MERCER CAPITAL

Financial Institutions Group

MERCER CAPITAL

BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

WWW.MERCERCAPITAL.COM

Mercer Capital

Mercer Capital is a national valuation and financial advisory firm. Clients include private and public companies, financial institutions, high-net worth families, and private equity/hedge funds.

Industries served fall into three broad categories:

- Operating Companies
- Financial Institutions
- Asset Holding Companies

Our suite of services encompasses two integrated service areas: valuation advisory and opinions & financial advisory services.

Valuation Advisory & Opinions

- Corporate transactions
- Tax compliance and reporting
- Employee benefit plans
- Financial reporting
- Litigation support

Financial Advisory

- Corporate and strategic advisory
- Mergers and acquisitions
- Employee benefit plans
- Fairness opinions
- Solvency opinions

The valuation advisory & opinions and financial advisory service lines are interrelated. The technical discipline of providing well-grounded valuation opinions is buttressed by real world experience gained in providing advisory services. Likewise, the market-centered orientation of financial advisory services has as its foundation a keen understanding of valuation drivers.

Financial Institutions

Financial institutions are the cornerstone of Mercer Capital's practice.

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Founded in 1982, in the midst of and in response to a previous crisis affecting the financial services industry, Mercer Capital has witnessed the industry's cycles. Today, as in 1982, Mercer Capital's largest industry concentration is financial institutions.

Despite industry cycles, Mercer Capital's approach has remained the same – understanding key factors driving the industry, identifying the impact of industry trends on our clients, and delivering a reasoned and supported analysis in light of industry and client specific trends.

The Financial Institutions Group of Mercer Capital provides a broad range of specialized advisory services to the financial services industry.

The Financial Institutions Group broadly assists:

- Depository institutions
- Private equity, hedge funds, and traditional asset managers
- Insurance companies
- Specialty finance and real estate investment companies
- Investment funds

The unifying element of Mercer Capital's services for financial institutions is its in-depth industry knowledge, gleaned from thirty five years of experience and over one thousand engagements.

Sectors Served

Depository Institutions

Mercer Capital assists banks, thrifts, and credit unions with significant corporate valuation requirements, transactional advisory services, and other strategic decisions.

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Mercer Capital Experience:

- Nationwide client base
- Clients range from smaller community banks with assets less than $50 million to the largest U.S. depositories
- Clients range from the rural to the metropolitan, the troubled to the most successful, and the simplest in terms of capital structure to the most complex
- More than a thousand valuation opinions rendered for depositories
- Numerous sell-side and buy-side client representations
- Extensive work providing fair value opinions (purchase price allocations) of loan portfolios and core deposits of acquired depositories

Mercer Capital pairs analytical rigor with industry knowledge to deliver unique insight into issues facing depositories. These insights underpin the valuation analyses that are at the heart of Mercer Capital's services to depository institutions.

Mercer Capital is a thought-leader among valuation firms in the banking industry. In addition to scores of articles and five books, *Creating Strategic Value Through Financial Technology* (2017), *The ESOP Handbook for Banks* (2011), *Acquiring a Failed Bank* (2010), *The Bank Director's Valuation Handbook* (2009) and *Valuing Financial Institutions* (1992). Mercer Capital representatives speak at industry and professional conferences. The Financial Institutions Group of Mercer Capital publishes *Bank Watch*, a monthly e-mail newsletter covering five U.S. regions. Jeff Davis, Managing Director, is an editorial contributor to S&P Global Market Intelligence.

Investment Management

Mercer Capital provides investment managers with business valuation and financial advisory services related to corporate disputes, litigated matters, and financial reporting requirements. Mercer Capital also provides transaction advisory and consulting-related services to the investment management industry.

Industry Segments

Mercer Capital actively serves the following industry segments:

- Registered Investment Advisors
- Hedge Fund Managers
- Mutual Fund Companies
- Investment Consultants
- Independent Trust Companies
- Bank Trust Departments
- Investment Consultants
- Broker/Dealers

Mercer Capital Experience

- Assisting RIAs and other asset managers with annual valuations, fairness opinions, and appraisals for gift and estate tax compliance
- Valuing start up managers with as little as $50 million in assets under management to established industry leaders managing over $400 billion
- Negotiating transactions involving asset managers from sell-side, buy-side, and mutually retained perspectives
- Providing expert witness testimony for purposes of shareholder disputes, economic damages, commercial litigation, and marital dissolution
- Providing financial statement reporting services related to purchase price allocation and goodwill impairment testing

The Financial Institutions Group of Mercer Capital publishes a quarterly newsletter (*Value Focus: Asset Management Industry*) and weekly blog post (*RIA Valuation Insights*) on current trends in the investment management space.

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Financial Technology

Mercer Capital provides FinTech companies, from start-ups to more mature companies, and their partners with valuation, financial advisory, and consulting services.

Industry Segments

Mercer Capital actively serves the following industry segments:

- Payments
- Digital / Specialty Lending
- WealthTech
- Digital / Online Banking
- InsurTech
- BankTech – including RegTech

Mercer Capital Experience

- Valued both early-stage FinTech companies as well as more mature FinTechs
- The purpose of the valuations of FinTech companies has varied form equity compensation to corporate and shareholder planning
- Provided valuation, due diligence, and advisory services to Financial Institutions considering acquisitions/ investments in FinTech companies
- Provided valuations of intangible assets of FinTech companies for financial statement reporting services related to purchase price allocation

The Financial Institutions Group of Mercer Capital publishes a quarterly newsletter *(Value Focus: FinTech)*. In addition, Jay Wilson authored the book, *Creating Strategic Through Financial Technology* (Wiley Financial, 2017) covering the space.

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Insurance

Mercer Capital provides the insurance industry with corporate valuation, financial reporting, transaction advisory, and related services.

Industry Segments

Mercer Capital actively serves the following industry segments:

Agencies

- Independent agencies and brokerages
- Bank-owned agencies
- Retail, wholesale, and MGAs

Underwriters

- P&C, life & health, and managed care
- Reinsurance
- Captives and risk retention groups

Services

- Third-party administrators
- Claims adjusters and other service providers
- Financial sponsors and industry lending platforms

Mercer Capital Experience

- Nationwide client base
- Agency clients include single office agencies, public brokers, and private equity backed firms
- Underwriter clients range from monoline privates to publicly traded multi-line carriers

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Specialty Finance

Mercer Capital provides specialty finance companies and REITs with corporate valuation, portfolio valuation, financial reporting valuation, transaction advisory, and related services.

Industry Segments

Mercer Capital actively serves the following industry segments:

- REITs
- Mortgage banking companies
- Niche consumer and commercial lenders

Mercer Capital Experience

- Provide services to a host of consumer lending niches, including providers of residential mortgages, credit cards, automobile loans, and small consumer loans
- Experience with residential mortgage lenders ranges from companies with annual origination volume of less than $100 million to entities among the top 20 residential mortgage lenders
- Experience among commercial lenders includes asset-based lenders and niche commercial real estate loan originators
- Valued securities issued by privately held REITs and provided financial opinions on behalf of publicly traded REITs in connection with corporate transactions

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Investment Funds

Mercer Capital provides portfolio valuation services, assisting investment managers price illiquid equity, fixed income, and hybrid securities.

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Industry Segments

Mercer Capital actively serves the following industry segments:

- Business development companies
- Private equity managers
- Private credit funds
- Regulated investment companies

Mercer Capital Experience

- Consulted regarding valuations of positions held by publicly traded BDCs in notes and other securities issued by privately held businesses
- Reviewed valuations of illiquid securities held by private equity funds, including investments in debt and equity securities of financial services companies

The Financial Institutions Group of Mercer Capital publishes a quarterly e-mail newsletter *Portfolio Valuation: Private Equity & Venture Capital Marks & Trends.*

Services Offered

Advisory Services

The period since late 2007 has been marked by incredible change in the financial services industry, which has seen the industry recapitalize while operating in a difficult interest rate and regulatory environment. Positioning for the current climate, while recognizing the uncertainties affecting the industry's outlook, remains challenging.

For some institutions, opportunity may result in a renewed interest in acquiring; others may look to sell due to regulatory, revenue and/or other challenges. Many more will continue to evaluate an evolving landscape while planning a potential move. Value-related matters will run the gamut from ESOP transactions as a partial exit to setting an exchange ratio for a merger.

Advisory Services

- Strategic consulting
- Buy-side and sell-side financial advisory services
- Fairness opinions
- Advisory and consultation regarding capital transactions (raising, deploying, and restructuring capital)

Representative Sector-Specific Services

Depository Institutions

- Capital planning and consulting
- Branch transactions
- Regulatory-assisted transactions
- Bank stress testing

Investment Management

- Valuations for internal shareholder transactions
- Merger consulting
- Portfolio valuation

Insurance

- Valuations for internal shareholder transactions
- Acquisition consulting
- Portfolio valuation

Corporate Valuation Services

Absent a liquid trading market for their securities, privately held financial institutions turn to Mercer Capital for valuations of their equity securities. For publicly traded financial institutions, Mercer Capital provides valuation opinions related to divisions of the institution, in the context of internal reorganizations or restructurings, and in situations for which the institution's market price may not be an appropriate indicator of value.

Corporate Valuation Services

- Equity transactions (share repurchases, issuances, and conversions)
- Corporate transactions (recapitalizations, divestitures, reorganizations, and the like)
- Employee benefit plans (ESOPs, KSOPs, stock option plans, and restricted stock)
- Tax compliance (income, estate, and gift)
- Buy/sell agreement consulting and the valuation of securities with contractual restrictions on transfer
- Valuation of complex securities (convertibles, options, warrants, and the like)
- Valuation of securities with impaired marketability
- Litigation support

Financial Reporting

Mercer Capital provides services to financial institutions to assist in their compliance with Generally Accepted Accounting Principles and the International Financial Reporting Standards.

Financial Reporting Services

- Purchase price allocations (ASC 805)
- Stock-based compensation (ASC 718)
- Goodwill impairment (ASC 350)
- Illiquid financial instruments (ASC 820)
- Financial Instruments (ASC 825)
- Portfolio investments held by business development companies, private equity firms, and the like

Representative Sector-Specific Services

Depository Institutions

- Loan portfolios
- Depository customer relationship intangible assets (core deposit intangible assets)
- Non-maturity deposits and other funding transactions
- Subordinated debt, trust preferred securities, and preferred stock

Investment Management

- Purchase accounting
- Impairment testing
- Equity compensation
- Portfolio valuation

Insurance

- Purchase accounting
- Impairment testing
- Equity compensation
- Fair value measurement for illiquid securities
- Portfolio valuation

Selected Transactions

Selected Transactions

Apex BANK
Camden, TN

has acquired two branches from

United Community Bank
Greenville, SC

Mercer Capital served as the exclusive financial advisor to Apex Bank

— July 2023 —

LGE Community Credit Union
Atlanta, GA

has entered into a definitive agreement to purchase

Greater Community Bank
Rome, GA

Mercer Capital served as financial advisor to LGE Community Credit Union

— December 2022 —

Fidelity Bank
Maximum Bancshares, Inc.
West Des Moines, IA

has agreed to merge with

STSB Savanna-Thomson State Bank
Savanna-Thomson Investment, Inc.
Savanna, IL

Mercer Capital served as financial advisor to Maximum Bancshares, Inc. and rendered a fairness opinion

— September 2022 —

Bank of Guam
Hagåtña, Guam

BankGuam terminated registration of its common shares (OTCPK: BKGM) under the Securities Exchange Act of 1934 via a reverse stock split and redemption of fractional shares

Mercer Capital served as financial advisor to the Special Committee of the Board of Directors and rendered a fairness opinion

— April 2022 —

CoVantage Credit Union
Antigo, Wisconsin

agreed to purchase substantially all of the assets and liabilities of

LincolnWay Community Bank
New Lenox, Illinois

Mercer Capital served as financial advisor to CoVantage CU

— April 2022 —

Georgia's Own Credit Union
Atlanta, Georgia

has agreed to acquire the majority of the assets and liabilities of

Vinings Bank
Smyrna, Georgia

Mercer Capital served as exclusive financial advisor to Georgia's Own Credit Union

— February 2022 —

Robins Financial Credit Union
Robins, Georgia

Has entered into a definitive agreement to acquire

Persons Banking Company
Forsyth, Georgia

Mercer Capital served as exclusive financial advisor to Robins Financial Credit Union

— March 2022 —

Stifel Financial
Stifel Financial
St. Louis, Missouri

has acquired

Vining Sparks
Vining-Sparks IBG, L.P.
Memphis, Tennessee

Mercer Capital provided financial advisory services and rendered a fairness opinion on behalf of Vining-Sparks

— October 2021 —

Selected Transactions

National Retail Insurance Brokerage

Dividend & Recapitalization Transaction

Mercer Capital rendered a solvency opinion on behalf of the board of directors of the Company

– October 2021 –

Simmons First National Corp.
Pine Bluff, Arkansas

has entered into an agreement to acquire

Triumph Bancshares, Inc.
Memphis, Tennessee

Mercer Capital rendered a fairness opinion on behalf of Simmons First National Corporation

– June 2021 –

Simmons First National Corp.
Pine Bluff, Arkansas

has entered into an agreement to acquire

Landmark Community Bank
Collierville, Tennessee

Mercer Capital rendered a fairness opinion on behalf of Simmons First National Corporation

– June 2021 –

Citizens Equity First Credit Union
Peoria, Illinois

agreed to acquire 4 branches of

Simmons Bank
Pine Bluff, Arkansas

Mercer Capital served as a financial advisor on behalf of Citizens Equity First Credit Union

– November 2020 –

Indian Land, South Carolina

purchased two branches of

Little Rock, Arkansas

Mercer Capital served as a financial advisor on behalf of Shronview Federal Credit Union

– July 2020 –

First Community CU
Coquille, Oregon

acquired 3 branches from

Umpqua Bank
Roseburg, Oregon

Mercer Capital provided valuation/financial advisory services to First Community CU.

– March 2020 –

CapStar Bank
Nashville, Tennessee

has agreed to acquire

The Bank of Waynesboro
Waynesboro, Tennessee

Mercer Capital rendered a fairness opinion on behalf of the Special Committee of Independent Directors of the Bank of Waynesboro

– January 2020 –

Independent Community Bancorp, Inc.
Frankfort, Kentucky

acquired

Bankers Service Corporation, Inc.
Lexington, Kentucky

Mercer Capital provided valuation and advisory services in connection with the transaction to Independent Community Bancorp, Inc.

– December 2019 –

Selected Transactions

FB Financial Corporation Nashville, Tennessee has agreed to acquire **FNB Financial Corp.** Scottsville, Kentucky Mercer Capital served as financial advisor and provided a fairness opinion to FNB Financial Corp. – September 2019 –	**Simmons Bank** **Simmons First National Corp.** Pine Bluff, Arkansas has agreed to acquired **The Landrum Company** Columbia, Missouri Mercer Capital rendered a fairness opinion on behalf of Simmons First National Corp. – July 2019 –	**Pinnacle Financial Partners** Nashville, Tennessee has agreed to acquire **Advocate Capital, Inc.** Nashville, Tennessee Mercer Capital served as exclusive financial advisor to Advocate Capital, Inc. – July 2019 –	Parchment, Michigan acquired Woodstock, Illinois Mercer Capital served as financial advisor to Advia Credit Union – July 2019 –
BPC Corporation Cookeville, Tennessee has agreed to acquire **CFB Bancshares, Inc.** Wartburg, Tennessee Mercer Capital served as a financial advisor & rendered a fairness opinion on behalf of CFB Bancshares, Inc. – October 2018 –	**Richwood Bancshares, Inc.** Richwood, Ohio has agreed to acquire **Home City Financial Corporation** Springfield, Ohio Mercer Capital served as financial advisor on behalf of Richwood Bancshares, Inc. – July 2018 –	**Private Investor Gaylon Lawrence, Jr.** Memphis, Tennessee acquired **Volunteer State Bancshares, Inc.** Portland, Tennessee Mercer Capital served as a financial advisor & rendered a fairness opinion on behalf of Volunteer State Bancshares, Inc. – April 2018 –	Parchment, Michigan acquired Elkhorn, Wisconsin Mercer Capital served as financial advisor to Advia Credit Union – September 2017 –

Selected Transactions

ACBB
ATLANTIC COMMUNITY BANKERS BANK
Camp Hill, Pennsylvania

acquired

BBN
Glastonbury, Connecticut

Mercer Capital provided valuation services to both entities in connection with the transaction

– July 2017 –

FirstSouthern BANK
FSB, LLC
Florence, Alabama

acquired

First Southern Bancshares, Inc.
Florence, Alabama

Mercer Capital served as financial advisor & rendered a fairness opinion on behalf of First Southern Bancshares, Inc.

– June 2017 –

Simmons First National Corp
Pine Bluff, Arkansas

acquired

First Texas BHC, Inc.
Fort Worth, Texas

Mercer Capital served as financial advisor & rendered a fairness opinion on behalf of Simmons First National Corp.

– January 2017 –

Simmons First National Corp.
Pine Bluff, Arkansas

acquired

Southwest Bancorp, Inc.
Stillwater, Oklahoma

Mercer Capital rendered a fairness opinion on behalf of Simmons First National Corp.

– December 2016 –

First Community Bancshares, Inc.
Batesville, Arkansas

acquired

Little River Bank
Little River Bancshares, Inc.
Lepanto, Arkansas

Mercer Capital served as financial advisor on behalf of Little River Bancshares, Inc.

– October 2016 –

Simmons First National Corp.
Pine Bluff, Arkansas

acquired

CITIZENS NATIONAL BANK
Athens, Tennessee

Mercer Capital served as a financial advisor & rendered a fairness opinion on behalf of Citizens National Bancorp, Inc.

– May 2016 –

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advia credit union
Parchment, Michigan

acquired

MIDAMERICA BANK
Janesville, Wisconsin

Mercer Capital served as financial advisor to Advia Credit Union

– February 2016 –

UBB
Bloomington, Minnesota

acquired

Bankers Bancshares, Inc.
Gahanna, OH

Mercer Capital rendered a fairness opinion on behalf of United Bankers' Bank Inc.

– February 2016 –

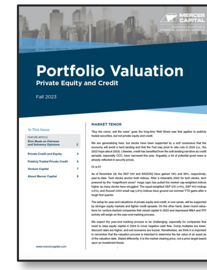
Industry Newsletters

Bank Watch

A monthly newsletter focused on bank activity in five U.S. regions.

FinTech Snapshot

A monthly update that focuses on U.S. FinTech activity. Each edition highlights various metrics, including public market indicators, M&A market indicators, deal and financing activity, and industry updates.



Portfolio Valuation Newsletter

A quarterly newsletter that focuses on private equity firms and other financial sponsors.

FinTech Industry Newsletter

This quarterly newsletter focuses on the payments, technology, and solutions industry segments.

Investment Management Industry Newsletter

This newsletter focuses on the following asset management industry segments:

- Trust Companies
- Traditional Asset Managers
- Alternative Asset Managers
- Wealth Managers

Publications & Presentations

Books & Whitepapers

- COMMUNITY BANK VALUATION, whitepaper
- WHAT IT'S WORTH: VALUING INSURANCE AGENCIES, Business Valuation Resources, September 2021
- CREATING STRATEGIC VALUE THROUGH FINANCIAL TECHNOLOGY, (Wiley Financial), 2017
- VALUING RIAS, whitepaper
- COMMUNITY BANK STRESS TESTING, whitepaper
- UNDERSTAND THE VALUE OF YOUR INSURANCE BROKERAGE, whitepaper
- UNDERSTAND THE VALUE OF YOUR TRUST COMPANY, whitepaper
- THE ESOP HANDBOOK FOR BANKS: Exploring Alternatives for Liquidity While Maintaining Independence, (Peabody Publishing, LP), 2011
- THE BANK DIRECTOR'S VALUATION HANDBOOK: What Every Director Must Know About Valuation, (Peabody Publishing, LP), 2009
- VALUING FINANCIAL INSTITUTIONS, (Business One Irwin), 1992

Publications & Presentations (cont.)

Recent Presentations

- "Insurance Agency M&A Update," Sponsored by *FindBob Transition Management*, October 6, 2021
- "Succession Planning: Panel Discussion," *Association of Trust Organizations 2021 Annual Meeting*, September 20, 2021
- "How to Value Your Bank," *2021 Bank Director's Bank Board Training Forum*, September 13-14, 2021
- "RIA Practice Management Insights Virtual Conference," Sponsored by *Mercer Capital*, March 3-4, 2021
- "Fresh Start Accounting Valuation Considerations," *Acquire or Be Acquired Conference*, January 31, 2021
- "The New World Order – Transition from an odd 2020 to a Tough 2021-2022," *Best Banks in America™ Super Conference*, September 16, 2020
- "Leveraging FinTech to Survive and Thrive in the Digital Age," *Acquire or Be Acquired Conference*, January 2019
- "Evaluating the Buyer's Shares," *Acquire or Be Acquired Conference*, January 27, 2020
- "Watching the Herd: Bank M&A Overview and Leveraging FinTech to Create Value," *FI FinTech Annual Round Up*, October 2018
- "Past is Prologue? Valuation of Banks in the Public and M&A Markets," 2018 *Bluegrass Community Bankers Association Annual Convention*, August 2018
- "Financial Institutions: Black Holes of Valuation," *Advanced Business Valuation Conference*, October 2017
- "Valuation of Insurance and Investment Management Practices," *Society of Financial Service Professionals*, Dallas Chapter, October 2017

Senior Professionals

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