

Deal Announcement – Heritage First Bancshares, Inc.

January 2021

Heritage First Bancshares, Inc.

holding company for:



is merging with

First Chatsworth Bankshares, Inc.

holding company for:



The undersigned served as financial advisor to Heritage First Bancshares, Inc. for this transaction.

Performance Trust Capital Partners

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Transaction Overview

On January 19, 2021, First Chatsworth Bankshares, Inc. (“FCBI”), parent of First National Community Bank (“FNCB”), and Heritage First Bancshares, Inc. (“HFBI”), parent of Heritage First Bank (“Heritage First”), jointly announced the execution of a definitive agreement under which FCBI and FNCB will merge with HFBI and Heritage First through an all-stock merger. The combined organization will comprise approximately \$500 million in total assets, \$445 million in deposits, 100 employees, 10 branches across 5 Georgia counties, and loan production offices in Paulding County, Georgia and Chattanooga, Tennessee.⁽¹⁾

The transaction, which is expected to close in the third quarter of 2021, remains subject to approval by HFBI’s shareholders and approval by federal and state regulatory authorities as well as the satisfaction of other customary closing conditions provided in the merger agreement.

Performance Trust Capital Partners served as exclusive financial advisor and rendered a fairness opinion to Heritage First Bancshares, Inc. in connection with this transaction.

Financial Highlights (September 30, 2020)⁽²⁾

(\$000s)	HFBI	FCBI
Assets:	\$169,583	\$313,539
Loans: ⁽³⁾	121,761	221,551
Deposits:	151,670	274,937
NPAs / Assets:	1.27%	1.18%
LTM Net Income:	\$1,220	\$2,952
LTM ROAA:	0.78%	0.99%
LTM ROAE:	7.39%	8.17%

⁽¹⁾ Estimated 12/31/20 financial data

⁽²⁾ Bank level financial data

⁽³⁾ Gross Loans & Leases (Incl. HFI & HFS)

Combined Branch Map

