

COMMUNITY BANKING

Two Miss. Banks to Merge as Buyers Eye Southern Part of State

By [Kevin Wack](#) March 21, 2025, 12:27 p.m. EDT 2 Min Read

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The Administration Building on the campus of the University of Southern Mississippi in Hattiesburg. *Adobe Stock*

Two Mississippi banks on Friday announced plans to merge in a deal that would enable the acquirer to bolster its presence in the southern part of the state, where a larger competitor is also bulking up.

BankFirst Capital Corp. said it will acquire The Magnolia State Corp. in a transaction that would create a \$3.2 billion-asset company. The deal's financial terms were not disclosed.

BankFirst, headquartered in Columbus, Mississippi, has 42 offices across its home state and Alabama, according to Federal Deposit Insurance Corp. data. Magnolia State has eight locations, all in southern Mississippi.

"We are eager to build strong relationships with Magnolia's employees and customers, and we look forward to the positive impact we believe this merger will bring to the communities we serve," BankFirst President and CEO Moak Griffin said in a press release.

Kris Mangum, CEO of Magnolia State, will become BankFirst's regional president for Southern Mississippi, according to the deal's terms.

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"BankFirst shares our core values, rooted in community banking, making this a seamless transition," Mangum said in the press release. "Through this proposed merger, we will expand the financial products and services available to our customers while maintaining our dedicated team and the relationships we've built over the years. BankFirst's commitment to our local bankers ensures that our customers will continue to work with the familiar faces they trust."

The deal will boost BankFirst's presence in the southern Mississippi city of Hattiesburg, which has a population of around 48,000. As of June 30, 2024, Magnolia State had the ninth-largest share of deposits in the Hattiesburg metro area at 2.86%, according to FDIC data. BankFirst was 17th at 0.50%.

Hattiesburg-based The First Bancshares, which had the third-largest deposit share in the Hattiesburg market as of June 30, 2024, is currently [in the process of selling itself](#) to Tupelo, Mississippi-based Renasant Corp.

That deal, which was valued at \$1.2 billion when it was announced last July, is expected to close on April 1. Renasant will have more than \$26 billion of assets when the acquisition is completed.

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BankFirst's proposed acquisition of Magnolia State comes at a time when the pace of bank mergers nationally is falling short of expectations. Bankers [had anticipated that M&A would get a boost](#) from the start of the second Trump administration, but only 18 deals had been announced through February, establishing a pace for a total of 106 in 2025.

That full-year tally would be fewer than the 126 bank deals announced in 2024, but slightly more than the 98 announced the previous year, according to S&P Global data.

BankFirst said that its proposed acquisition of Magnolia State has been unanimously approved by each company's board of directors. The deal, which is subject to the approval of Magnolia's shareholders and bank regulators, is expected to close in the third quarter of 2025. The conversion of bank systems is expected to occur in the fourth quarter.

BankFirst's board got legal counsel from Hunton Andrews Kurth LLP and a fairness opinion from Southard Financial, according to the bank's press release. Magnolia State got legal counsel from Jones Walker LLP, while Olsen Palmer served as its financial advisor.

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