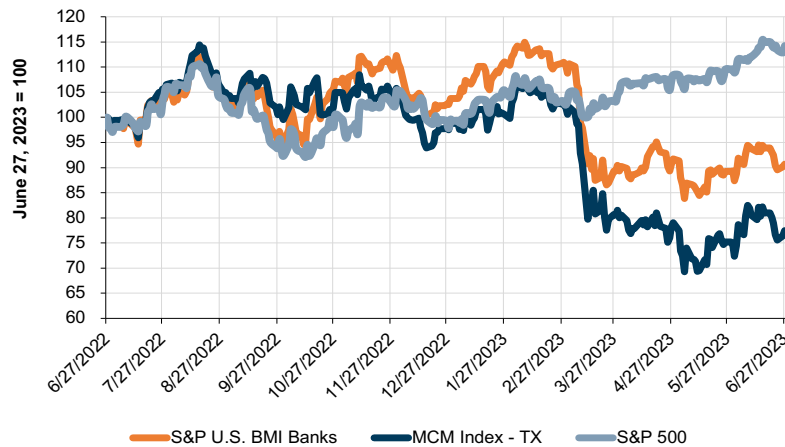


TEXAS BANK Snapshot

June 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 June 27, 2023

| | Texas Bank Index | Community Bank Index |
|-----------------------------|------------------|----------------------|
| Price/LTM EPS | 8.3x | 7.5x |
| Price/23 EPS | 9.8x | 7.6x |
| Price / Book Value | 98% | 94% |
| Price / Tangible Book Value | 118% | 100% |
| Dividend Yield | 3.3% | 3.6% |

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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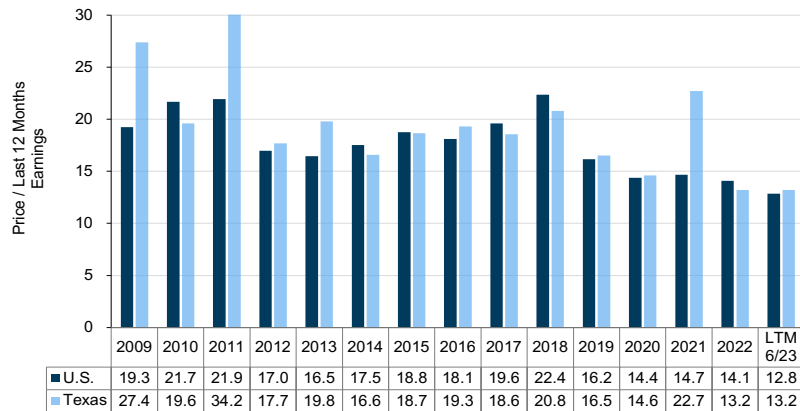
M&A MARKET INDICATORS

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 9, 2023 | First Guaranty Bancshares Inc. | Lone Star Bank | Houston | 151,222 | NA | NA | NA | NA |

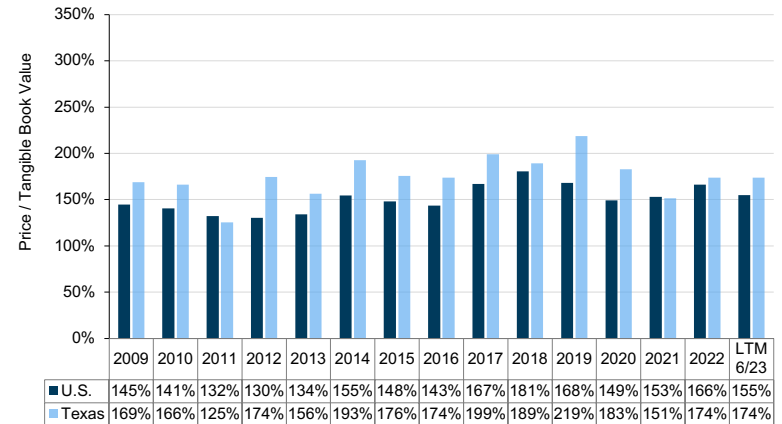
Median Price/Earnings Multiples

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



Median Price / Tangible Book Value Multiples

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



Community Bank Valuation | WHITEPAPER

The whitepaper begins with a framework for bank valuation and then delves into bank financial analysis, including understanding the balance sheet and income statement, return decomposition, and income statement metrics. Analysis of the parent company is also covered. Whether the valuation is on a minority interest basis or on a controlling interest basis is important. We discuss the different valuation approaches applicable to both and certain valuation methods under those approaches.

Mercer Capital

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