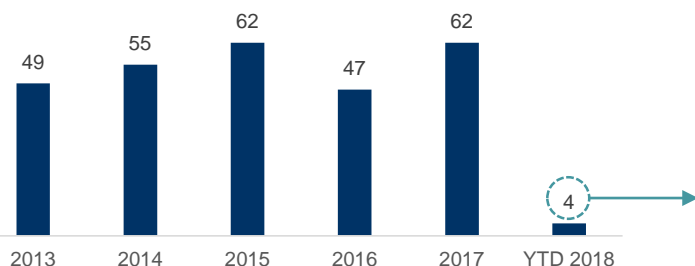


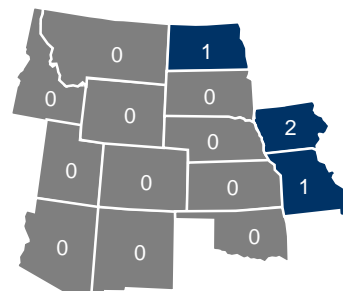
# COMMUNITY BANK M&A NEWSLETTER

## REGIONAL MERGERS & ACQUISITIONS STATISTICS

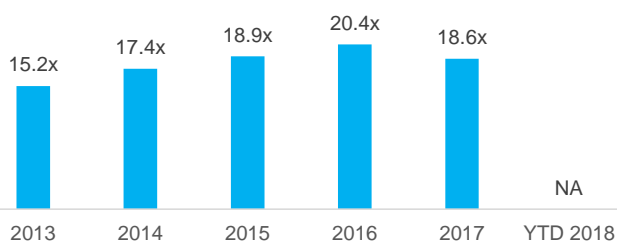
### Regional Bank Acquisitions



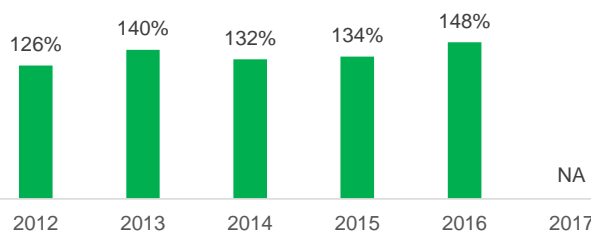
### 2018 Acquisition Activity by State



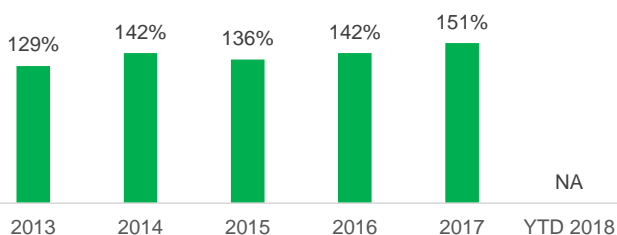
### Price / LTM Earnings



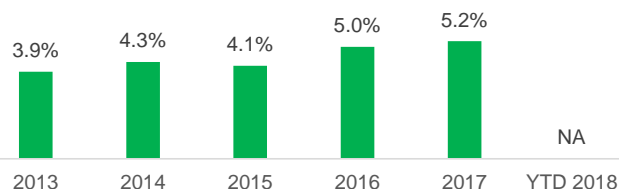
### Price / Tangible Book



### Price / Adjusted Tangible Book<sup>(1)</sup>



### Tangible Premium / Deposits



(1) Calculated on 9.0% of tangible assets

Note: YTD figures as of 1/31/2018; Pricing charts with average figures; Excludes P/E's >40x and Tangible Premium/Deposits >20%

Source: SNL Financial LC

## REGIONAL MERGERS & ACQUISITIONS ANNOUNCEMENTS

On January 18<sup>th</sup>, Raton, NM-based **Raton Capital Corporation**, the holding company for **International Bank** (\$321M in assets), announced it signed an Agreement and Plan of Merger to be acquired by **FFP Group, Inc.** - an investor group led by Ed Francis and a team of experienced senior bank executives. Ed Francis has almost 30 years of banking experience and previously served as EVP and Chief Banking Officer of Hancock Whitney Bank. Financial terms of the transaction have not been disclosed and the expected closing is in Q2 2018. **GLC Advisors & Co., LLC acted as the exclusive financial advisor to Raton Capital Corporation and International Bank in connection with the transaction.**

On January 24<sup>th</sup>, Alexandria, MN-based **Cyrus Bancshares Inc.**, the holding company for **Hometown Community Bank** (\$32M in assets) agreed to acquire Page, ND-based **Quality Bankshares Inc.**, the holding company for **Quality Bank** (\$29M in assets). Cyrus Bancshares Inc. will enter Cass County, ND, with one branch and Barnes County, ND, with one branch. Terms of the transaction were not disclosed and expected closing is in Q1 2018.

Source: SNL Financial LC

# COMMUNITY BANK M&A NEWSLETTER

## REGIONAL MERGERS & ACQUISITIONS ANNOUNCEMENTS (CONT.)

On January 12<sup>th</sup>, Belle Plaine, IA-based **Chebelle Corp.**, the holding company for **Chelsea Savings Bank** (\$123M in assets) agreed to acquire Victor, Iowa-based **Victor State Bank** (\$55M in assets) from **Dental Bancorp.** Chebelle Corp. will enter Iowa County, Iowa, with one branch. Terms of the transaction were not disclosed and expected closing is in Q1 2018.

On January 5<sup>th</sup>, Emmetsburg, IA-based **Emmetsburg Bank Shares Inc.**, the holding company for **Iowa Trust & Savings Bank** (\$229M in assets) agreed to acquire Panora, Iowa-based **Panora State Bank** (\$73M in assets) from Victor, IA-based **Dental Bancorp.** Emmetsburg will enter Guthrie County, Iowa with one branch. Terms of the transaction were not disclosed and expected closing is in Q1 2018.

Source: SNL Financial LC

## REGIONAL BANK INDEX

The GLC Regional Bank Index climbed in January (up 2.9%). In January, Regional Bank stocks underperformed the SNL US Bank Index (up 6.9%) and the S&P 500 Index (up 5.6%). Regional Bank stocks were averaging a valuation of 22.6x LTM earnings and 226% of tangible book value. Regional Bank stocks' 52-week highs remain elevated with the average regional bank stock trading near 94% of its 52-week high.

### Regional Bank Index Companies and Statistics (market data as of 1/31/2018)

Company Name	Ticker	State	MRQ	LTM	Market	Stock	% of	1/31/2018 Return		Price/	Price/
			Total Assets (\$M)	ROAA (%)	Cap (\$M)	Price (\$ Actual)	52-Week High (%)	Month (%)	YTD (%)	LTM Earnings (x)	Tangible Book (%)
BancFirst Corporation	BANF	OK	\$7,253	1.22	\$1,778	\$55.75	93.9	9.0	9.0	21.0	250.2
BOK Financial Corporation	BOKF	OK	\$32,272	1.02	\$6,323	\$96.69	98.3	4.7	4.7	18.9	209.4
Capitol Federal Financial, Inc.	CFFN	KS	\$8,990	0.86	\$1,758	\$13.08	84.8	(2.5)	(2.5)	18.4	133.9
CoBiz Financial Inc.	COBZ	CO	\$3,846	0.87	\$847	\$20.06	92.7	0.4	0.4	25.7	257.8
Commerce Bancshares, Inc.	CBSH	MO	\$24,833	1.28	\$6,238	\$58.51	98.0	4.8	4.8	20.2	259.1
Enterprise Financial Services Corp	EFSC	MO	\$5,289	0.97	\$1,123	\$48.65	99.0	7.8	7.8	23.5	267.3
Equity Bancshares, Inc.	EQBK	KS	\$3,171	0.84	\$526	\$36.01	98.0	1.7	1.7	22.2	204.5
First Interstate BancSystem, Inc.	FIBK	MT	\$12,213	0.98	\$2,363	\$41.85	93.4	4.5	4.5	20.4	260.9
Glacier Bancorp, Inc.	GBCI	MT	\$9,706	1.20	\$3,059	\$39.22	97.3	(0.4)	(0.4)	26.1	303.8
Great Southern Bancorp, Inc.	GSBC	MO	\$4,415	1.16	\$715	\$50.75	88.5	(1.7)	(1.7)	13.9	155.1
Great Western Bancorp, Inc.	GWB	SD	\$11,807	1.20	\$2,482	\$42.15	92.9	5.9	5.9	18.2	243.4
Guaranty Bancorp	GBNK	CO	\$3,699	1.12	\$829	\$28.35	94.8	2.5	2.5	20.8	254.6
Heartland Financial USA, Inc.	HTLF	IA	\$9,811	0.84	\$1,592	\$53.15	95.7	(0.9)	(0.9)	20.1	221.5
MidWestOne Financial Group, Inc.	MOFG	IA	\$3,212	0.60	\$404	\$33.08	87.9	(1.3)	(1.3)	21.3	153.3
National Bank Holdings Corporation	NBHC	CO	\$4,843	0.31	\$1,012	\$33.24	90.1	2.5	2.5	62.7	189.6
People's Utah Bancorp	PUB	UT	\$2,124	1.11	\$585	\$31.60	95.3	4.3	4.3	29.3	257.1
Southern Missouri Bancorp, Inc.	SMBC	MO	\$1,777	1.09	\$329	\$38.33	94.9	2.0	2.0	17.7	201.7
UMB Financial Corporation	UMBF	MO	\$21,772	1.21	\$3,799	\$76.18	93.6	5.9	5.9	15.4	198.7
West Bancorporation, Inc.	WTBA	IA	\$2,114	1.18	\$415	\$25.60	91.9	1.8	1.8	18.2	233.1
Western Alliance Bancorporation	WAL	AZ	\$20,329	1.72	\$6,188	\$58.66	98.0	3.6	3.6	18.9	320.9
Zions Bancorporation	ZION	UT	\$66,288	0.91	\$10,673	\$54.03	99.7	6.3	6.3	20.8	175.0
<b>Regional Bank Index (Average)</b>			<b>\$12,370</b>	<b>1.03</b>	<b>\$2,526</b>		<b>94.2</b>	<b>2.9</b>	<b>2.9</b>	<b>22.6</b>	<b>226.2</b>
<b>SNL US Bank Index</b>								<b>6.9</b>	<b>6.9</b>	<b>19.2</b>	<b>213.7</b>
<b>S&amp;P 500 Index</b>								<b>5.6</b>	<b>5.6</b>		

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 deemed non-meaningful ("NM")

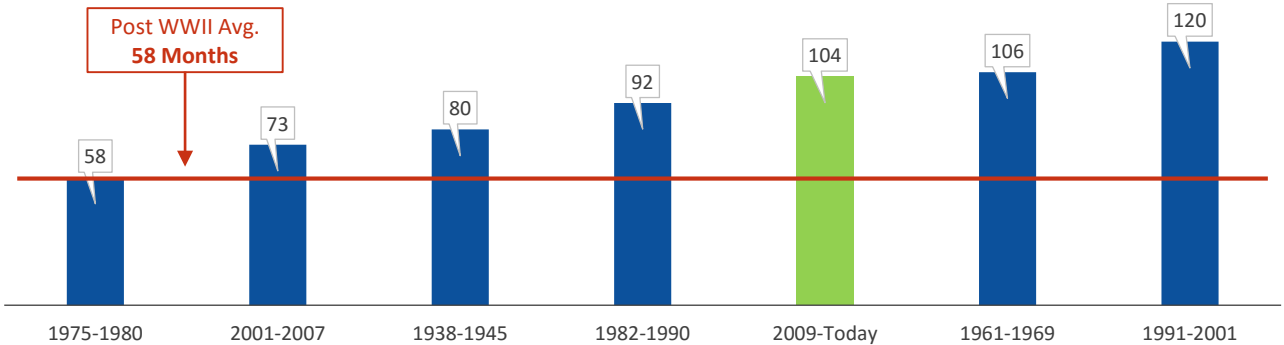
Source: SNL Financial LC

# COMMUNITY BANK M&A NEWSLETTER

## HISTORIC EXPANSION AND PENDING MARKET UNCERTAINTY

The average U.S. economic expansion (period of economic growth without a recession) in the modern economic era has typically been approximately 60 months or five years. Today's U.S. economy is currently in the midst of a historic economic expansion well in excess of an average expansionary period. As of the end of January, the U.S. economy has not experienced a recession for 104 consecutive months – the third longest expansion in U.S. history.

### LONGEST US ECONOMIC EXPANSIONS (# OF MONTHS)



Source: National Bureau of Economic Research; Market data as of 1/31/2018

Since 2009, the Regional Bank Index has increased 124% compared to the S&P 500 Index increase of 177%. More recently, for 2017, the 21 bank stocks that comprise our Regional Bank Index posted a new 52-week high 60 times. Overall, the average regional bank stock traded near 93% of its 52-week high during 2017. Given these market dynamics, are current public market valuations at risk for a decline?

**+124%**

Increase in the Regional Bank Index (2009 - Jan 2018)

**60**

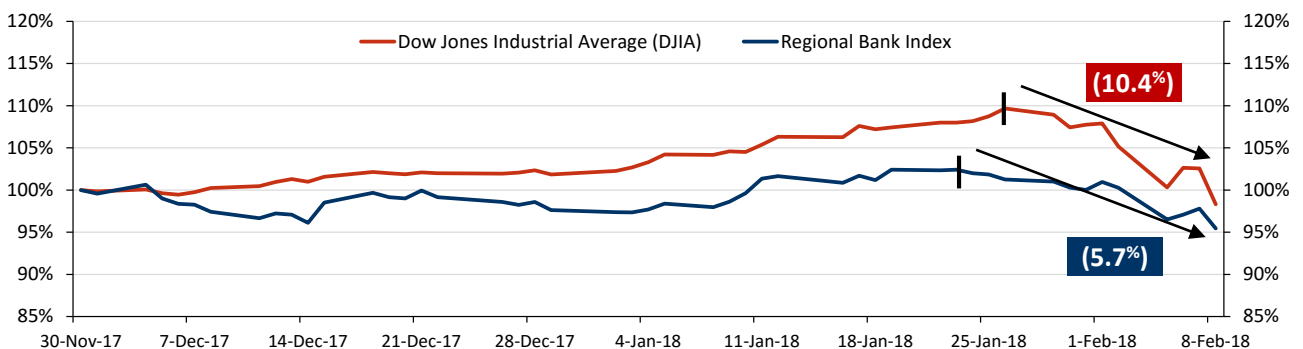
Number of times the Regional Bank Index stocks posted new 52-week highs in 2017

**93%**

Average Regional Bank stock price as % of 52-week high in 2017

With the current economic expansion, many are monitoring the increasing probability of a near-term economic downturn. In the beginning of February, the capital markets (a leading economic indicator) began to experience high levels of volatility resulting in the Dow Jones Industrial Average entering **"correction territory."** Bank stocks also declined during the period resulting in a decrease of 5.7% since peaking on January 19, 2018.

### DOW JONES AND REGIONAL BANK INDEX PERFORMANCE



Source: SNL Financial LC; Market data as of 2/8/2018

# COMMUNITY BANK M&A NEWSLETTER

## GLC'S PREMIERE INVESTMENT BANKING PRACTICE

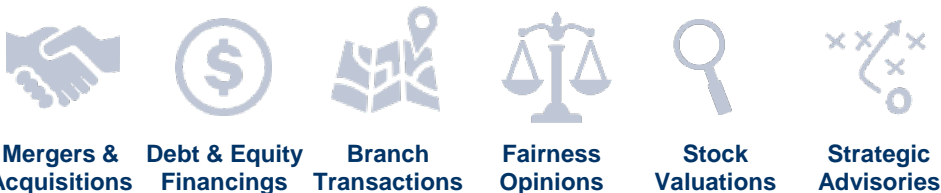
### About Our Firm

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 30+ years of collective M&A experience in the Financial Services Industry while completing 80+ successful transactions and financing engagements and nearly 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

 <p>INTERNATIONAL BANK</p> <p>has been acquired by (pending)</p> <p><b>FFP Group, Inc.</b></p>	 <p>Valley Bank &amp; Trust</p> <p>has been acquired by</p> <p><b>TRIUMPH</b></p>	 <p>First State Bank of Colorado</p> <p>has been acquired by</p> <p><b>TIG Bancorp</b></p>	 <p>Legacy Bank and Trust</p> <p>has been acquired by</p> <p><b>FIRST NATIONAL BANK</b></p>	 <p>AMFIRST FTBANK</p> <p>has been acquired by</p> <p><b>Pinnacle Bank</b></p>
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