# **TEXAS BANK**



July 2023

## 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 July 26, 2023

	Texas Bank Index	Community Bank Index
Price/LTM EPS	10.1x	8.5x
Price/23 EPS	11.8	8.9x
Price / Book Value	113%	99%
Price / Tangible Book Value	148%	110%
Dividend Yield	2.9%	3.4%

#### **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



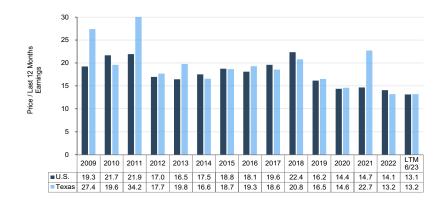
Jay D. Wilson, Jr., CFA, ASA, CBA 469.778.5860 wilsonj@mercercapital.com

#### **Texas Community Bank Transactions Announced in Last Six Months**

								Tang.
Announce			Target's City	Target Assets		Price /	Price /	Premium /
Date	Buyer	Seller	(TX)	(\$000s)	Deal Value	Earnings	Tangible BV	Core Deposits
Jan 9, 2023	First Guaranty Bancshares Inc.	Lone Star Bank	Houston	151,222	NA	NA	NA	NA

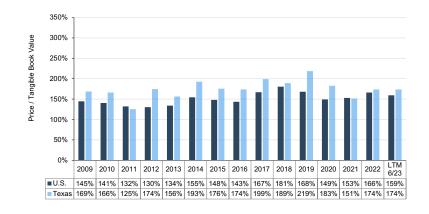
#### **Median Price/Earnings Multiples**

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



### **Median Price / Tangible Book Value Multiples**

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





## **Bank Impairment Testing**

Bank stocks have underperformed in the broad market since the beginning of the year and many currently trade below book value, which begs the question, is goodwill impaired? In this month's *Bank Watch*, we discuss two common questions that arise for banks considering an impairment test; do I need an impairment test and how does it work?

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