



**Media Contact:**

Contact: Alicia Strange

865-985-3540

[astrange@y12fcu.org](mailto:astrange@y12fcu.org)

**FOR IMMEDIATE RELEASE**

**Y-12 Credit Union Announces Plans to Acquire First State Bank of the Southeast,  
Expanding Its Financial Services Footprint into Neighboring Kentucky**

OAK RIDGE, TENN. AND MIDDLESBORO, KY., October 23, 2024 - Y-12 Federal Credit Union (Y-12 FCU), a \$2.15 billion credit union headquartered in Oak Ridge, TN, is pleased to announce its execution of a definitive agreement to acquire First State Bank of the Southeast (FSB), a Middlesboro, Kentucky-based bank with eight branch locations throughout Southeast Kentucky and Northeast Tennessee. This acquisition marks a significant milestone for Y-12 FCU as it expands its seventy-four-year-old community-focused brand beyond the borders of Tennessee.

The two institutions share much more than a border. Both Y-12 FCU and FSB have a strong legacy of community commitment, and the Credit Union plans to embrace the rich heritage and longstanding relationships that FSB has fostered for more than 123 years. FSB customers will gain a range of exciting benefits, including access to more branches, a wider selection of loan products, expanded investment and retirement planning services, and enhanced digital banking tools.

“The addition of FSB allows us to expand our footprint and bring the benefits of credit union membership to Southeast Kentucky. We’re excited to welcome FSB customers and employees into the credit union philosophy of ‘people helping people.’ By combining our strengths, we can offer even more personalized service and financial opportunities, while continuing to invest in community initiatives that positively impact East Tennessee and Southeast Kentucky,” said Y-12 FCU President/CEO Mark Ziegler.

"FSB is my family’s legacy, and I am enthusiastic about partnering with a strong financial institution like Y-12 Credit Union. By combining the strengths of both organizations, we will bring expanded opportunities to our customers, employees, and communities, backed by greater financial resources and advanced technology. Together, we’re delivering the best of both institutions while maintaining the family-oriented culture we’ve built. Y-12 Credit Union’s dedication to its employees, demonstrated by multiple Top Workplaces Culture Excellence Awards, aligns perfectly with our mission and core values," shared FSB Chair/CEO Katherine Reese.

This acquisition is part of the Credit Union's ongoing growth strategy to strengthen its position as a leading financial services provider in the region. Subject to receipt of required regulatory approvals, the transaction is expected to be completed in early 2025. For more information about the acquisition and what it means for members and customers, please visit [y12fcu.org/strongertogether](http://y12fcu.org/strongertogether).

Mercer Capital Inc. is acting as financial adviser to Y-12 FCU, and Honigman LLP is acting as its legal adviser in the transaction. Hovde Group, LLC is acting as financial adviser to First State Bank of the Southeast, and Wyatt, Tarrant & Combs, LLP is acting as its legal adviser in the transaction. Cornerstone provided advisory support to Y-12 FCU on its diligence and communications planning.

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**About Y-12 Credit Union:**

Y-12 Credit Union was founded in 1950. Their 74-year legacy is built on innovation, community, and a member-centric approach to banking. Throughout an eight-county East Tennessee footprint (Anderson, Knox, Blount, Loudon, Roane, Sevier, Campbell, and Union), 16 physical branches and a virtual branch option provide an easy banking experience wherever you are. To learn more about Y-12 Credit Union and the many ways you can join, visit the [website](#), or stop by one of their convenient branch locations.

**About First State Bank of the Southeast:**

Founded in 1899 by George H. Reese in Pineville, Kentucky, First State Bank has built a legacy of trust, community, and customer service. Known early on as "Mr. Reese's Bank," the institution's success stems from its founder's dedication to providing dependable banking services. The Reese family has continued this tradition, guiding the bank through over a century of growth. With eight branch locations in Pineville, Middlesboro, London, Williamsburg, Lexington, and New Tazewell, the bank still upholds its founding values, ensuring exceptional customer care and community support. To learn more about First State Bank of the Southeast, visit our [website](#) or a branch location nearest you.