

## M&A overview and outlook

- 2025 overview:** Community bank M&A ended 2025 with clear signs of renewed momentum after several years of suppressed deal activity. However, a review of M&A activity throughout 2025 described the recovery as “tentative,” with deal volume still below pre-2023 levels despite improving sentiment. Falling interest rates, stabilizing asset valuations and a more accommodative regulatory climate were helping rekindle optimism. However, persistent headwinds, such as elevated funding costs, commercial real estate exposure and heightened supervisory scrutiny, continued to temper the pace of consolidation.
- Outlook:** Community bank M&A enters 2026 with cautious optimism as deal flow strengthens, regulatory uncertainty eases and strategic mergers become an increasingly essential path to long-term competitiveness. Succession planning and talent retention remain critical considerations, driven by aging leadership teams and a competitive labor market shaping strategic decisions.

## 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.

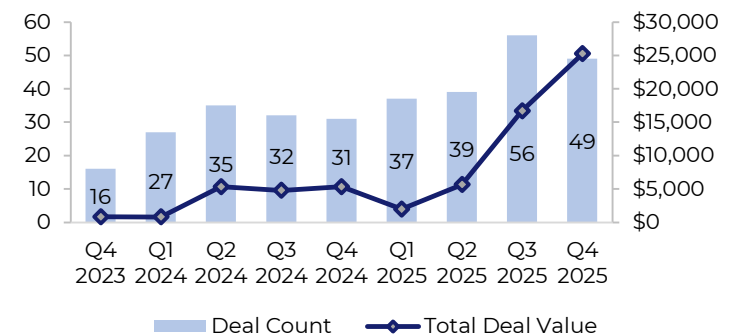
**49**  
Deals during  
Q4 2025

**1.31x**  
Median P/TBV  
multiple

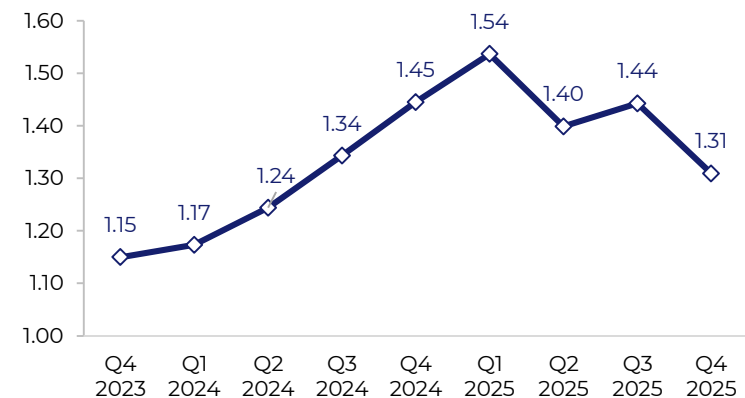
**\$25,230M**  
Total deal  
value

**51.3%**  
Increase  
QoQ

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

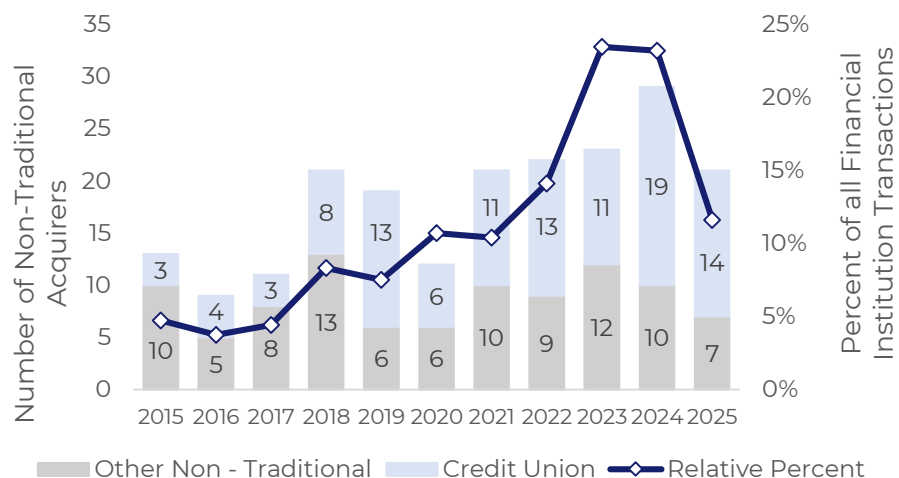


Median deal multiples in the U.S.



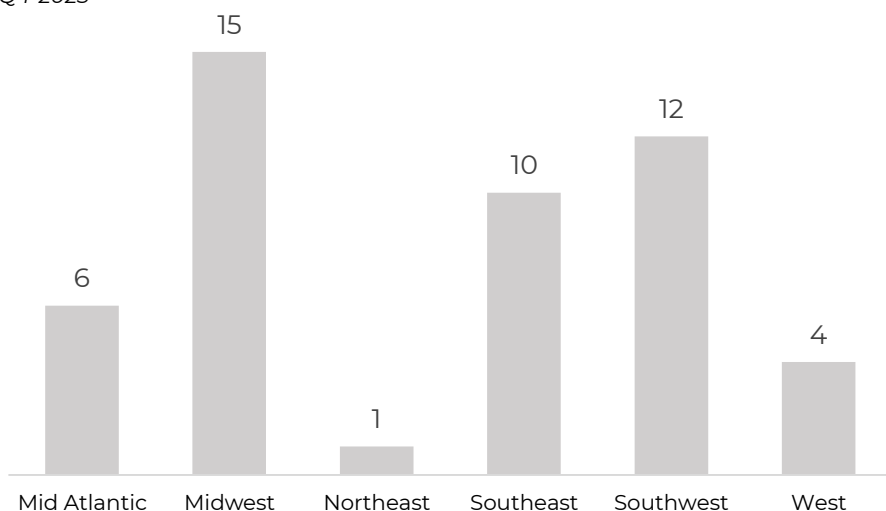
Source: S&P Capital IQ Pro  
 Data includes all bank, savings bank and thrift transactions in the U.S. between October 1, 2023, and December 31, 2025.  
 QoQ: Quarter over quarter  
 P/TBV: Price / tangible book value  
 Past performance is not a guarantee of future results.

### Nontraditional buyers



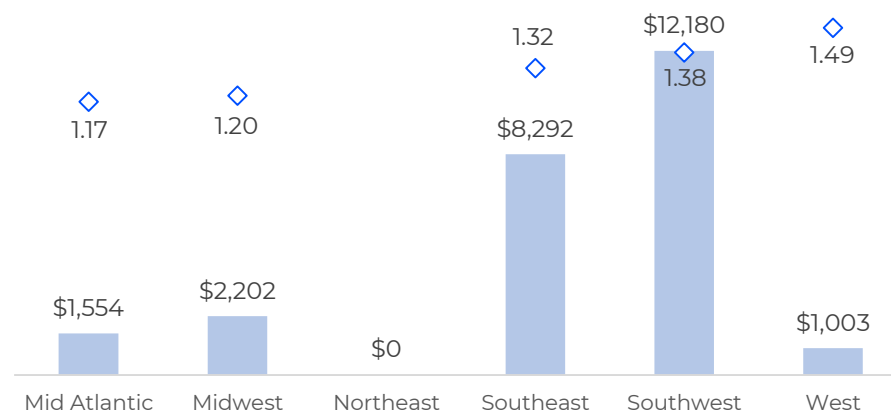
### Deal count by region

Q4-2025



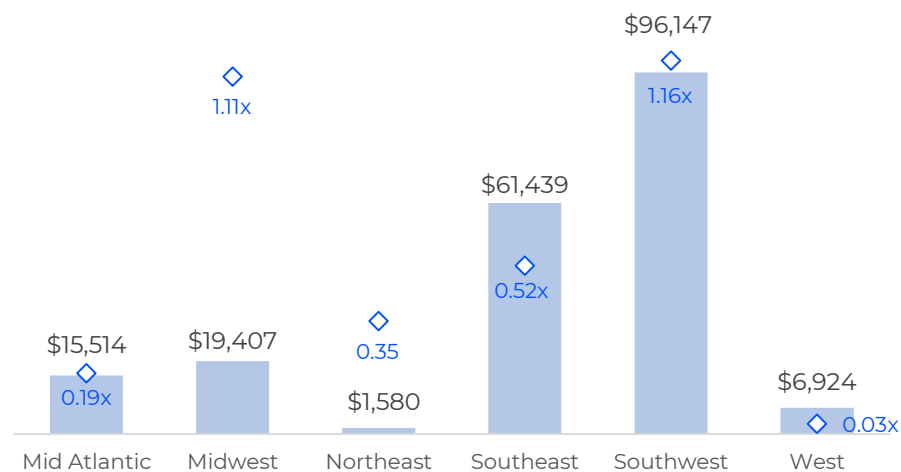
### Median price/tangible book vs. deal value by region

Q4-2025  
(\$ in millions)



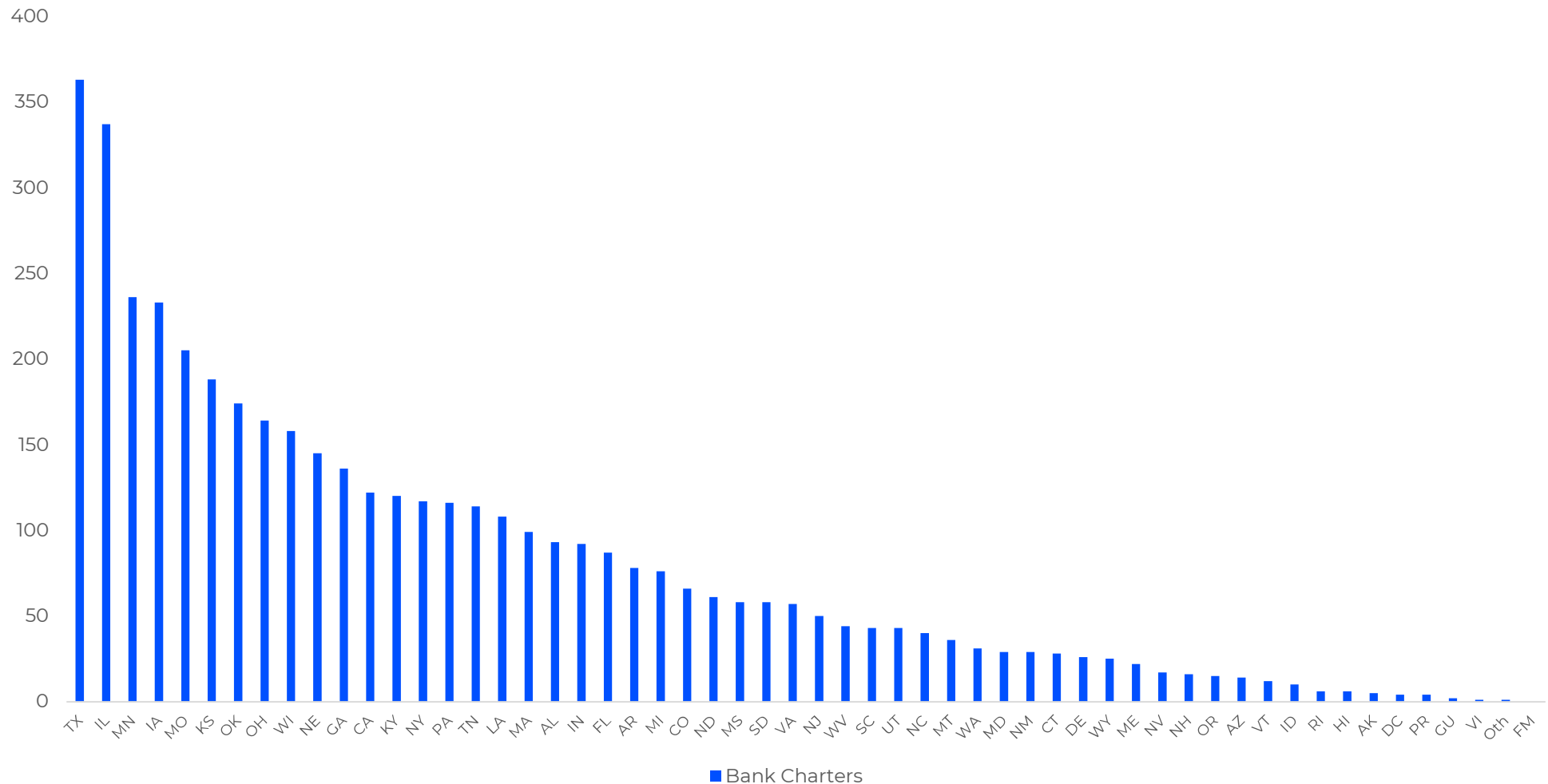
### Total tangible assets vs. average ROAA by region

Q4-2025  
(\$ in millions)



The top ten states by number of bank charters account for 50% of all bank charters in the United States, which will likely result in these states experiencing elevated levels of M&A over the next several years.

**Bank Charters by State<sup>(1)</sup>**



<sup>1</sup> Source: FI Navigator as of 12/31/2025  
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### Q4 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
12/29/2025	OceanFirst Financial Corp.	Flushing Financial Corporation	Mid Atlantic	NY	\$8,871,991	\$567	NA	79.87
12/29/2025	Credicorp Ltd.	Helm Bank USA	Southeast	FL	\$1,141,781	\$180	19.09	168.54
12/22/2025	Bethany Bankshares, Inc.	Latham Bancshares, Inc.	Midwest	MO	\$190,147	NA	NA	NA
12/22/2025	Platte Valley Financial Service Companies, Inc.	Enevoldsen Management Company	Midwest	NE	\$47,246	NA	NA	NA
12/22/2025	CAN Capital, Inc.	Republic Bank Finance	NA	NA	NA	NA	NA	NA
12/18/2025	Burke & Herbert Financial Services Corp.	LINKBANCORP, Inc.	Mid Atlantic	PA	\$3,122,371	\$356	9.19	154.72
12/17/2025	DMMS Purchaser, Inc.	M C Bancshares, Inc.	Southwest	LA	\$478,794	NA	NA	NA
12/17/2025	Community West Bancshares	United Security Bancshares	West	CA	\$1,235,620	\$192	16.23	144.35
12/17/2025	CVB Financial Corp.	Heritage Commerce Corp	West	CA	\$5,623,720	\$811	18.57	153.93
12/11/2025	Enova International, Inc.	Grasshopper Bancorp, Inc.	Mid Atlantic	NY	\$1,412,438	\$388	NM	332.44
12/10/2025	Firstbanc of Alabama, Inc.	FBDC Financial Corp.	Southeast	AL	\$161,864	\$21	13.02	131.76
12/8/2025	Home Bancshares, Inc.	Mountain Commerce Bancorp, Inc.	Southeast	TN	\$1,802,640	\$154	13.79	107.71
12/3/2025	Koss-Winn Bancshares, Inc.	Peoples Equity Corporation	Midwest	MN	\$58,164	NA	NA	NA
12/1/2025	Associated Banc-Corp	American National Bank	Midwest	NE	\$5,268,143	\$604	11.72	124.38
12/1/2025	South Plains Financial, Inc.	BOH Holdings, Inc.	Southwest	TX	\$771,393	\$104	12.39	146.89
11/24/2025	Fulton Financial Corporation	Blue Foundry Bancorp	Mid Atlantic	NJ	\$2,155,792	\$243	NA	77.19
11/20/2025	Pinnacle Financial Corporation	Morris State Bancshares, Inc.	Southeast	GA	\$1,540,392	NA	NA	NA
11/19/2025	CBS Banc-Corp.	TAG Bancshares Inc.	Southeast	GA	\$128,532	NA	NA	NA
11/18/2025	Saint Lawrence Federal Credit Union	The Citizens National Bank of Hammond	Mid Atlantic	NY	\$27,986	NA	NA	NA
11/18/2025	Community First Credit Union of Florida	First Southern Bank	Southeast	GA	\$324,134	NA	NA	NA
11/17/2025	LevelField Financial, Inc.	Burling Bank	Midwest	IL	\$196,455	NA	NA	NA
11/17/2025	GECU Federal Credit Union	Bank of the Southwest	Southwest	NM	\$186,779	NA	NA	NA
11/14/2025	Jewel Box Financial Services, Inc.	Ambanc Financial Services, Inc.	Midwest	WI	\$202,358	NA	NA	NA
11/12/2025	Richmond Mutual Bancorporation, Inc.	Farmers Bancorp	Midwest	IN	\$1,102,492	\$85	9.14	112.25
11/11/2025	Rhineland Bancshares, Inc	BancStar, Inc.	Midwest	MO	\$191,097	NA	NA	NA

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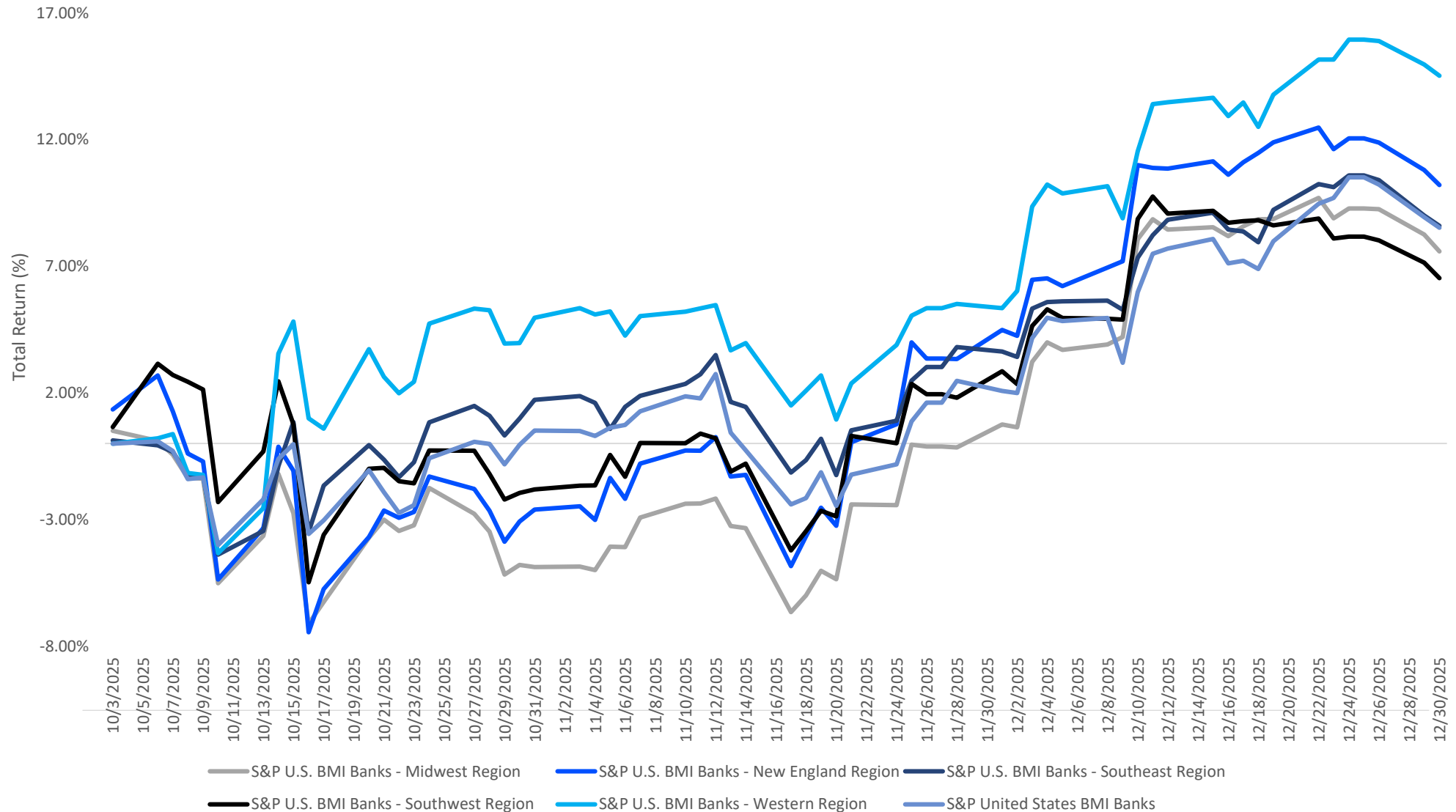
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(\$ in thousands)

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11/6/2025	First Financial Corporation	CedarStone Financial, Inc.	Southeast	TN	\$357,614	\$25	19.98	110.25
10/31/2025	Mutual Bancorp.	Bluestone Bank	Northeast	MA	\$1,580,709	NA	NA	NA
10/30/2025	First Mid Bancshares, Inc.	Two Rivers Financial Group, Inc.	Midwest	IA	\$1,188,719	\$93	10.62	109.56
10/30/2025	ServBanc Holdco, Inc.	IF Bancorp, Inc.	Midwest	IL	\$887,659	\$91	19.85	111.39
10/30/2025	Undisclosed buyer	Solera National Bancorp, Inc.	Southwest	CO	\$1,169,226	\$70	3.12	66.42
10/28/2025	First Mutual Holding Co.	Centerburg	Midwest	OH	\$22,580	NA	NA	NA
10/27/2025	Huntington Bancshares Incorporated	Cadence Bank	Southeast	MS	\$53,282,352	\$7,595	14.41	NA
10/27/2025	Park National Corporation	First Citizens Bancshares, Inc.	Southeast	TN	\$2,544,037	\$317	14.73	181.50
10/27/2025	Midland Financial Corporation	Cheyenne State Bank	West	WY	\$32,519	NA	NA	NA
10/26/2025	FirstSun Capital Bancorp	First Foundation Inc.	Southwest	TX	\$11,588,362	\$758	NA	80.00
10/24/2025	Merchants & Marine Bancorp, Inc.	Farmers-Merchants Bank & Trust Company	Southwest	LA	\$449,083	NA	NA	NA
10/23/2025	Nicolet Bankshares, Inc.	MidWestOne Financial Group, Inc.	Midwest	IA	\$6,249,752	\$866	14.72	168.20
10/22/2025	Farmers National Banc Corp.	Middlefield Banc Corp.	Midwest	OH	\$1,978,893	\$293	13.88	160.02
10/22/2025	Third Coast Bancshares, Inc.	Keystone Bancshares, Inc.	Southwest	TX	\$1,019,692	\$123	15.05	130.05
10/20/2025	HBT Financial, Inc.	CNB Bank Shares, Inc.	Midwest	IL	\$1,847,000	\$170	10.46	120.00
10/20/2025	Pueblo Bancorporation	Ark Valley Bankshares, Inc.	Southwest	CO	\$148,290	NA	NA	NA
10/16/2025	Cornerstone Capital Bancorp, Inc.	Peoples Bancorp, Inc.	Southwest	TX	\$1,138,221	NA	NA	NA
10/16/2025	Integra BG, LLC	UCSB Financial Corporation	West	WY	\$209,421	NA	NA	NA
10/15/2025	Piper Holdings, Inc.	The Gifford State Bank	Midwest	IL	\$188,497	NA	NA	NA
10/9/2025	Recap Financial Ventures, LLC	Lineage Financial Network, Inc.	Southeast	TN	\$188,347	NA	NA	NA
10/6/2025	Fifth Third Bancorp	Comerica Incorporated	Southwest	TX	\$77,376,000	\$10,854	15.82	169.68
10/3/2025	Eastern National Bank	Facebank International Corporation	Mid Atlantic	PR	NA	NA	NA	NA
10/2/2025	F&M Bancshares, Inc.	Community National Bank of Okarche	Southwest	OK	\$128,066	NA	NA	NA
10/1/2025	Prosperity Bancshares, Inc.	Southwest Bancshares, Inc.	Southwest	TX	\$2,354,484	\$270	14.57	153.34

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### Banking index overview
















S&P U.S. BMI Banks: High: 10.51%, Low: (4.01%), Start: 0.00%, End: 7.82%  
 S&P U.S. BMI Banks - Western Region: High: 15.95%, Low: (4.33%), Start: 0.00%, End: 13.22%  
 S&P U.S. BMI Banks - Southwest Region: High: 9.75%, Low: (5.48%), Start: 0.00%, End: 5.68%  
 S&P U.S. BMI Banks - Southeast Region: High: 10.59%, Low: (4.39%), Start: 0.00%, End: 7.91%

S&P U.S. BMI Banks - New England Region: High: 12.48%, Low: (7.45%), Start: 0.00%, End: 9.26%  
 S&P U.S. BMI Banks - Midwest Region: High: 9.70%, Low: (7.12%), Start: 0.00%, End: 6.78%  
 S&P U.S. BMI Banks - Mid-Atlantic Region: High: 9.26%, Low: (4.63%), Start: 0.00%, End: 6.54%

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## Select WCF Transactions

<p><b>Currently engaged</b> <b>Community Bank in the Midwest</b> looking for a strategic partner</p> <p>WCF Advisors is Acting as the Exclusive Sell-Side M&amp;A Advisor to Undisclosed Bank</p>	<p> <b>American Bank</b></p> <p>Has agreed to be acquired by</p> <p><b>Jewel Box Financial Services, Inc.</b></p> <p>WCF Advisors is Acting as the Exclusive Sell-Side M&amp;A Advisor to Undisclosed Bank</p>	<p> <b>COMMUNITY Bank</b></p> <p>Acquired by</p> <p><b>Prime Banc Corp.</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Community Bank of Trenton</p>	<p> <b>STATE BANK OF DANVERS</b></p> <p>Acquired by</p> <p><b>Lake Central Financial</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to State Bank of Danvers</p>	<p> <b>HEADWATERS State Bank</b></p> <p>Acquired by</p> <p><b>Lake Shore III Corporation</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Headwaters State Bank</p>	<p> <b>Wenona State Bank</b></p> <p>Acquired by</p> <p><b>Eureka Savings Bank</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Wenona State Bank</p>	<p> <b>acb Advantage Community Bank</b></p> <p>Acquired by</p> <p><b>Nicolet Bankshares, Inc.</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Advantage Community</p>	<p> <b>WATERMAN STATE BANK</b></p> <p>Acquired by</p> <p><b>Private Investor Group</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Waterman State Bank</p>
<p><b>Currently engaged</b> <b>Community Bank in the Midwest</b> looking for a strategic partner</p> <p>WCF Advisors is Acting as the Exclusive Sell-Side M&amp;A Advisor to Undisclosed Bank</p>	<p> <b>FIRST COMMUNITY BANK</b></p> <p>Acquired by</p> <p><b>PSB Financial Shares, Inc.</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to First Community Bank</p>	<p> <b>RIVER CITIES BANK</b> <i>Your Community Bank</i></p> <p>Acquired by</p> <p><b>Time Federal Savings Bank</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to River Cities Bank</p>	<p> <b>Pioneer Bank</b></p> <p>Acquired by</p> <p><b>First State Bancshares, Inc.</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Pioneer Bank</p>	<p> <b>Pigeon Falls State Bank</b></p> <p>Acquired by</p> <p><b>PF Investors, Inc.</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Pigeon Falls State Bank</p>	<p> <b>Dairyland State Bank</b></p> <p>Acquired by</p> <p><b>Superior Choice Credit Union</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Dairyland State Bank</p>	<p> <b>Anchor State Bank</b></p> <p>Acquired by</p> <p><b>Private Investor Group</b></p> <p>WCF Advisors Acted as the Exclusive Sell-Side M&amp;A Advisor to Anchor State Bank</p>	

## Our leaders



**Paul Oweneel**

Partner, financial institutions

Email: [pouweneel@wcfadvisors.com](mailto:pouweneel@wcfadvisors.com)

(M): (262) 894-5855

(O): (414) 431-9387



**Kevin Janke**

Partner, financial institutions

Email: [kjanke@wcfadvisors.com](mailto:kjanke@wcfadvisors.com)

(M): (715) 571-1340

(O): (715) 843-7441

## About Wipfli Corporate Finance LLC

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