

PRESS RELEASE

First National Bank, Kemp, TX and First State Bank, Rice, TX

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Joint Announcement of Agreement for First National Bank, Kemp, TX to Acquire First State Bank, Rice, TX

Kemp, TX and Rice, TX – FNBK Holdings, Inc. and its wholly owned subsidiary, First National Bank, Kemp, Texas, and First State Bank, Rice, Texas, announced today that they have entered into an agreement whereby FNBK Holdings, Inc. would acquire First State Bank. Upon closing of the transaction, expected in the second quarter of 2022, First State Bank will be merged with and into First National Bank. The transaction is subject to receipt of customary regulatory and shareholder approvals.

Mike Montgomery, Chairman, President and CEO of First State Bank Rice stated, “First State Bank has faithfully served the community for over 93 years. We have enjoyed amazing support and greatly appreciate our loyal customers, friends and employees. When our board was considering this merger, it was extremely important to us that our customers continue to enjoy a strong commitment for quality banking services and that our employees experience fair and professional treatment in this transition. It’s a rare opportunity to partner with such a great group of community bankers like First National Bank Kemp and it gives us comfort in knowing the character, strength and quality of the banking team we are joining.”

Vidal Jones, President and CEO of First National Bank Kemp, said, “First State Bank’s long tradition of providing friendly and quality banking services to their customers and communities is exactly what made this merger so attractive to our team. We believe First State Bank is an excellent match for our own tradition and their values mirror ours. Being able to add Mike and his team to our organization along with the markets they serve was a great fit and one we couldn’t pass up.” First National Bank’s Chairman John Carona added, “First National Bank has experienced significant growth over the past few years and this acquisition is an important step in our plan to expand and grow the bank further. We look forward to the opportunity to serve our new customers by continuing the tradition of excellent service they have come to know and expect.”

Vidal Jones will serve as the President and CEO of the combined bank while Mike Montgomery will remain with the bank and serve as Executive Vice President and Market President for Ellis and Navarro Counties. Mr. Montgomery, along with current FSB Director Gary Witherspoon, will also serve on First National Bank's Board of Directors.

John Adams of Sheshunoff & Co. served as financial adviser and Chet Fenimore and Pam O'Quinn of Fenimore, Kay, Harrison, & Ford LLP served as legal adviser to First National Bank Kemp. William Gross and Preston Simmons of Commerce Street Capital, LLC served as financial adviser and Robert Flowers and Shae Armstrong of Bradley Arant Boult Cummings LLP served as legal advisor to First State Bank Rice.