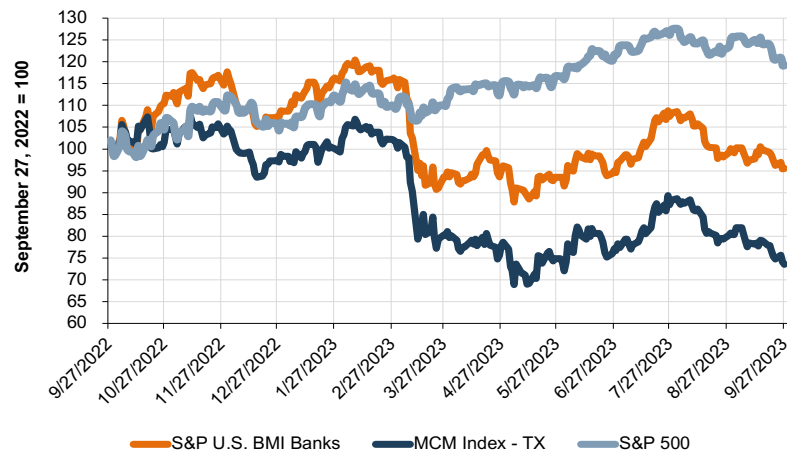


TEXAS BANK Snapshot

September 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 September 27, 2023

	Texas Bank Index	Community Bank Index
Price/LTM EPS	8.4x	7.5x
Price/23 EPS	10.8x	8.7x
Price / Book Value	100%	93%
Price / Tangible Book Value	125%	102%
Dividend Yield	3.3%	3.8%

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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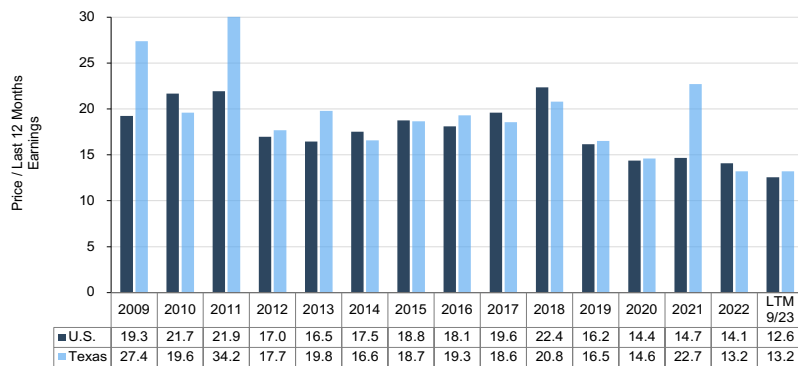
M&A MARKET INDICATORS

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

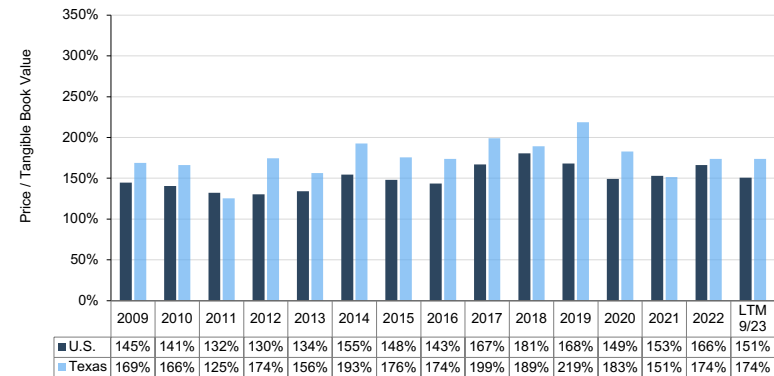
Median Price/Earnings Multiples

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



Median Price / Tangible Book Value Multiples

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



This Interest Rate Environment *Done Got Old*

During the third quarter of 2023, market expectations solidified that interest rates would remain elevated for some time, contrary to forecasts earlier in 2023 that the Federal Reserve would begin cutting its target Fed Funds rate later in 2023. In this month's *BankWatch*, we evaluate the effect of a higher-for-longer rate environment on net interest margins, growth strategies, securities portfolio management, credit quality, and M&A.

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