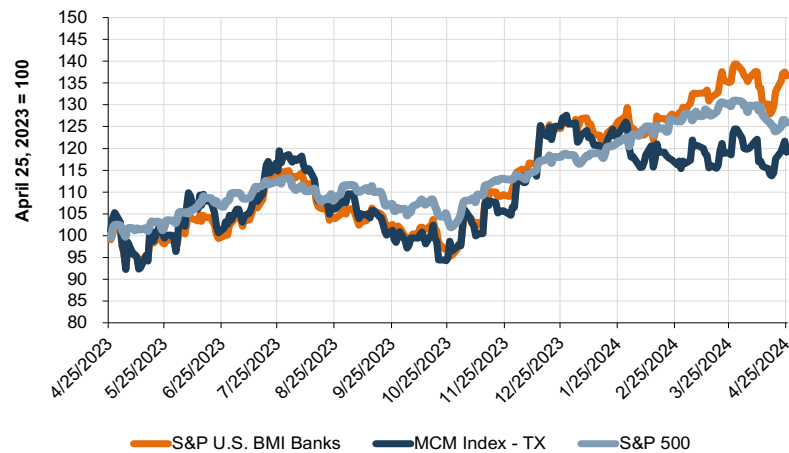


# TEXAS BANK Snapshot

May 2024

## PUBLIC MARKET INDICATORS

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



### Valuation Multiples as of May 29, 2024

	Texas Bank Index	Community Bank Index
Price/LTM EPS	11.6x	9.4x
Price/25 EPS	10.9x	8.6x
Price / Book Value	98%	83%
Price / Tangible Book Value	129%	98%
Dividend Yield	3.4%	3.9%

### 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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### 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.

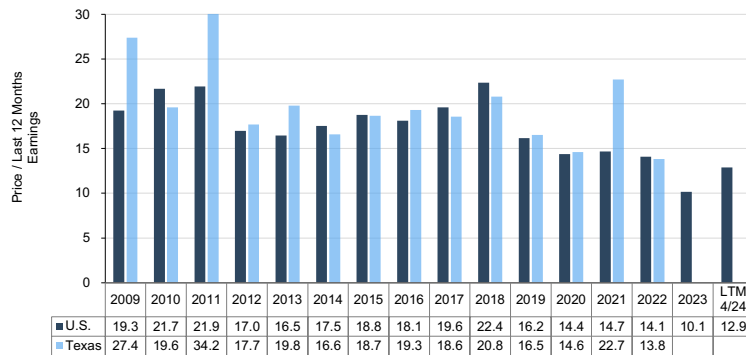
# M&A MARKET INDICATORS

## 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
Jan 25, 2024	Panhandle Bancshares Inc.	Spearman Bancshares, Inc.	Spearman	271,976	NA	NA	NA	NA
Mar 17, 2024	Safehands Capital Holdings, In	Quanah Financial Corp.	Quanah	96,781	NA	NA	NA	NA
Apr 25, 2024	Bus. First Bancshares Inc.	Oakwood Bancshares Inc.	Dallas	842,634	87.6	19.8	121.2	3.1

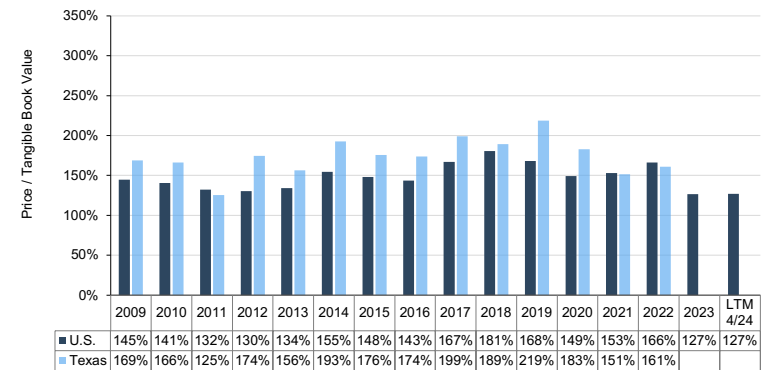
## Median Price/Earnings Multiples

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



## Median Price / Tangible Book Value Multiples

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



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## Is It Time to Eat the Golden Goose?

Banks have been divesting their insurance subsidiaries at favorable valuations over the past decade, driven by factors such as higher capital requirements, lower returns compared to public insurance brokers, and increased private equity interest in insurance agencies. This has allowed banks to redeploy capital, improve capital ratios, and focus on their core banking business.

Mercer Capital

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