

Thursday, September 11, 2014 8:13 AM CT  Extra

Ohio-based First Citizens Banc Corp buying local peer in all-cash deal

By [Nirav Vyas](#) and [Zeeshan Zafar](#)

Sandusky, Ohio-based [First Citizens Banc Corp](#) (\$1.19 billion) is acquiring Dayton, Ohio-based [TCNB Financial Corp.](#) in an all-cash deal.

Under the terms of the agreement, First Citizens has agreed to pay \$23.50 in cash for each of the 733,000 outstanding TCNB common shares. In addition, First Citizens has agreed to cash out all of the 3,500 outstanding TCNB stock options for an amount equal to the difference between \$23.50 per share and the exercise price of the stock options. The aggregate cash consideration to be paid by First Citizens in respect of the outstanding TCNB common shares and the cash-out of outstanding TCNB stock options is approximately \$17.2 million, according to a Form 8-K filed Sept. 11.

SNL calculates the deal value to be 150.5% of book and tangible book, and 17.2x last-12-months earnings, on aggregate basis. The deal price is 18.61% of total deposits and 16.52% of total assets. The transaction carries a tangible book-to-core deposits premium of 7.38%.

Offers for bank and thrift targets in the Midwest region between Sept. 10, 2013, and Sept. 10, 2014, averaged 138.74% of book, 140.93% of tangible book and had a median of 19.35x LTM earnings, on an aggregate basis.

TCNB is the holding company of [Citizens National Bank of Southwestern Ohio](#) and had total assets of \$105 million, total loans of \$75 million and total deposits of \$93 million on June 30.

First Citizens expects the acquisition to be accretive to earnings in 2015 and have a tangible book value earn-back of approximately 3.5 years, the release noted.

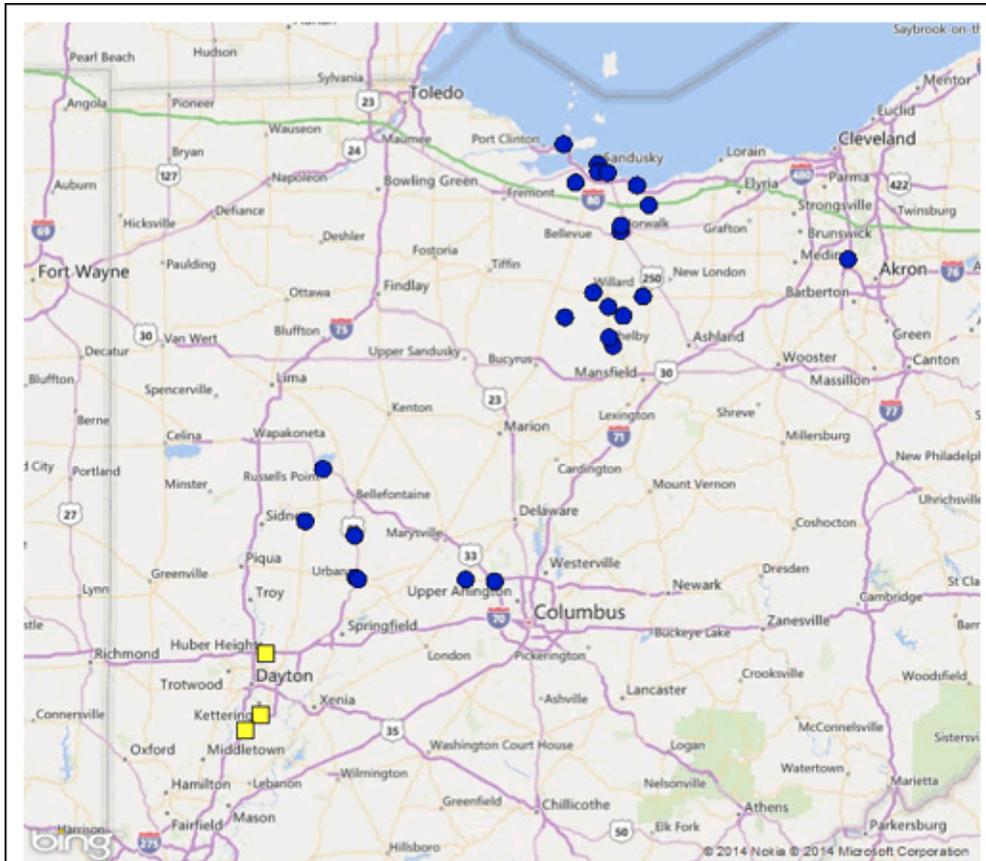
"Citizens National fits well with our business model of attracting deposits in rural markets and lending excess funds in urban markets," First Citizens Chairman, President and CEO James Miller said. "The Dayton market is the fourth largest metropolitan statistical area in Ohio. Because of the reputation of Citizens National and the additional products and resources our organization adds, we are optimistic for our growth prospects in Dayton."

The deal is expected to close during the first quarter of 2015, subject to receipt of necessary approvals from the appropriate regulatory authorities and shareholders of TCNB Financial. At closing, Citizens National's three offices will become branches of [Citizens Banking Co.](#)

According to SNL's analysis, First Citizens Banc Corp will enter Montgomery County, Ohio, with three branches to be ranked No. 11 with a 1.29% share of approximately \$7.29 billion in total market deposits.

TCNB Financial was advised by Performance Trust Capital Partners, with Silver Freedman Taff & Tiernan LLP acting as legal counsel, with Michael Sadow. First Citizens was advised by Keefe Bruyette & Woods and is represented by Vorys Sater Seymour and Pease LLP as legal counsel, with Anthony Weis.

Click [here](#) or on the map below to access a larger version of the map as a PDF. To use SNL's branch analytics tools to create custom maps, click [here](#).



First Citizens Banc Corp will enter Montgomery County, Ohio, following the acquisition of TCNB Financial Corp.

- (U.S. branches - 3) TCNB Financial Corp.
- (U.S. branches - 24) First Citizens Banc Corp

Number of branches reflects information collected by SNL Financial, using the FDIC standard branch definition, and may not include recent non-publicly disclosed branch activity. Map includes all branch types.



Article updated at 6:32 a.m. ET on Sept. 12, 2014, to add deal comparables, market share information, legal advisers and a branch map.