

HOT

Bank of Clarke being acquired in \$253M merger

By BRIAN BREHM The Winchester Star
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Eagle Financial Services Inc. (EFSI), the corporate parent of the Berryville-based Bank of Clarke, has been acquired by John Marshall Bancorp Inc. (JMBI) of Reston, parent company of John Marshall Bank, in an all-stock deal valued at approximately \$253 million.

According to a media release shared by both Virginia banking firms, the transaction will create a \$4.4 billion company with 23 banking offices forming a single franchise running from the Shenandoah Valley and Northern Virginia into Montgomery County, Maryland, and Washington, D.C. All of the bank locations will retain their current names.

"Bank of Clarke has spent nearly a century and a half earning the trust of the Shenandoah Valley," Chris Bergstrom, president and CEO of John Marshall Bancorp, said in the release. "Together we will have the scale to do more for our clients, more for our employees and more for the communities we serve without giving up the local decision making that has defined both of our banks."

Brandon Lorey, president and CEO of Eagle Financial Services, added: "At its core, this is about bringing together two organizations that think alike, serve customers the same way and believe in the future of community banking. By combining our strengths, we're creating a stronger franchise with greater lending capacity, more opportunities for employees and the scale to continue investing in our customers and communities for years to come."

Under the terms of the definitive merger agreement, which was unanimously approved by JMBI's and EFSI's boards of directors, each share of EFSI common stock will be converted into the right to receive two shares of JMBI common stock. Based on JMBI's closing stock price of \$23.36 on Sept. 4, the implied per-share consideration is \$46.72, representing an aggregate transaction value of approximately \$253 million and a premium of approximately 11.5% to EFSI's closing stock price of \$41.90 as of the same date.

Following the closing of the transaction, John Marshall expects to increase its quarterly cash dividend to \$0.155 per share, the release states, resulting in a quarterly dividend equal to 31 cents per share to EFSI shareholders, which is equivalent to EFSI's current quarterly dividend.

The combined holding company will be John Marshall Bancorp Inc. and be headquartered in Reston, while the merged company's banking subsidiary will be headquartered in Berryville. The company will continue to trade on the Nasdaq Stock Market under the ticker symbol JMSB.

The combined company's board of directors will consist of 12 directors, six from JMBI and 6 from EFSI. Christopher W. Bergstrom will serve as executive chairman of the combined company and Cary C. Nelson will serve as lead independent director.

Brandon C. Lorey, president and CEO of EFSI, will serve as chief executive officer and a director of both the combined company and the banking subsidiary, and Kent D. Carstater, the chief financial officer for JMBI, will serve as president of the combined company and CEO of the banking subsidiary. Additionally, Joseph T. Zmitrovich, the chief banking officer at EFSI, will serve as chief revenue officer.

According to the joint media release, the transaction is expected to close early in the first quarter of 2027, subject to customary closing conditions including the receipt of required regulatory approvals and approval by the shareholders of both JMBI and EFSI. Concurrently with the execution of the merger agreement, the directors and certain executive officers of EFSI have entered into agreements with JMBI to vote their shares of EFSI common stock in favor of the merger, and the directors and certain executive officers of JMBI have entered into agreements with EFSI in which they have committed to vote their shares of JMBI common stock in favor of the merger.

An investor presentation regarding the transaction is available under the "Investor Relations" section of JMBI's website at investor.johnmarshallbank.com, EFSI's website at investors.bankofclarke.bank and on the Security and Exchange Commission's website at sec.gov.

John Marshall Bancorp Inc. (Nasdaq: JMSB) is the parent company of John Marshall Bank, a Virginia state-chartered bank headquartered in Reston. The bank serves businesses, professional service firms, nonprofits and individuals throughout the Washington, D.C., metropolitan area through eight full-service branches located in Alexandria, Arlington, Loudoun, Prince William, Reston, and Tysons, as well as Rockville, Maryland, and Washington, D.C. As of June 30, John Marshall Bancorp had total assets of \$2.4 billion, total loans of approximately \$2 billion and total deposits of approximately \$2 billion.

Eagle Financial Services Inc. (Nasdaq: EFSI) is the parent company of Bank of Clarke, a Virginia state-chartered bank established in 1881 and headquartered in Berryville. Bank of Clarke serves customers from the Shenandoah Valley to Northern Virginia through 14 full-service branches, a drive-through facility and a loan production office in Rockville, Maryland, and offers community banking, wealth management and mortgage

and Small Business Administration banking services. As of June 30, Eagle Financial Services had total assets of \$1.8 billion, total deposits of \$1.6 billion and gross loans of \$1.5 billion. Additionally, its wealth management division had approximately \$599 million in assets under management.

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