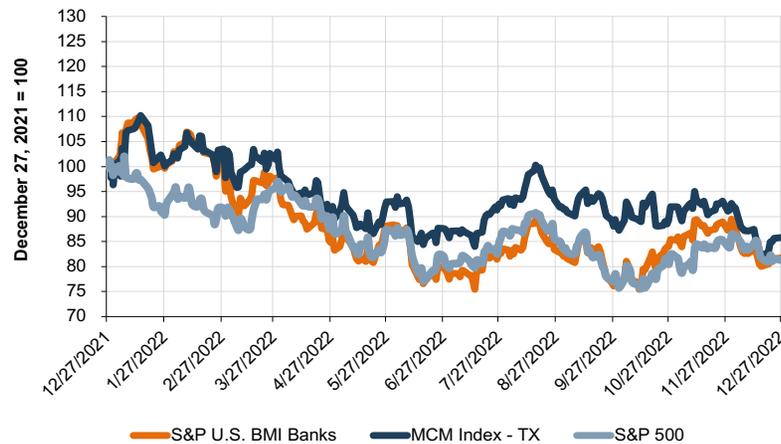


# TEXAS BANK Snapshot

December 2022

## PUBLIC MARKET INDICATORS

### Mercer Capital's Texas Bank Group Index Overview



### Mercer Capital's Texas Bank Peer Reports

Updated monthly, this report offers a closer look at the market pricing and performance of publicly traded banks in Texas.

[Click to view the report.](#)

### Valuation Multiples as of November 30, 2022

	Texas Bank Index	Community Bank Index
Price/LTM EPS	12.4x	9.7x
Price/23 EPS	12.1x	8.9x
Price / Book Value	136%	126%
Price / Tangible Book Value	191%	141%
Dividend Yield	2.4%	2.8%

### Contact Information

Mercer Capital helps banks, thrifts, and credit unions with corporate valuation requirements, transactional advisory services, financial reporting, stress testing, and strategic decisions. Learn more: <http://mer.cr/dep-inst>



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wilsonj@mercercapital.com

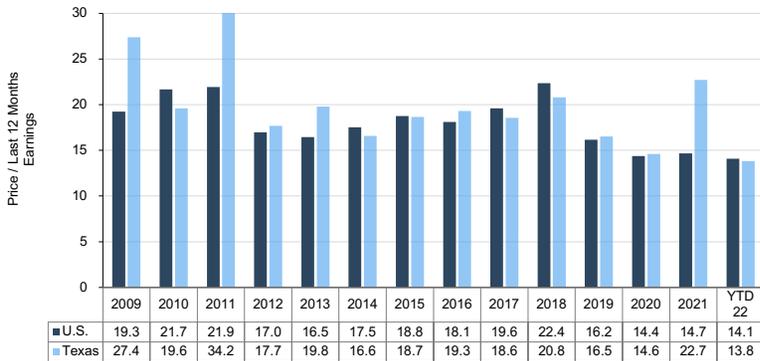
# M&A MARKET INDICATORS

## Texas Community Bank Transactions Announced in Last Six Months

Announce Date	Buyer	Seller	Target's City (TX)	Target Assets (\$000s)	Deal Value	Price / Earnings	Price / Tangible BV	Tang. Premium / Core Deposits
Oct 29, 2022	Victory Financial Corp.	Security State Bank	Winters	79,702	NA	NA	NA	NA
Oct 11, 2022	Prosperity Bancshares Inc.	Lone Star State Bcshs Inc	Lubbock	1,305,397	226.4	14.4	187.0	11.4
Oct 11, 2022	Prosperity Bancshares Inc.	First Bancshares of Texas Inc.	Midland	2,119,077	338.2	12.0	160.9	8.7
Sep 8, 2022	FNBK Holdings Inc.	Texas Brand Bank	Dallas	329,962	NA	NA	NA	NA
Jul 26, 2022	Great Plains Bancshares Inc.	Providence Bancshares Corp.	Southlake	198,111	NA	NA	NA	NA
Jul 7, 2022	Global One Bancshares Inc.	Chappell Hill Bank	Chappell Hill	61,722	NA	NA	NA	NA
Jul 1, 2022	Pinnacle Bancorp Inc.	Crockett National Bank	San Antonio	631,887	NA	NA	NA	NA

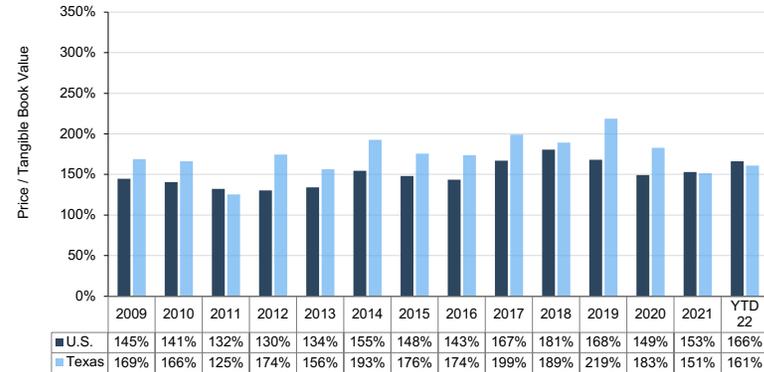
## Median Price/Earnings Multiples

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



## Median Price / Tangible Book Value Multiples

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



### BANK WATCH NEWSLETTER | DECEMBER 2022

## Bank M&A 2022 – Turbulence

The outlook for deal making in 2023 is challenged by significant interest rate marks, uncertain credit marks given a potential recession and soft real estate values, and the bear market for bank stocks that has depressed public market multiples. However, core deposits and excess liquidity of potential sellers is highly prized given tight balance sheet liquidity and an inability to sell bonds to generate liquidity given sizable unrealized losses. A rebound in bank stocks and even a modest rally in the bond market that lessens interest rate marks could be the catalysts for an acceleration of activity in 2022 provided any recession is shallow.

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