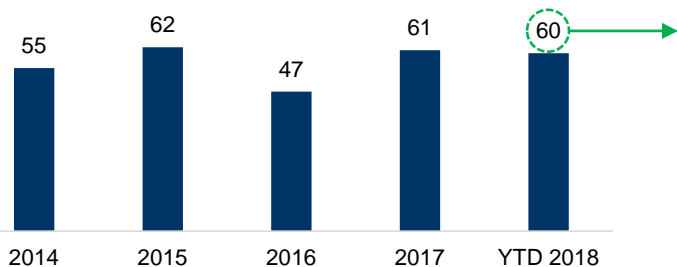


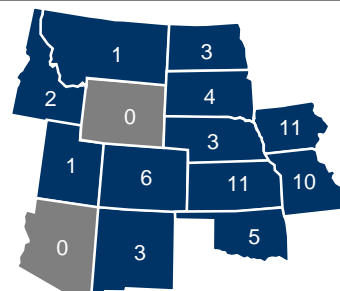
COMMUNITY BANK M&A NEWSLETTER

REGIONAL MERGERS & ACQUISITIONS STATISTICS

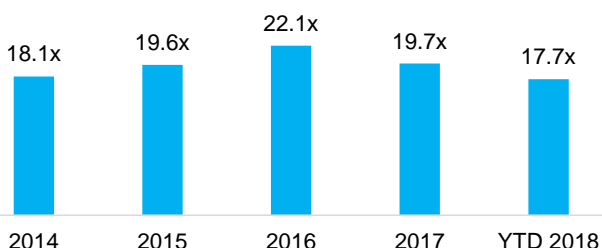
Regional Bank Acquisitions



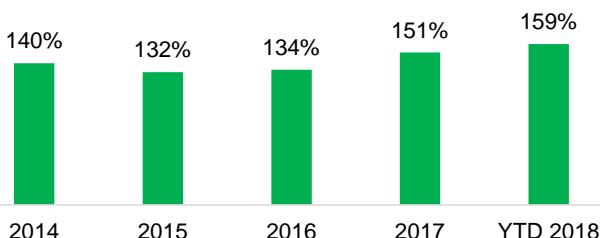
2018 Acquisition Activity by State



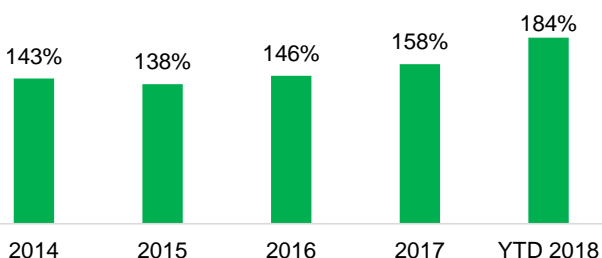
Price / LTM Earnings



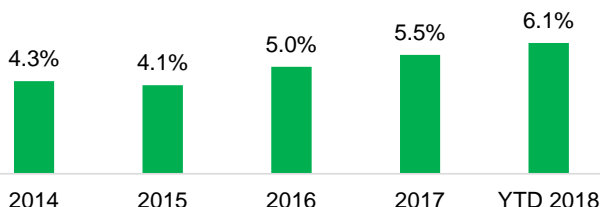
Price / Tangible Book



Price / Adjusted Tangible Book⁽¹⁾



Tangible Premium / Deposits



⁽¹⁾ Calculated on 8.0% of tangible assets

Note: YTD figures as of 11/30/2018; Pricing charts with average figures; Excludes P/E's <10x and >40x and Tangible Premium/Deposits >20% Source: SNL Financial LC

REGIONAL MERGERS & ACQUISITIONS ANNOUNCEMENTS

On November 1st, Clayton, MO-based **Enterprise Financial Services Corp.** (\$5.5B in assets) agreed to acquire Alamos, NM-based **Trinity Capital Corp.** (\$1.3B in assets) for \$212M in a 18% cash / 82% stock deal, representing 205% tangible book value. Enterprise made an out-of-market leap to acquire Trinity and the reaction is mixed due to the credit quality history of the target. The Federal Reserve Bank of Kansas City issued an enforcement action against Trinity in September 2013 and lifted the order in February 2018. The bank has also undergone a significant amount of leadership changes. Trinity named a new chairman in May 2017, a new CFO in July 2017 and a new COO in April 2018. Expected closing is in Q2 2019.

On November 2nd, Dubuque, IA-based **Fidelity Co.** (\$1.9B in assets) agreed to acquire New Hampton, IA-based **State Bank** (\$381M in assets) in an all cash deal. Fidelity will expand in Iowa by eight branches. Terms of the transaction were not disclosed and expected closing is in Q1 2019.

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REGIONAL MERGERS & ACQUISITIONS ANNOUNCEMENTS (CONT.)

On November 13th, Pine Bluff, AR-based **Simmons First National Corp.** (\$16.3B in assets) agreed to acquire Frontenac, MO-based **Reliance Bancshares, Inc.** (\$1.5B in assets) for \$172M in a 37% cash / 63% stock deal, representing 188% tangible book value. Simmons will expand in Missouri by 18 branches and will enter Illinois with four branches. Expected closing is in Q2 2019.

On November 20th, Elkader, IA-based **Freedom Bank** (\$267M in assets) agreed to acquire Waukon, IA-based **Farmers & Merchants Savings Bank** (\$158M in assets). Terms of the transaction were not disclosed and expected closing is in Q1 2019.

REGIONAL BANK INDEX

The GLC Regional Bank Index increased in November by 2.9%. In November, Regional Bank stocks outperformed the SNL US Bank Index (up 2.6%), and outperformed the S&P 500 Index (up 1.8%). Regional Bank stocks were averaging a valuation of 17.3x LTM earnings and 209% of tangible book value. Regional Bank stocks traded up compared to October at 85% of their 52-weeks highs.

Regional Bank Index Companies and Statistics (market data as of 11/30/2018)

Company Name	Ticker	State	MRQ		Market Cap (\$M)	Stock Price (\$ Actual)	52-Week High (%)	11/30/2018 Return		Price/Earnings (x)	Price/Tangible Book (%)
			Total Assets (\$M)	LTM ROAA (%)				Month (%)	YTD (%)		
BancFirst Corporation	BANF	OK	\$7,602	1.50	\$1,828	\$55.82	86.1	(2.7)	9.1	16.6	232.0
BOK Financial Corporation	BOKF	OK	\$33,290	1.22	\$6,123	\$84.30	80.1	(1.7)	(8.7)	13.5	176.0
Capitol Federal Financial, Inc.	CFFN	KS	\$9,450	0.94	\$1,931	\$14.04	99.0	13.1	4.7	19.2	144.3
Commerce Bancshares, Inc.	CBSH	MO	\$25,062	1.71	\$7,029	\$63.02	91.9	4.0	18.5	17.3	280.2
Enterprise Financial Services Corp	EFSC	MO	\$5,518	1.37	\$1,031	\$44.69	77.3	2.9	(1.0)	14.2	224.2
Equity Bancshares, Inc.	EQBK	KS	\$3,931	0.91	\$604	\$37.77	86.1	4.7	6.7	19.2	207.2
First Interstate BancSystem, Inc.	FIBK	MT	\$13,356	1.25	\$2,632	\$43.43	92.5	4.8	8.4	16.0	251.0
Glacier Bancorp, Inc.	GBCI	MT	\$11,909	1.35	\$3,991	\$47.22	100.0	11.4	19.9	26.7	346.4
Great Southern Bancorp, Inc.	GSBC	MO	\$4,584	1.39	\$768	\$54.28	88.6	0.2	5.1	12.5	154.1
Great Western Bancorp, Inc.	GWB	SD	\$12,117	1.34	\$2,160	\$37.32	82.1	1.8	(6.2)	14.0	201.0
Heartland Financial USA, Inc.	HTLF	IA	\$11,335	0.95	\$1,886	\$54.70	88.7	2.9	2.0	18.1	224.8
Independent Bank Group, Inc.	IBTX	TX	\$9,891	1.24	\$1,744	\$57.22	72.8	(1.2)	(15.4)	14.7	218.3
MidWestOne Financial Group, Inc.	MOFG	IA	\$3,268	0.66	\$351	\$28.74	79.9	(0.2)	(14.3)	16.6	128.1
National Bank Holdings Corporation	NBHC	CO	\$5,585	0.63	\$1,155	\$37.23	90.2	10.3	14.8	35.8	210.1
People's Utah Bancorp	PUB	UT	\$2,213	1.43	\$605	\$32.31	84.1	(3.6)	6.6	20.1	241.5
Southern Missouri Bancorp, Inc.	SMBC	MO	\$1,944	1.24	\$338	\$36.33	89.9	7.9	(3.4)	14.1	173.8
Triumph Bancorp, Inc.	TBK	TX	\$4,537	1.12	\$1,006	\$38.28	86.0	6.7	21.5	23.1	248.3
UMB Financial Corporation	UMBF	MO	\$21,462	1.36	\$3,375	\$67.67	84.7	6.0	(5.9)	12.0	168.1
West Bancorporation, Inc.	WTBA	IA	\$2,172	1.19	\$334	\$20.50	76.5	(6.8)	(18.5)	13.2	180.9
Western Alliance Bancorporation	WAL	AZ	\$22,176	1.97	\$4,962	\$46.87	74.0	(2.8)	(17.2)	12.2	226.7
Zions Bancorporation	ZION	UT	\$66,731	1.18	\$9,352	\$48.66	83.1	3.4	(4.3)	13.7	156.6
Regional Bank Index (Average)			\$13,244	1.24	\$2,534		85.4	2.9	1.1	17.3	209.2
SNL US Bank Index								2.6	(4.8)	13.9	188.7
S&P 500 Index								1.8	3.2		

Note: Includes publicly traded banks headquartered in AZ, CO, IA, KS, MO, MT, ND, NE, NM, OK, SD, UT, WY; 3-month daily average volume greater than 10,000 shares and market capitalization greater than \$150 million; Excludes banks identified as the target in a merger/acquisition; Price / Earnings ratios greater than 40.0x and Loans / Deposits ratios less than 40.0% deemed non-meaningful ("NM")

COMMUNITY BANK M&A NEWSLETTER

OVER THE COUNTER (OTC) LISTED BANKS

With the need for liquidity for shareholders, many banks are considering to have their shares trade on the OTC. A public bank listing on the OTC describes shares not traded on a major exchange, but instead trades are conducted between broker dealers. Listing on the OTC is simple and cost effective. The main expense is moving from physical stock certificates to an electronic settlement typically provided with the Depository Trust Company (DTC). A key advantage for smaller banks is the exclusion for filing with the SEC.

Primary Considerations for OTC Market



PROS to OTC

- Not required to file with the SEC
- Ability to transition to larger exchanges in the future
- Less costly than being listed on an exchange



CONS to OTC

- Pricing is subject to the market
- Less information and regulation makes it more difficult for potential investors to have an appetite for shares
- Subject to insider trading policies and rules
- Adoption of CECL a year earlier

Other OTC Considerations

- OTC trading can be similar to a bank's internal trading that already occurs between current shareholders
- Lack of OTC trading volume can lead to liquidity constraints
- Number of shareholders must be less than 2,000 (Bank exemption rule for SEC filings)
- Large block trades require use of an intermediary

OTC Pink Sheet Banks' Median Financials

Asset Size		Number of Banks	Total Assets (\$000s)	TE/TA	LTM ROAA	LTM P/E	P/TBV	3-Month Avg Daily Trading Vol
Less than	\$250M	124	\$156,772	10.6%	0.55%	17.0x	99.7%	223
\$250M	\$500M	123	\$364,236	9.9%	0.84%	15.4x	118.8%	297
\$500M	\$1B	73	\$637,390	9.6%	0.97%	14.0x	141.4%	449
\$1B	\$5B	37	\$1,410,832	9.3%	0.91%	14.0x	142.5%	176
\$5B	\$10B	2	\$6,206,039	8.4%	0.81%	18.3x	176.9%	270
Greater than	\$10B	2	\$16,601,778	11.2%	1.21%	13.3x	142.5%	17
Total/Median		361	\$348,378	10.0%	0.84%	15.3x	120.4%	286

As of 11/30/2018, 361 community banks across the U.S. are traded OTC with an average asset size of \$348M and an LTM ROAA of 0.84%. However, the majority of banks are smaller (< \$500M in assets) with an average trading volume of 250 shares.

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GLC'S PREMIERE INVESTMENT BANKING PRACTICE

About Our Firm

GLC Advisors & Co. delivers objective, senior-level expertise to clients through a variety of advisory assignments including: M&A, financing/debt advisories, restructurings/recapitalizations, fairness opinions, and valuations. Offices are located in New York, San Francisco, and Denver. GLC Advisors is affiliated with GLC Investment Advisors, an investment firm which provides debt and equity capital for leveraged buyouts, strategic acquisitions, recapitalizations and growth financings for middle market companies.

About Our Team

GLC's Denver-based Financial Services Group has 35+ years of collective M&A experience in the Financial Services Industry while completing 80+ successful transactions and financing engagements and 90+ valuations and strategic advisory assignments. The team has been consistently ranked as one of the most active M&A groups in the nation by SNL Financial LC and frequently speaks at industry conferences and conventions, including state banking associations.

GLC's Financial Services Offerings



Mergers & Acquisitions



Debt & Equity Financings



Branch Transactions



Fairness Opinions



Stock Valuations




Strategic Advisories


Recent Transactions



WESTERN STATES BANK
branches have been acquired by (pending)



VERUS BANK
has been acquired by (pending)



CAPITAL ALIGNMENT PARTNERS
completed an equity financing



INTERNATIONAL BANK
has been acquired by

InBankshares Corp.



Valley Bank & Trust
has been acquired by



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