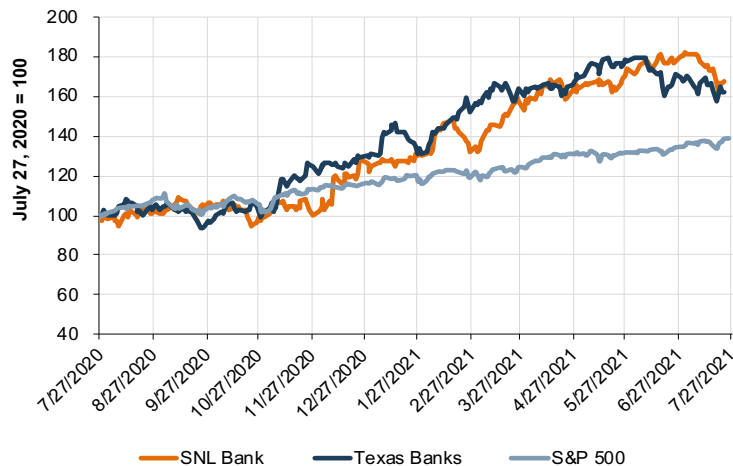


TEXAS BANK Snapshot

JULY 2021

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 June 30, 2021

	Texas Bank Index	Community Bank Index
Price/LTM EPS	13.06	10.53
Price/21 EPS	14.09	11.22
Price / Book Value	1.24x	1.11x
Price / Tangible Book Value	1.49x	1.23x
Dividend Yield	2.13%	2.54%

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

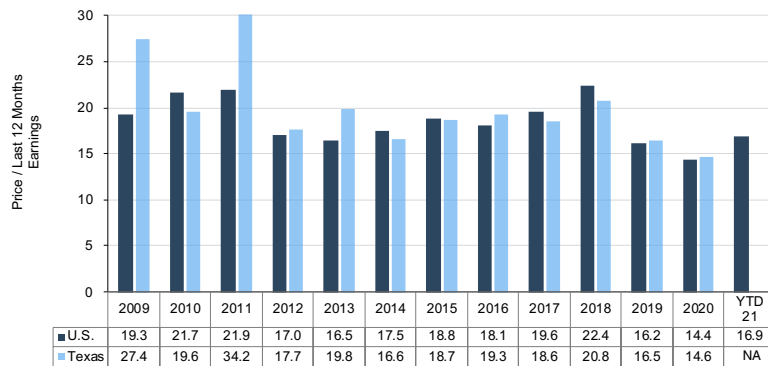
M&A MARKET INDICATORS

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
Jul 9, 2021	GrahamJB6 Co	Security Bancshares Inc.	Waco	190,147	NA	NA	NA	NA
Jun 14, 2021	Cornerstone Home Lending Inc.	Roscoe State Bank	Roscoe	212,594	NA	NA	NA	NA

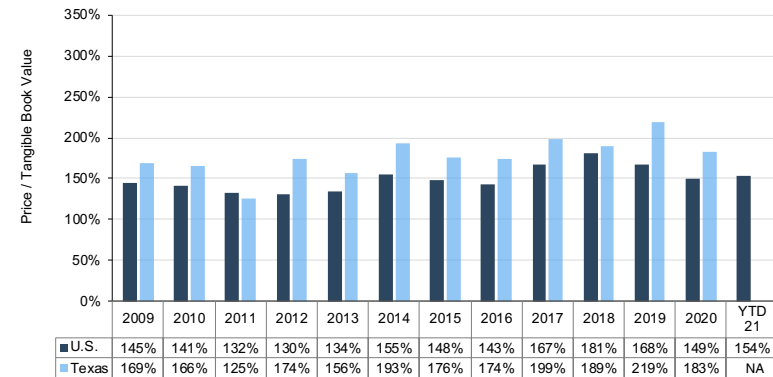
Median Price/Earnings Multiples

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 | JULY 2021

Tangible Book Value Earn-Back A Simplified Model

Determining an appropriate price for an acquisition target involves assessing a mosaic of valuation methodologies – comparable recent transaction pricing, earnings per share accretion, and discounted cash flow or internal rate of return analyses often are employed. However, a transaction that looks favorable on these metrics may flounder if one additional metric produces an unfavorable result: the tangible book value earn-back period. This article attempts to demystify the complexity surrounding TBVPS analyses.

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