybe the Fed's elixir is lasting longer than expected when the current round of QE was announced last fall. Chairman Ben Bernanke has been very explicit that the Fed is targeting equity (and real estate) markets to support the economy via the presumed wealth effect. I would add the targeting of real estate markets has supported the recapitalization of the banking sector — a project that is now complete if one disregards a subset of troubled small banks. The strength of equities probably will not elicit any commentary in next week's Federal Open Market Committee meeting, though Bernanke may be asked about equities during the press conference that is scheduled to follow the meeting.

At Mercer Capital, we have spent 30 years studying equity market returns, expectations and how various components in a capitalization rate (or capitalization factor) alter value. There is no need to go into the theoretical underpinnings of discount rates and capitalization rates in this setting, but if you are interested see: *Valuing Financial Institutions* (by Chris Mercer; 1991) and Morningstar's *Ibbotson S&P Valuation Yearbook*. Aside from the large- and small-cap equity risk premium, the level of long-term "risk-free" rates (here measured by the 20-year U.S. Treasury) and expected long-term earnings/cash flow growth are key. The level of Treasury yields and earnings multiples are inversely correlated, while expected (sustainable) earnings growth and multiples are positively correlated.

Two observations related to this: a general increase in rates is not necessarily bad for equity valuations if rates are rising due to stronger economic growth and therefore potentially better earnings growth. Also, if there is one attribute the Street loves when contemplating equities, it is earnings growth. And an even better attribute is accelerating earnings growth. A case in point in the banking sector is the performance of BofI Holding Inc. and Signature Bank in terms of accelerating growth and Texas Capital Bancshares Inc. in terms of decelerating growth. All three are great growth stories, but their stock charts have diverged sharply over the past several months.

The consensus around Wall Street is that equities, while perhaps not cheap, are attractive vis-à-vis alternative investments in spite of the run the past 16 months. While one can debate the extent that QE has distorted asset values and the valuation of various assets, there may be something to the consensus — at least from a mathematical perspective. As shown in the table, the S&P 500 as of March 8 was trading for 18.2x reported trailing twelve-month earnings and 13.9x consensus forward twelve-month operating earnings. To the extent the subject company (or index) in the table can sustain earnings growth that tracks nominal GDP growth (4% to 5%), maybe further multiple expansion will occur provided the Fed keeps a tight rein on long-term rates. (Note: the delta between trailing reported earnings and forward operating consensus estimate says a lot about Wall Street salesmanship and why investors rarely hear Street professionals talk about trailing earning P/Es. Cheap, a margin of safety and potential multiple expansion sells; fully valued does not.)

In addition to the Case-Shiller Index, Robert Shiller is widely known for his work on equity multiples. The Shiller P/E, which is formally known as the cyclically adjusted P/E (CAPE), is based upon a ten-year trailing average of inflation adjusted earnings. In doing so the multiple captures a full business cycle (or two) in addition to the inflation impact. As of March 8, the Shiller P/E was 23.4x. The average Shiller P/E since 1880 is 16.5x, though most of the period entailed a term structure of rates that is higher than prevails today.

I think Shiller has been arguing the market is richly valued lately, but valuation is never a catalyst. In my mind cheap is 8x to 10x normalized earnings for a value company and something higher for a growth story that is not predicated upon break-through technologies or over the horizon earnings. However, my formative years in valuing banks were the early 1990s when equities really were cheap and before Chairman Alan Greenspan unleashed the great moderation on asset values. So, I may not be able to correctly process the current environment.

Whether cheap or merely trading for a discount to a theoretical multiple (if the Shiller P/E is discarded), a catalyst is needed to close the valuation gap. The Fed may be the continuing

catalyst. It has pushed rates lower and asset values higher since March 2009. The jury is out on the Fed's efforts to push economic growth higher from here, but it seems to have made most fixed investment akin to technology stocks in the late 1990s — though realization of the downside may be years away. When all but one option apparently is eliminated, the consensus may be on to something.

**Multiple Sensitivity - Risk-Free Rate, Equity Premiums, and Expected Growth**

As of March 11, 2013

Metric or Calculation	Small-Cap Public Company	Large-Cap Public Company	Low-Risk Private Company	High-Risk Private Company
Yield-to-maturity 20-year US Treasury (%) <sup>1</sup>	2.82	2.82	2.82	2.82
+ Multiyear common stock premium (%) <sup>2</sup>	5.37			
x Industry beta (x)	1.00			
= Beta adjusted equity premium (%)	5.37	5.37	5.37	5.37
+ Small capitalization stock premium (%)	---	2.80	2.80	2.80
+ Specific risk associated with subject (%)	---		1.50	5.00
<b>= Discount rate (%)</b>	<b>8.19</b>	<b>10.99</b>	<b>12.49</b>	<b>15.99</b>
- Long-term sustainable growth rate (%)	-4.00	-6.00	-4.00	-6.00
= Capitalization rate (%)	4.19	4.99	8.49	9.99
<b>= Capitalization factor (1/cap rate) (x)</b>	<b>23.87</b>	<b>20.04</b>	<b>11.78</b>	<b>10.01</b>
S&P 500 P/E - reported trailing 12 mo EPS (x) <sup>3</sup>	18.2			
S&P 500 P/E - forward 12 months (x) <sup>3</sup>	13.9			
S&P 500 P/E - Shiller CAPE (x) <sup>4</sup>	23.4			
Russell 2000 - forward 12 months (x) <sup>3</sup>	NM	16.3		

Specific risks and growth rate assumptions reflect hypothetical metrics for illustration purposes.

<sup>1</sup> Treasury yield for 20-year bonds per the Federal Reserve H.15 as of March 8, 2013

<sup>2</sup> Multiyear common stock premium per Mercer Capital's analysis of Ibbotson return data

<sup>3</sup> S&P 500 and Russell 200 P/E data per Birinyi Associates as reported in the WSK on March 10, 2013

<sup>4</sup> Shiller P/E ratio per <http://www.multpl.com/shiller-pe/>



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# Mercer Capital's 2013 Webinar Series

Learn more and register at  
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The Financial Institutions Group of Mercer Capital works with hundreds of depository institutions annually providing a broad range of specialized advisory services to the financial services industry.

Join us in 2013 for a complimentary series of short, topical, and targeted webinars on issues important to your institution in today's current banking environment.

## Upcoming Webinar Schedule

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### Are You a Potential Buyer?

The #1 factor that a buyer controls in determining the return is the price paid. Deals occurring later in a credit cycle tend to entail a higher price and worse outcome for the buyer. We review price and other issues from the buyer's perspective that we think matter in ensuring a successful merger.

*Friday, April 19, 2013 » 12:00 – 12:30pm Central*  
**Register now at [www.mercercapital.com](http://www.mercercapital.com)**

## Webinars Available for Replay

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### The Outlook for M&A in 2013

Our expectations for bank M&A in 2013, which follows a modest pick-up in activity in 2012 vis-à-vis 2011, are presented. Investors are anxious for M&A to increase given the earnings outlook, but seller expectations and regulatory actions are acting as a governor—at least for the now.

*View replay at <http://mer.cr/bnkweb1>*

### Understanding Deal Considerations

Key issues that we see when banks combine as it relates to valuing and evaluating a combination are reviewed. This is particularly critical when the consideration consists of shares issued by a buyer (or senior merger partner) whose shares are either privately held or are thinly traded.

*View replay at <http://mer.cr/bnkweb2>*

### How to Profit on a Distressed Transaction

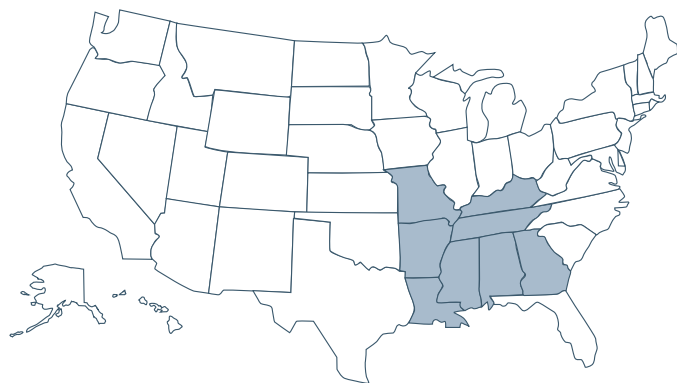
Buyers have been leery of acquiring troubled banks in non-assisted deals. With a slowly recovering economy, we take a look at the opportunities and pitfalls or making an acquisition of a “turnaround” bank.

*View replay at <http://mer.cr/bnkweb3>*

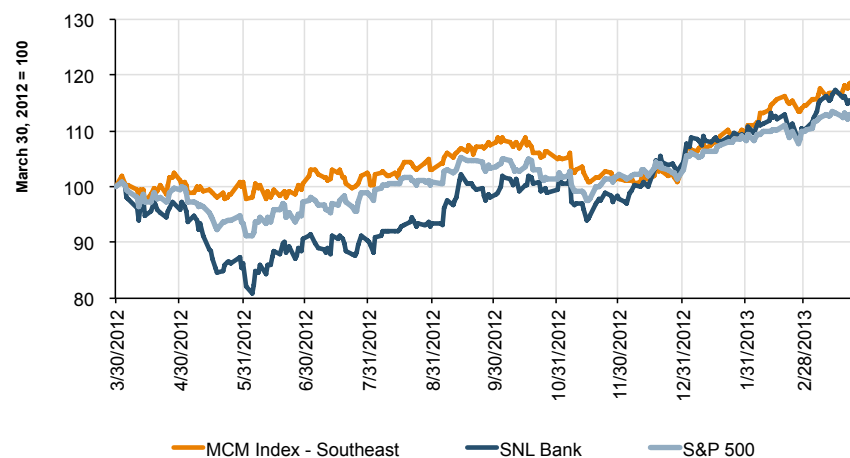
## About the Speaker

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Jeff K. Davis, Managing Director of Mercer Capital's Financial Institutions Group, will be the featured speaker for each listed webinar. Jeff spent 13 years as a sell-side analyst providing coverage of publicly traded banks and specialty finance companies to institutional investors evaluating common equity and fixed income investment opportunities. Presently, he is an editorial contributor to SNL Financial.



Community Bank Group Index Overview



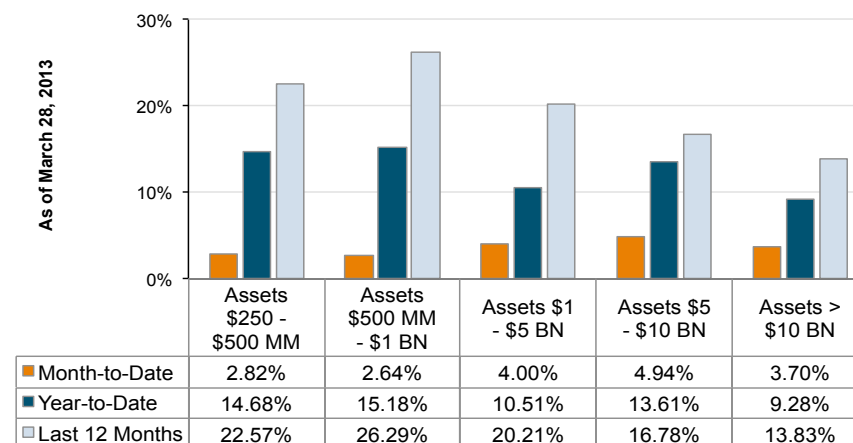
Median Valuation Multiples

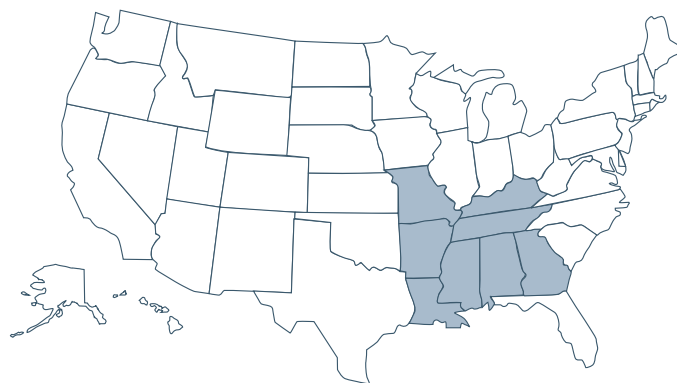
as of March 30, 2013

	Southeast Community Bank Index	National Community Bank Index
Price / LTM EPS	13.72	12.74
Price / 2013 (E) EPS	15.39	13.40
Price / 2014 (E) EPS	13.30	12.57
Price / Book Value	88.25%	102.33%
Price / Tangible Book Value	99.98%	110.93%
Dividend Yield	2.29%	2.61%

Return Stratification of U.S. Banks

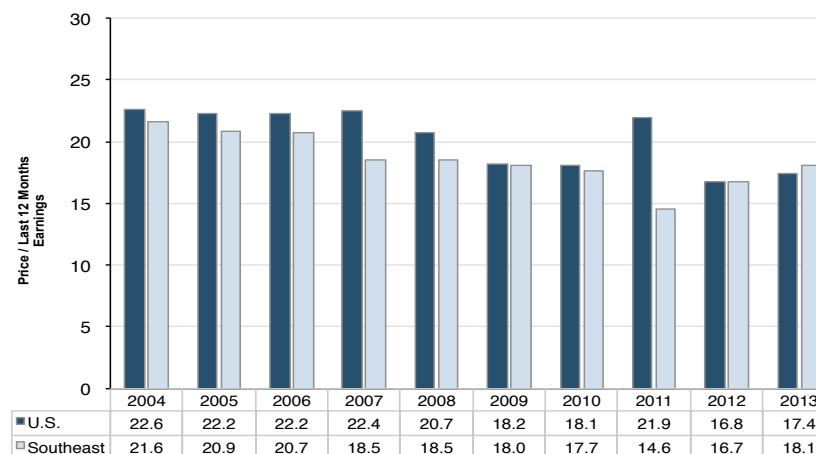
by Asset Size





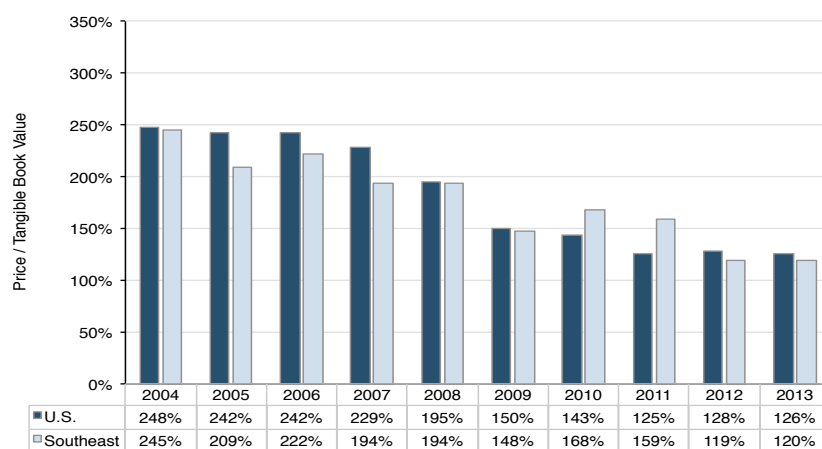
### Median Price/Earnings Multiples

Target Banks Assets <\$5BN and LTM ROE >5%



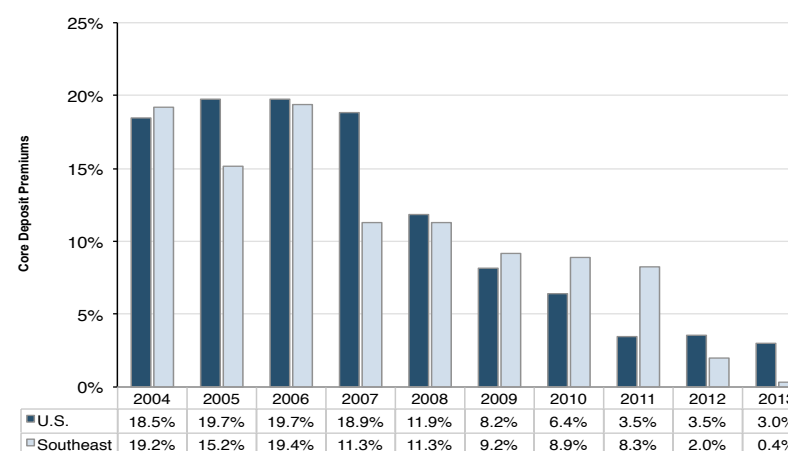
### Median Price/Tangible Book Value Multiples

Target Banks Assets <\$5BN and LTM ROE >5%



### Median Core Deposit Multiples

Target Banks Assets <\$5BN and LTM ROE >5%



# Mercer Capital's Southeast Public Bank Peer Report

April 9, 2013

52 Wk Perf (%)	52 Wk High (\$)	52 Wk Low (\$)	Company Name	Ticker	State	Current Price (\$)	Market Cap (\$M)	Price / Earnings			Price/ BVPS (x)	Price/ Tang. BVPS (x)	Div. Yield (%)	Tangible Equity / Assets (%)	Efficiency Ratio (%)	LTM ROE (%)	LTM ROA (%)	NPAs/ Loans + OREO (%)	NCOs/ Avg. Loans (%)	Loan Loss Reserve/ Loans (%)	Assets (\$M)	
								LTM (x)	Core LTM (x)	FY 13 (x)												FY 14 (x)
5.54	\$27.00	\$20.00	Auburn National Bancorporation, Inc.	AUBN	AL	\$22.09	\$80	11.88	12.14	NM	NM	1.15	1.15	3.80	9.23	52.76	9.85	0.90	4.08	1.01	1.68	\$759,833
30.64	\$8.44	\$5.46	Regions Financial Corporation	RF	AL	\$8.08	\$11,421	11.38	10.46	9.84	9.6	0.76	1.14	1.49	8.60	62.48	7.45	0.92	6.83	1.35	2.55	\$121,347,000
42.09	\$8.26	\$4.63	United Security Bancshares, Inc.	USBI	AL	\$7.63	\$46	21.19	21.20	NA	NM	0.67	0.67	0.00	12.11	69.46	3.27	0.37	10.43	1.95	5.40	\$567,133
<b>30.64</b>			<b>Median - Alabama</b>					<b>11.88</b>	<b>12.14</b>	<b>9.84</b>	<b>9.56</b>	<b>0.76</b>	<b>1.14</b>	<b>1.49</b>	<b>9.23</b>	<b>62.48</b>	<b>7.45</b>	<b>0.90</b>	<b>6.83</b>	<b>1.35</b>	<b>2.55</b>	<b>\$759,833</b>
36.39	\$45.16	\$27.83	Bank of the Ozarks, Inc.	OZRK	AR	\$41.54	\$1,469	18.80	18.93	17.82	16.2	2.89	2.95	1.64	12.31	45.58	16.68	2.04	1.06	0.30	1.41	\$4,040,207
45.94	\$38.50	\$25.94	Home BancShares, Inc.	HOMB	AR	\$38.07	\$1,070	17.07	16.34	15.04	14.4	2.08	2.56	1.37	10.08	45.65	12.75	1.58	4.48	0.40	1.86	\$4,242,130
1.41	\$26.25	\$22.36	Simmons First National Corporation	SFNC	AR	\$24.29	\$401	14.81	15.23	14.75	13.9	0.99	1.18	3.46	9.87	70.17	6.77	0.83	3.07	0.39	1.43	\$3,527,489
<b>36.39</b>			<b>Median - Arkansas</b>					<b>17.07</b>	<b>16.34</b>	<b>15.04</b>	<b>14.36</b>	<b>2.08</b>	<b>2.56</b>	<b>1.64</b>	<b>10.08</b>	<b>45.65</b>	<b>12.75</b>	<b>1.58</b>	<b>3.07</b>	<b>0.39</b>	<b>1.43</b>	<b>\$4,040,207.00</b>
7.66	\$14.78	\$10.21	Ameris Bancorp	ABCB	GA	\$13.77	\$329	29.93	NM	13.81	10.6	1.30	1.32	0.00	8.20	69.90	4.92	0.49	6.33	2.87	1.18	\$3,019,052
38.99	\$8.06	\$3.22	Colony Bankcorp, Inc.	CBAN	GA	\$5.49	\$46	39.21	NM	NM	NM	0.68	0.68	0.00	5.94	68.64	2.74	0.23	9.49	1.34	1.71	1,139,397.00
68.64	\$11.95	\$6.36	Fidelity Southern Corporation	LION	GA	\$11.10	\$165	8.28	9.52	9.60	10.2	1.13	1.15	0.00	5.78	66.20	14.19	1.08	4.40	0.44	1.63	2,477,291.00
10.56	\$11.93	\$7.03	Southwest Georgia Financial Corporation	SGB	GA	\$9.35	\$24	12.30	12.92	NM	NM	0.80	0.81	1.71	8.52	81.90	6.62	0.60	0.93	0.36	1.39	347,181.00
(10.16)	\$18.16	\$14.01	State Bank Financial Corporation	STBZ	GA	\$15.50	\$495	22.46	22.79	15.03	14.3	1.15	1.19	0.77	15.73	62.40	5.37	0.85	0.60	0.07	4.79	2,662,965.00
25.17	\$30.79	\$20.96	SunTrust Banks, Inc.	STI	GA	\$28.91	\$15,652	8.05	23.12	10.72	9.8	0.77	1.14	1.38	8.21	70.76	9.68	1.13	3.50	1.33	1.74	173,442,000.00
33.38	\$2.90	\$1.67	Synovus Financial Corp.	SNV	GA	\$2.66	\$2,094	3.13	3.22	22.08	14.9	0.80	0.81	1.50	9.66	63.22	29.04	3.15	6.95	2.42	1.89	26,760,012.00
14.97	\$11.57	\$6.12	United Community Banks, Inc.	UCBI	GA	\$10.37	\$447	27.29	27.42	15.28	12.6	1.55	1.57	0.00	5.60	59.49	5.82	0.49	5.94	1.69	2.53	6,802,259.00
<b>25.17</b>			<b>Median - Georgia</b>					<b>17.38</b>	<b>17.86</b>	<b>14.42</b>	<b>11.59</b>	<b>0.96</b>	<b>1.14</b>	<b>0.39</b>	<b>8.21</b>	<b>67.42</b>	<b>6.22</b>	<b>0.72</b>	<b>5.17</b>	<b>1.34</b>	<b>1.72</b>	<b>2,841,008.50</b>
7.29	\$28.97	\$23.08	Bank of Kentucky Financial Corporation	BKYF	KY	\$26.55	\$199	11.02	10.80	11.39	10.3	1.16	1.36	2.56	8.02	57.32	11.08	1.04	2.52	0.76	1.37	1,844,104.00
29.45	\$10.02	\$7.28	Citizens First Corporation	CZFC	KY	\$9.45	\$19	8.51	7.85	NM	NM	0.68	0.83	0.00	5.55	62.85	7.84	0.79	4.29	0.61	1.91	406,556.00
12.37	\$36.92	\$29.60	Community Trust Bancorp, Inc.	CTBI	KY	\$33.30	\$521	11.52	11.68	11.93	11.9	1.30	1.56	3.78	9.36	54.86	11.52	1.23	4.02	0.37	1.29	3,635,664.00
206.38	\$19.00	\$5.63	Farmers Capital Bank Corporation	FFKT	KY	\$18.72	\$140	13.66	14.32	21.78	23.9	1.01	1.02	0.00	7.59	68.96	7.38	0.65	10.06	0.64	2.43	1,807,232.00
(10.71)	\$4.17	\$1.46	First Financial Service Corporation	FFKY	KY	\$3.13	\$15	NM	NM	NM	NM	0.61	0.61	0.00	2.43	91.70	(16.93)	(0.75)	12.09	1.06	3.27	1,007,062.00
(59.09)	\$2.68	\$0.62	Porter Bancorp, Inc.	PBIB	KY	\$0.90	\$11	NM	NM	NM	NM	1.19	1.46	0.00	0.64	68.88	(43.52)	(2.45)	22.86	3.50	6.30	1,162,631.00
1.45	\$25.29	\$19.56	Republic Bancorp, Inc.	RBCAA	KY	\$21.60	\$403	3.80	5.43	13.95	14.6	0.84	0.86	3.06	15.55	45.53	22.51	3.35	4.70	0.61	0.89	3,394,399.00
0.39	\$25.29	\$20.86	S.Y. Bancorp, Inc.	SYBT	KY	\$22.11	\$309	11.95	11.95	12.34	12.2	1.50	1.51	3.62	9.52	56.14	13.06	1.25	2.33	0.61	1.99	2,148,262.00
<b>4.37</b>			<b>Median - Kentucky</b>					<b>11.27</b>	<b>11.24</b>	<b>12.34</b>	<b>12.2</b>	<b>1.09</b>	<b>1.19</b>	<b>1.28</b>	<b>7.81</b>	<b>60.08</b>	<b>9.46</b>	<b>0.92</b>	<b>4.50</b>	<b>0.63</b>	<b>1.95</b>	<b>1,825,668.00</b>

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								LTM (x)	Core LTM (x)	FY 13 (x)												FY 14 (x)
1.03	\$53.97	\$44.28	IBERIABANK Corporation	IBKC	LA	\$50.16	\$1,483	19.37	18.11	15.28	14.1	0.97	1.34	2.71	8.67	73.35	5.05	0.63	1.01	0.07	2.87	13,129,678.00
15.12	\$17.44	\$12.72	MidSouth Bancorp, Inc.	MSL	LA	\$15.36	\$173	19.95	17.46	13.15	12.7	1.17	1.81	1.82	5.30	74.02	5.81	0.69	2.24	0.26	0.70	1,851,728.00
17.62	\$42.20	\$36.13	Teche Holding Company	TSH	LA	\$41.00	\$83	9.88	10.06	11.63	11.2	0.98	1.03	3.56	9.70	70.25	10.16	1.03	1.95	0.29	1.28	839,698.00
<b>15.12</b>			<b>Median - Louisiana</b>					<b>19.37</b>	<b>17.46</b>	<b>13.15</b>	<b>12.7</b>	<b>0.98</b>	<b>1.34</b>	<b>2.71</b>	<b>8.67</b>	<b>73.35</b>	<b>5.81</b>	<b>0.69</b>	<b>1.95</b>	<b>0.26</b>	<b>1.28</b>	<b>1,851,728.00</b>
14.92	\$43.97	\$32.33	Cass Information Systems, Inc.	CASS	MO	\$39.51	\$454	19.56	20.75	NM	NM	2.60	2.85	1.82	12.47	68.40	13.88	1.73	1.15	0.44	1.80	1,287,387.00
13.49	\$40.93	\$34.45	Commerce Bancshares, Inc.	CBSH	MO	\$39.76	\$3,611	13.71	13.81	13.99	13.5	1.68	1.78	2.26	9.25	57.56	12.09	1.31	1.48	0.42	1.75	22,159,589.00
28.35	\$15.04	\$9.94	Enterprise Financial Services Corp	EFSC	MO	\$14.06	\$254	10.26	9.60	10.47	11.0	1.07	1.28	1.49	6.02	54.85	11.21	0.88	2.26	0.64	1.98	3,325,786.00
6.98	\$31.81	\$21.25	Great Southern Bancorp, Inc.	GSBC	MO	\$23.43	\$319	6.62	13.40	13.16	12.8	1.02	1.04	3.07	7.75	56.71	13.83	1.22	5.10	2.38	1.70	3,955,182.00
10.26	\$10.61	\$6.29	Guaranty Federal Bancshares, Inc.	GFED	MO	\$9.46	\$26	31.53	40.79	NM	NM	0.66	0.66	0.00	5.92	64.52	3.66	0.30	NA	1.63	1.83	660,432.00
66.21	\$12.05	\$6.92	Hawthorn Bancshares, Inc.	HWBK	MO	\$11.74	\$57	55.92	45.14	NM	NM	0.77	0.77	1.70	6.27	68.64	2.93	0.24	7.23	0.93	1.75	1,181,606.00
7.41	\$26.90	\$21.07	Southern Missouri Bancorp, Inc.	SMBC	MO	\$25.70	\$84	9.35	9.08	NM	NM	1.06	1.08	2.33	10.10	51.51	10.17	1.29	1.48	0.19	1.26	770,201.00
9.76	\$52.61	\$40.27	UMB Financial Corporation	UMBF	MO	\$47.21	\$1,913	15.53	16.85	17.04	15.4	1.49	1.89	1.82	6.86	74.83	9.75	0.92	0.63	0.34	1.26	14,927,196.00
<b>11.88</b>			<b>Median - Missouri</b>					<b>14.62</b>	<b>15.33</b>	<b>13.58</b>	<b>13.1</b>	<b>1.07</b>	<b>1.18</b>	<b>1.82</b>	<b>7.31</b>	<b>61.04</b>	<b>10.69</b>	<b>1.07</b>	<b>1.48</b>	<b>0.54</b>	<b>1.75</b>	<b>2,306,586.50</b>
23.73	\$16.52	\$12.40	BancorpSouth, Inc.	BXS	MS	\$15.72	\$1,487	17.47	17.10	17.88	15.9	1.03	1.29	0.25	8.83	71.64	5.96	0.65	3.80	0.67	1.88	13,397,198.00
0.81	\$20.61	\$17.50	Citizens Holding Company	CIZN	MS	\$19.25	\$94	13.85	14.38	NM	NM	1.05	1.09	4.57	9.77	69.65	7.71	0.81	6.70	0.33	1.89	880,840.00
35.86	\$12.50	\$8.65	First Bancshares, Inc.	FBMS	MS	\$12.34	\$39	10.64	10.08	NM	NM	0.78	1.03	1.22	5.23	74.84	6.41	0.57	3.15	0.26	1.14	721,385.00
185.35	\$14.52	\$3.80	First M&F Corporation	FMFC	MS	\$13.93	\$134	25.80	26.45	17.76	13.4	1.29	1.35	0.29	5.97	68.05	6.12	0.44	5.50	0.59	1.76	1,601,683.00
(12.57)	\$36.56	\$27.96	Hancock Holding Company	HBHC	MS	\$29.19	\$2,528	16.68	12.33	11.76	11.4	1.01	1.51	3.29	8.77	63.20	6.32	0.80	2.14	0.51	1.17	19,464,485.00
25.06	\$12.80	\$8.11	Peoples Financial Corporation	PFBX	MS	\$12.20	\$63	23.92	30.91	54.74	NM	0.57	0.57	1.64	13.74	77.12	2.39	0.32	16.71	0.82	2.05	804,912.00
45.54	\$23.04	\$14.66	Renasant Corporation	RNST	MS	\$21.70	\$547	20.47	20.73	18.72	13.2	1.10	1.78	3.13	7.71	65.53	5.39	0.64	4.48	0.75	1.56	4,178,616.00
2.97	\$26.35	\$20.76	Trustmark Corporation	TRMK	MS	\$23.84	\$1,613	13.17	13.05	13.88	13.9	1.20	1.58	3.86	10.28	62.17	9.30	1.20	2.80	0.29	1.42	9,828,667.00
<b>24.40</b>			<b>Median - Mississippi</b>					<b>17.07</b>	<b>15.74</b>	<b>17.82</b>	<b>13.4</b>	<b>1.04</b>	<b>1.32</b>	<b>2.39</b>	<b>8.80</b>	<b>68.85</b>	<b>6.22</b>	<b>0.64</b>	<b>4.14</b>	<b>0.55</b>	<b>1.66</b>	<b>2,890,149.50</b>
(0.65)	\$13.99	\$12.53	First Advantage Bancorp	FABK	TN	\$12.70	\$55	22.28	30.61	NM	NM	0.75	0.75	2.20	18.60	73.18	3.61	0.67	4.42	0.20	1.93	357,706.00
5.78	\$11.34	\$7.44	First Horizon National Corporation	FHN	TN	\$10.38	\$2,510	NM	NM	12.87	11.0	1.14	1.23	1.93	8.11	100.44	(0.62)	(0.07)	4.85	1.12	1.62	25,520,140.00
(27.52)	\$3.44	\$1.30	First Security Group, Inc.	FSGI	TN	\$2.37	\$4	NM	NM	NM	NM	0.34	0.36	0.00	1.04	145.52	(48.30)	(2.73)	8.70	2.57	3.03	1,117,470.00
34.01	\$23.94	\$16.43	Pinnacle Financial Partners, Inc.	PNFP	TN	\$23.01	\$800	20.92	NA	16.25	14.9	1.18	1.86	NA	8.97	59.65	6.01	0.86	1.83	0.29	1.85	5,040,549.00
<b>2.57</b>			<b>Median - Tennessee</b>					<b>21.60</b>	<b>30.61</b>	<b>14.56</b>	<b>12.97</b>	<b>0.95</b>	<b>0.99</b>	<b>1.93</b>	<b>8.54</b>	<b>86.81</b>	<b>1.49</b>	<b>0.30</b>	<b>4.63</b>	<b>0.70</b>	<b>1.89</b>	<b>3,079,009.50</b>
<b>23.29</b>			<b>Average</b>					<b>17.15</b>	<b>17.00</b>	<b>15.80</b>	<b>13.23</b>	<b>1.11</b>	<b>1.28</b>	<b>1.71</b>	<b>8.53</b>	<b>67.57</b>	<b>5.71</b>	<b>0.76</b>	<b>5.01</b>	<b>0.89</b>	<b>2.00</b>	<b>\$11,412,044</b>
<b>13.49</b>			<b>Median</b>					<b>14.81</b>	<b>14.35</b>	<b>13.97</b>	<b>13.17</b>	<b>1.05</b>	<b>1.18</b>	<b>1.67</b>	<b>8.60</b>	<b>68.05</b>	<b>6.77</b>	<b>0.81</b>	<b>4.19</b>	<b>0.61</b>	<b>1.75</b>	<b>\$2,477,291</b>

# Mercer Capital

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