

M&A overview and outlook

Community banks in the United States showed cautious optimism and strategic adaptation in the first quarter of 2025. According to an American Bankers Association survey, 98% of respondents were optimistic about economic prospects, with most planning to maintain or modestly increase their workforces. This positive outlook coincided with a third consecutive quarter of lending growth. Significant regulatory shifts occurred, highlighted by the FDIC's plans to rescind updates to fair lending rules under the Community Reinvestment Act. Community banks continue to prioritize technological advancements to reduce operating costs and drive market expansion. The ever-present threat of fraud is driving banks to implement real-time proactive fraud detection capabilities.

State of the banking industry

Wipfli's "State of the banking industry" research report for 2025 reveals a cautiously optimistic outlook among financial institutions, driven by stabilizing interest rates, easing liquidity concerns and a resurgence in growth projections. Based on a survey of nearly 350 C-level executives, the report highlights several key themes, including cybersecurity, digital transformation and talent management.

- Cybersecurity remains the top concern for the fourth consecutive year, with 61% of respondents reporting an increase in fraud and 79% detecting unauthorized access to their networks and data in the past year. This underscores financial institutions' ongoing challenges in protecting their assets and customer information.
- Digital transformation and artificial intelligence (AI) adoption are also prominent themes. While 83% of financial institutions are adopting AI tools, digital maturity varies significantly by size. Improving digital customer engagement is a top strategy for 59% of respondents, reflecting the industry's focus on enhancing customer experiences through technology.
- Talent management continues to be a critical issue, with 46% of institutions increasing wages to address labor shortages. This highlights the ongoing struggle to attract and retain skilled employees in a competitive market.

Overall, financial institutions are navigating a complex landscape of challenges and opportunities, with a strong emphasis on strategic goals and data-driven insights to lead the way forward.

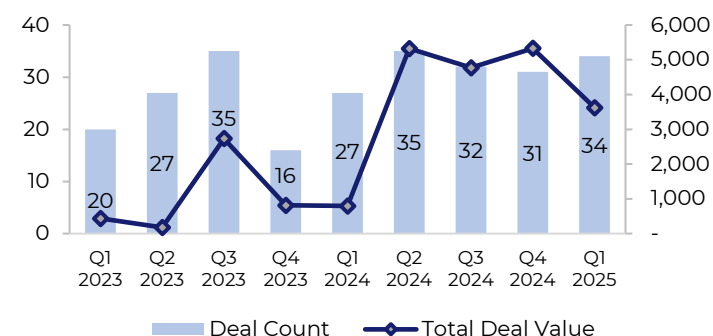
34
deals during
Q1 2025

1.57x
Median P/TBV
multiple

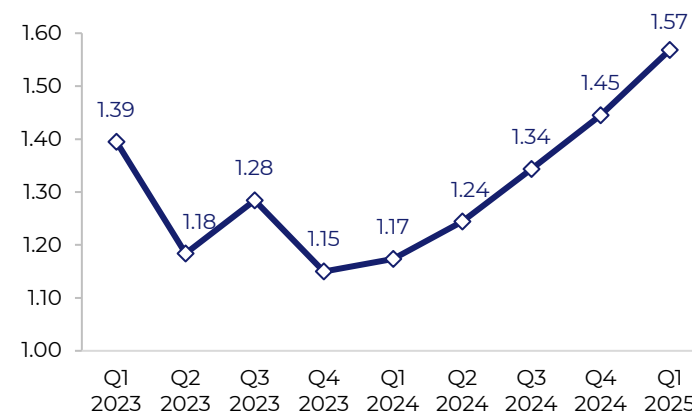
\$3,621M
Total deal
value

(32%)
decrease
QoQ

Deal activity in the U.S. (\$ in millions)



Median deal multiples in the U.S.

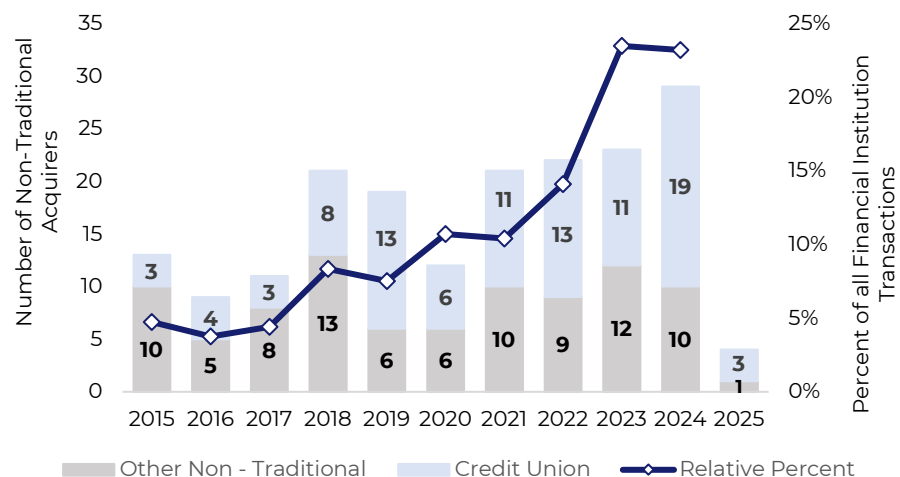


Source: S&P Capital IQ Pro
Data includes all bank, savings bank and thrift transactions in the U.S. between January 1, 2023, and March 31, 2025.

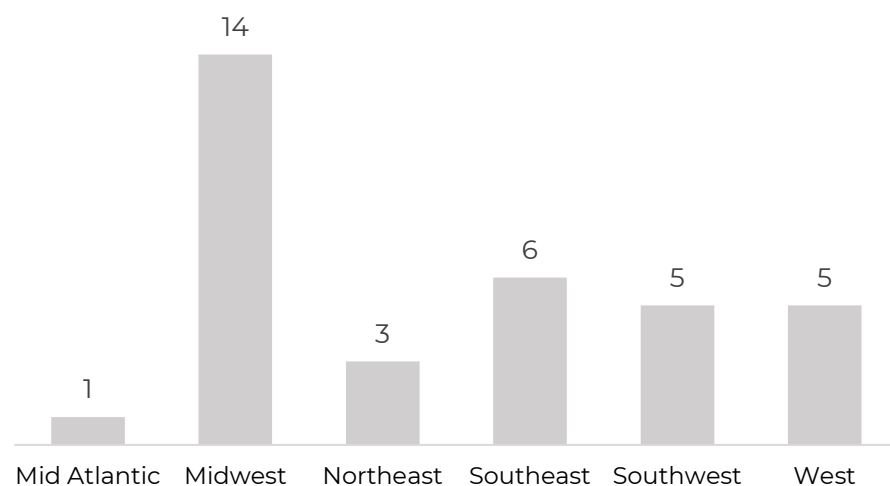
QoQ: Quarter over quarter
P/TBV: Price / tangible book value

Past performance is not a guarantee of future results.

Nontraditional buyers

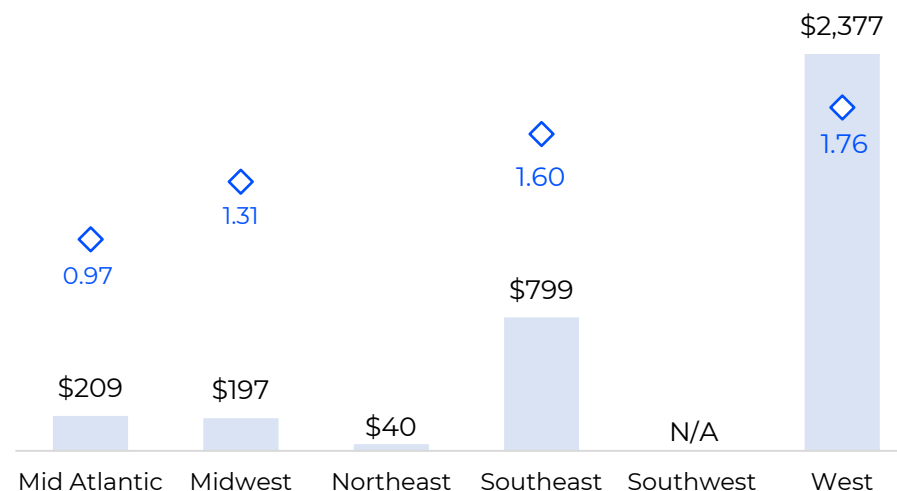


Deal count by region



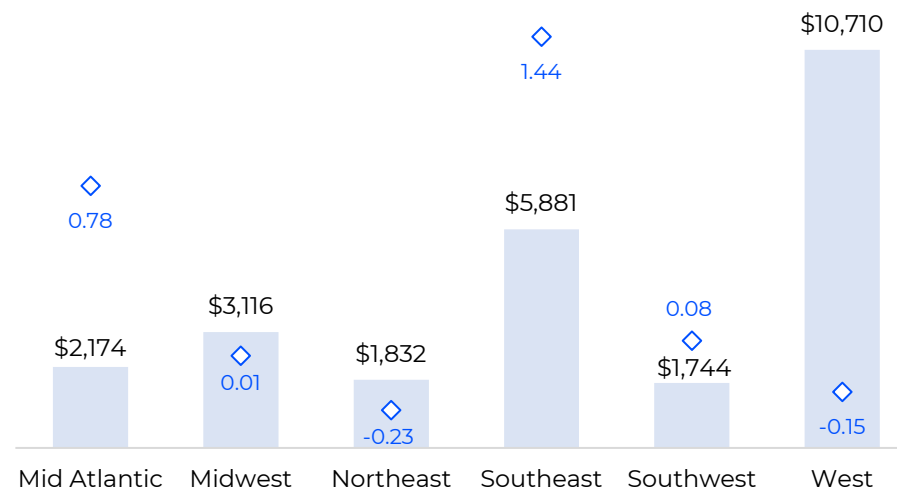
Median price/tangible book vs. deal value by region

(\$ in millions)



Total tangible assets vs. average ROAA by region

(\$ in millions)



Q1 2025: Transactions by region

(\$ in thousands)

Date Announced	Buyer Name	Target Name	Target Region	Target State	Total Assets	Deal Value	Deal Value to Earnings	Deal Value to TBV
3/31/2025	FB Financial Corporation	Southern States Bancshares, Inc.	Southeast	AL	\$2,848,254	\$381	10.26	160.10
3/31/2025	Mechanics Bank	HomeStreet, Inc.	West	WA	\$8,123,698	\$2,012	NA	NA
3/31/2025	Wealth Enhancement Group, LLC	Wealth Services Division of First International Bank & Trust	Midwest	ND	NA	NA	NA	NA
3/25/2025	Community Bancorp, Inc.	Farmers National Bancshares, Inc.	Midwest	KS	\$128,362	NA	NA	NA
3/25/2025	MountainOne Financial, MHC	Mechanics Bancorp, MHC	Northeast	MA	\$837,477	NA	NA	NA
3/24/2025	Legacy Financial, Inc.	BancCentral, National Association	Southwest	OK	\$267,601	NA	NA	NA
3/21/2025	BankFirst Capital Corporation	The Magnolia State Corporation	Southeast	MS	\$456,371	NA	NA	NA
3/18/2025	Legacy Community Federal Credit Union	First Community Bank of Cullman	Southeast	AL	\$103,568	NA	NA	NA
3/17/2025	OAKNORTH BANK PLC	Community Unity Bank	Midwest	MI	\$64,276	NA	NA	NA
3/17/2025	MetroCity Bankshares, Inc.	First IC Corporation	Southeast	GA	\$1,192,160	\$206	8.33	141.65
3/13/2025	Orion Bancorporation, Inc.	Mechanicsville Bancshares, Inc.	Midwest	IA	\$126,700	NA	NA	NA
3/13/2025	Planters Holding Company	BSJ Bancshares, Inc.	Southwest	LA	\$598,063	NA	NA	NA
3/12/2025	NuMark Credit Union	The Lemont National Bank	Midwest	IL	\$52,444	NA	NA	NA
3/11/2025	Bar Harbor Bankshares	Guaranty Bancorp, Inc.	Northeast	NH	\$681,271	\$40	NA	NA
3/4/2025	Battle Financial, Inc.	Stearns Bank of Upsala, National Association	Midwest	MN	\$64,445	NA	NA	NA
2/27/2025	Seacoast Banking Corporation of Florida	Heartland Bancshares, Inc.	Southeast	FL	\$734,080	\$106	9.02	159.48
2/25/2025	Old Second Bancorp, Inc.	Bancorp Financial, Inc.	Midwest	IL	\$1,448,528	\$197	38.65	131.13
2/21/2025	Yoakum National BancShares, Inc.	Ganado Bancshares, Inc.	Southwest	TX	\$55,551	NA	NA	NA
2/20/2025	Rio Financial Services, Inc.	Lone Star Capital Bank, National Association	Southwest	TX	\$497,911	NA	NA	NA
2/13/2025	Genesis Bank	EH National Bank	West	CA	\$298,634	NA	NA	NA
1/31/2025	Bosshard Financial Group, Inc.	Intercity State Bank	Midwest	WI	\$281,489	NA	NA	NA

Source: S&P Capital IQ Pro

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TBV: Tangible book value

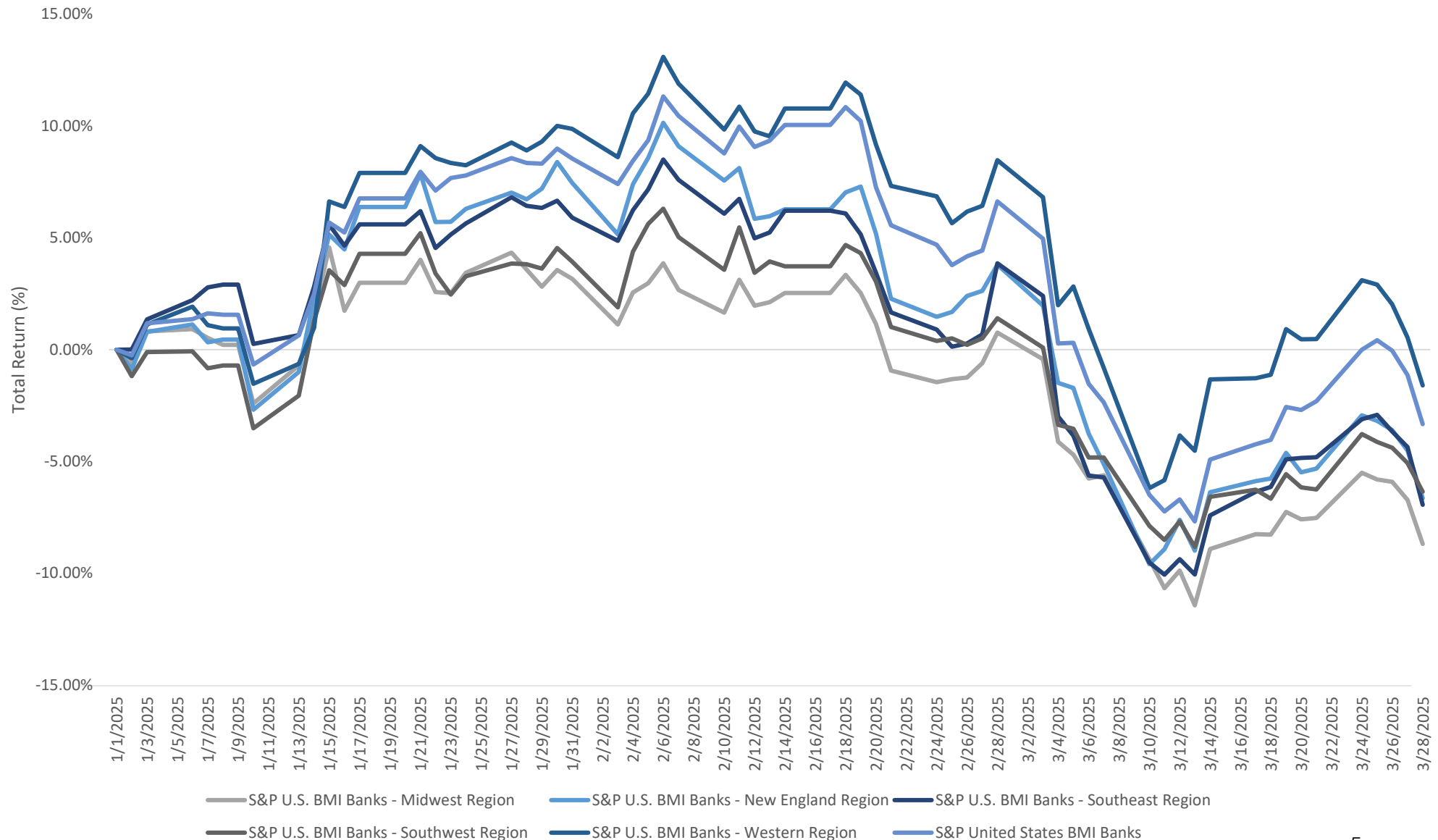
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Q1 2025: Transactions by region

(\$ in thousands)

Date Announced	Buyer Name	Target Name	Target Region	Target State	Total Assets	Deal Value	Deal Value to Earnings	Deal Value to TBV
1/29/2025	Plumas Bancorp	Cornerstone Community Bancorp	West	CA	\$657,925	\$62	NA	NA
1/28/2025	Michigan State University Federal Credit Union	American Eagle Bank	Midwest	IL	\$461,267	NA	NA	NA
1/28/2025	Morning Sun Bank Corp.	First Trust & Savings Bank	Midwest	IA	\$52,873	NA	NA	NA
1/22/2025	Cadence Bank	FCB Financial Corp.	Southeast	GA	\$589,417	\$106	9.78	174.32
1/22/2025	Frontwave Credit Union	Community Valley Bank	West	CA	\$315,847	\$56	13.35	154.22
1/18/2025	First Missouri Bancshares, Inc.	CCSB Financial Corp.	Midwest	MO	\$152,685	NA	NA	NA
1/18/2025	Prime Banc Corp.	Community Bank of Trenton	Midwest	IL	\$124,750	NA	NA	NA
1/13/2025	Glacier Bancorp, Inc.	Bank of Idaho Holding Company	West	ID	\$1,327,517	\$246	17.26	197.06
1/10/2025	CNB Financial Corporation	ESSA Bancorp, Inc.	Mid Atlantic	PA	\$2,187,717	\$209	11.58	96.60
1/9/2025	The Wanda State Bank	Franklin State Bank	Midwest	MN	\$43,048	NA	NA	NA
1/7/2025	Longview Capital Corporation	Federated Bank	Midwest	IL	\$118,666	NA	NA	NA
1/7/2025	Community Bank Holdings of Texas, Inc.	Captex Bancshares, Inc.	Southwest	TX	\$336,612	NA	NA	NA
1/2/2025	Reading Co-Operative Bank	Wakefield Co-operative Bank	Northeast	MA	\$313,408	NA	NA	NA

Banking index overview





S&P U.S. BMI Banks: High: 11.32%, Low: (7.68%), Start: 0.00%, End: (2.32%)
 S&P U.S. BMI Banks - Western Region: High: 13.09%, Low: (6.19%), Start: 0.00%, End: (0.27%)
 S&P U.S. BMI Banks - Southwest Region: High: 6.30%, Low: (8.82%), Start: 0.00%, End: (5.86%)
 S&P U.S. BMI Banks - Southeast Region: High: 8.50%, Low: (10.06%), Start: 0.00%, End: (5.90%)

S&P U.S. BMI Banks - New England Region: High: 10.14%, Low: (9.59%), Start: 0.00%, End: (5.81%)
 S&P U.S. BMI Banks - Midwest Region: High: 4.57%, Low: (11.43%), Start: 0.00%, End: (8.30%)
 S&P U.S. BMI Banks - Mid-Atlantic Region: High: 15.16%, Low: (6.48%), Start: 0.00%, End: 0.58%

Source: S&P Capital IQ Pro
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Select WCF transactions

<p>Currently engaged Community Bank in the Midwest looking for a strategic partner</p> <hr/> <p>WCF Advisors is acting as the exclusive sell-side M&A advisor to undisclosed bank</p>	 <p>To be acquired by Prime Banc Corp.</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to Community Bank of Trenton</p>	 <p>Acquired by Lake Central Financial</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to State Bank of Danvers</p>	 <p>Acquired by Lake Shore III Corporation</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to Headwaters State Bank</p>	 <p>Acquired by Eureka Savings Bank</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to Wenona State Bank</p>	 <p>Acquired by Nicolet Bankshares, Inc.</p> <hr/> <p>WCF Advisors Acted as the Exclusive Sell-Side M&A Advisor to Advantage Community</p>	 <p>Acquired by Private Investor Group</p> <hr/> <p>WCF Advisors Acted as the Exclusive Sell-Side M&A Advisor to Waterman State Bank</p>
<p>Currently engaged Community Bank in the Midwest looking for a strategic partner</p> <hr/> <p>WCF Advisors is acting as the exclusive sell-side M&A advisor to Undisclosed Bank</p>	<p>Currently engaged Community Bank in the Midwest looking for a strategic partner</p> <hr/> <p>WCF Advisors is acting as the exclusive sell-side M&A advisor to Undisclosed Bank</p>	 <p>Acquired by Time Federal Savings Bank</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to River Cities Bank</p>	 <p>Acquired by First State Bancshares, Inc.</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to Pioneer Bank</p>	 <p>Acquired by PF Investors, Inc.</p> <hr/> <p>WCF Advisors acted as the exclusive sell-side M&A advisor to Pigeon Falls State Bank</p>	 <p>Acquired by Superior Choice Credit Union</p> <hr/> <p>WCF Advisors Acted as the Exclusive Sell- Side M&A Advisor to Dairyland State Bank</p>	 <p>Acquired by Private Investor Group</p> <hr/> <p>WCF Advisors Acted as the Exclusive Sell-Side M&A Advisor to Anchor State Bank</p>

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