



PRESS RELEASE

FOR IMMEDIATE RELEASE

AFFILIATED BANK AND SOUTHWEST BANK ANNOUNCE MUTUAL TERMINATION OF MERGER AGREEMENT

Arlington and Odessa, TX – July 2, 2020 – BancAffiliated, Inc. (“BancAffiliated”), the sole shareholder of Affiliated Bank, National Association (“Affiliated Bank”), and Odessa SouthWest Bancshares, Inc. (“Odessa SouthWest”), the sole shareholder of SouthWest Bank, have mutually agreed to terminate their merger agreement, previously announced on December 9, 2019. The companies have entered into a Mutual Termination Agreement which was approved by the Boards of Directors of both companies.

The termination is in response to the extreme uncertainty resulting from the global health crisis caused by the COVID-19 pandemic, and its impact on the companies’ ability to fully realize the benefits they expected to achieve through the merger. BancAffiliated and Odessa SouthWest jointly determined it is in the best interests of employees, clients and shareholders to terminate the merger agreement and to focus on managing their separate businesses at this time.

Sam L. Susser, BancAffiliated Chairman, said, “We continue to have the utmost respect, admiration and trust for the entire Odessa SouthWest team, and could not have asked for a better partner. However, the COVID-19 pandemic has created so much economic uncertainty and a challenged business environment that proceeding with the combination and integration of our companies at this time is not a prudent course of action. Both of our banks will continue to focus on providing exceptional service to our clients and protecting the health and safety of our employees through these challenging times.”

Richard “Buz” Browning, Odessa SouthWest Bancshares Chairman, added, “Although we are all disappointed by having to abandon the merger with the Affiliated Bank group, we have developed a strong association with them which we hope will continue into the future.”

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BancAffiliated, Inc.

Founded in 1959, Affiliated Bank has over \$1.1 billion in total assets and offers a full suite of commercial banking products and services. The Bank operates from its headquarters in Arlington, Texas, and currently has five full-service branches (Arlington, Bedford, Garland, Round Rock and Ft. Worth). The Bank also has seven mortgage locations (Arlington, Brownwood, Dallas, Ft. Worth, Frisco, Round Rock and Waco) and a dedicated SBA office in Arlington. Affiliated Bank is a locally and independently owned community bank and is well-known for its friendly people, commitment to providing personal service and relationship banking.

SouthWest Bank

With headquarters in Odessa, Texas, SouthWest Bank officially opened its doors for business on January 29, 1999. The Bank has six full-service locations (Odessa, Midland, and Lubbock) and offers a full suite

of products, including commercial banking services, mortgage, factoring and SBA loans, as well as trust services. SouthWest Bank's commitment to offering quality products with exceptional customer service has resulted in it being repeatedly named one of the Best Companies to Work for in Texas. SouthWest Bank currently has approximately \$600 million in total assets.

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