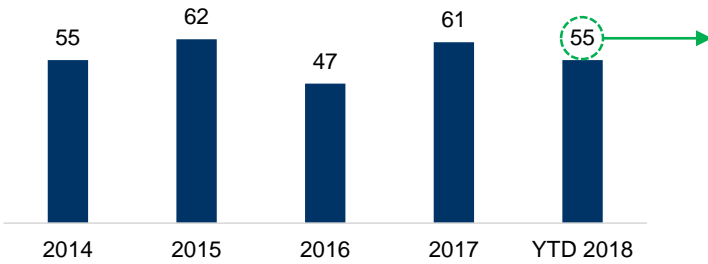


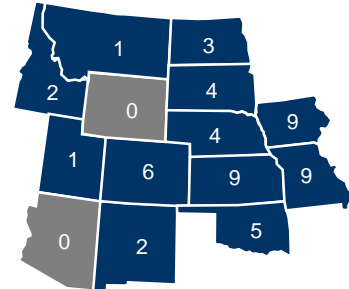
# COMMUNITY BANK M&A NEWSLETTER

## REGIONAL MERGERS & ACQUISITIONS STATISTICS

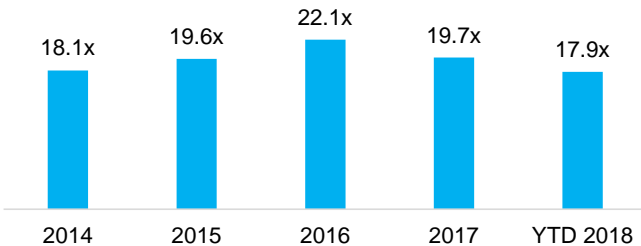
### Regional Bank Acquisitions



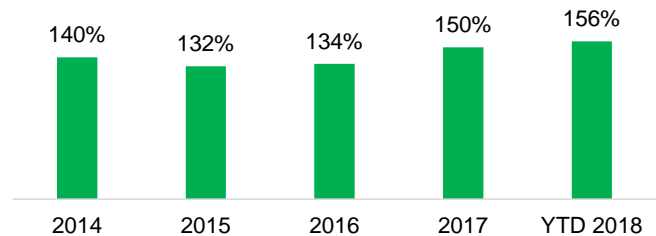
### 2018 Acquisition Activity by State



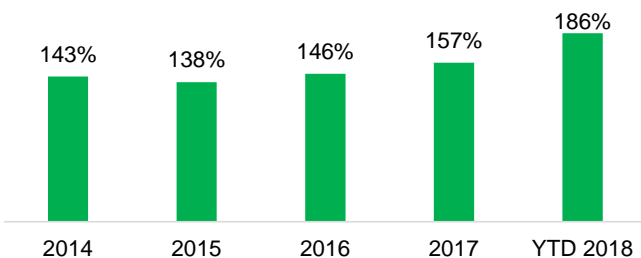
### Price / LTM Earnings



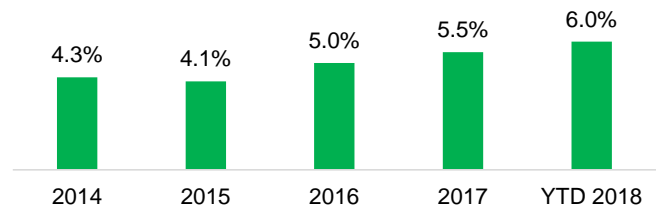
### Price / Tangible Book



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



### Tangible Premium / Deposits



(1) Calculated on 8.0% of tangible assets

Note: YTD figures as of 10/31/2018; 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 October 3<sup>rd</sup>, Britton, SD-based **Beresford Bancorp**, the holding company for **First Savings Bank** (\$739M in assets) agreed to acquire Sisseton, SD-based **Roberts County National Bank of Sisseton** (\$54M in assets). First Savings will enter Roberts County, SD with one branch. The terms of the transaction were not disclosed and expected closing is Q4 2018.

On October 22<sup>nd</sup>, Manhattan, KS-based **Foot Financial Shares, LLC** agreed to acquire Manhattan, KS-based **Peoples State Bank** (\$228M in assets), which operates 12 branches in Kansas. Terms of the transactions were not disclosed and expected closing is in Q4 2018.

# COMMUNITY BANK M&A NEWSLETTER

## REGIONAL MERGERS & ACQUISITIONS ANNOUNCEMENTS (CONT.)

On October 11<sup>th</sup>, Billings, MT-based **First Interstate BancSystem** (\$12.2B in assets) agreed to acquire Coeur d'Alene, ID-based **Idaho Independent Bank** (\$725M in assets) for \$183M in a 3% cash / 97% stock deal, representing 251% tangible book value and 41.6x last twelve months' net income. Additionally, First Interstate agreed to acquire Post Falls, ID-based **Community 1<sup>st</sup> Bank** (\$130M in assets) for \$22M in a 3% cash / 97% stock deal, representing 156% tangible book value and 20.9x last twelve months' net income. First Interstate will expand in Idaho by another three branches for a total of 14 branches between the two transactions. The expected closing for both transactions is in Q2 2019.

## REGIONAL BANK INDEX

**The GLC Regional Bank Index declined in October by 8.2%.** In October, Regional Bank stocks underperformed the SNL US Bank Index (down 5.4%), and underperformed the S&P 500 Index (down 6.9%). Regional Bank stocks were averaging a valuation of 16.7x LTM earnings and 204% of tangible book value. Regional Bank stocks traded down for the second consecutive month at 83% of their 52-weeks highs.

### Regional Bank Index Companies and Statistics (market data as of 10/31/2018)

Company Name	Ticker	State	MRQ		Market Cap (\$M)	Stock Price (\$ Actual)	52-Week High (%)	10/31/2018 Return		Price/ LTM Earnings (x)	Price/ Tangible Book (%)
			Total Assets (\$M)	LTM ROAA (%)				Month (%)	YTD (%)		
BancFirst Corporation	BANF	OK	\$7,602	1.50	\$1,879	\$57.38	88.5	(4.3)	12.2	17.0	238.5
BOK Financial Corporation	BOKF	OK	\$33,290	1.22	\$6,227	\$85.73	81.4	(11.9)	(7.2)	13.7	179.0
Capitol Federal Financial, Inc.	CFFN	KS	\$9,450	0.94	\$1,707	\$12.41	87.2	(2.6)	(7.5)	17.0	127.9
Commerce Bancshares, Inc.	CBSH	MO	\$25,062	1.71	\$6,765	\$63.60	88.3	(3.7)	13.9	16.6	273.7
Enterprise Financial Services Corp	EFSC	MO	\$5,518	1.37	\$1,003	\$43.45	75.1	(18.1)	(3.8)	13.8	218.0
Equity Bancshares, Inc.	EQBK	KS	\$3,931	0.91	\$570	\$36.09	82.3	(8.1)	1.9	18.3	198.0
First Interstate BancSystem, Inc.	FIBK	MT	\$13,349	1.25	\$2,513	\$41.46	88.3	(7.5)	3.5	15.3	246.2
Glacier Bancorp, Inc.	GBCI	MT	\$11,909	1.35	\$3,584	\$42.40	92.1	(1.6)	7.6	24.0	311.1
Great Southern Bancorp, Inc.	GSBC	MO	\$4,584	1.39	\$766	\$54.15	88.4	(2.2)	4.8	12.4	153.7
Great Western Bancorp, Inc.	GWB	SD	\$12,117	1.34	\$2,167	\$36.65	80.6	(13.1)	(7.9)	13.7	197.4
Heartland Financial USA, Inc.	HTLF	IA	\$11,335	0.95	\$1,832	\$53.14	86.1	(8.5)	(1.0)	17.5	218.4
Independent Bank Group, Inc.	IBTX	TX	\$9,891	1.24	\$1,765	\$57.91	73.7	(12.7)	(14.3)	14.9	220.9
MidWestOne Financial Group, Inc.	MOFG	IA	\$3,268	0.66	\$352	\$28.81	77.1	(13.5)	(14.1)	16.7	128.4
National Bank Holdings Corporation	NBHC	CO	\$5,585	0.63	\$1,047	\$33.76	81.8	(10.3)	4.1	32.5	195.1
People's Utah Bancorp	PUB	UT	\$2,213	1.43	\$627	\$33.51	87.3	(1.3)	10.6	20.8	250.5
Southern Missouri Bancorp, Inc.	SMBC	MO	\$1,944	1.24	\$303	\$33.67	83.3	(9.7)	(10.4)	13.1	166.2
Triumph Bancorp, Inc.	TBK	TX	\$4,537	1.12	\$942	\$35.86	80.6	(6.1)	13.8	21.6	232.6
UMB Financial Corporation	UMBF	MO	\$21,462	1.36	\$3,185	\$63.85	79.9	(9.9)	(11.2)	11.3	158.6
West Bancorporation, Inc.	WTBA	IA	\$2,172	1.19	\$358	\$21.99	79.0	(6.4)	(12.6)	14.2	194.1
Western Alliance Bancorporation	WAL	AZ	\$22,176	1.97	\$5,107	\$48.24	76.1	(15.2)	(14.8)	12.5	233.3
Zions Bancorporation	ZION	UT	\$66,731	1.18	\$9,042	\$47.05	80.4	(6.2)	(7.4)	13.2	151.4
<b>Regional Bank Index (Average)</b>			<b>\$13,244</b>	<b>1.24</b>	<b>\$2,464</b>		<b>82.7</b>	<b>(8.2)</b>	<b>(1.9)</b>	<b>16.7</b>	<b>204.4</b>
<b>SNL US Bank Index</b>								<b>(5.4)</b>	<b>(7.2)</b>	<b>13.4</b>	<b>183.0</b>
<b>S&amp;P 500 Index</b>								<b>(6.9)</b>	<b>1.4</b>		

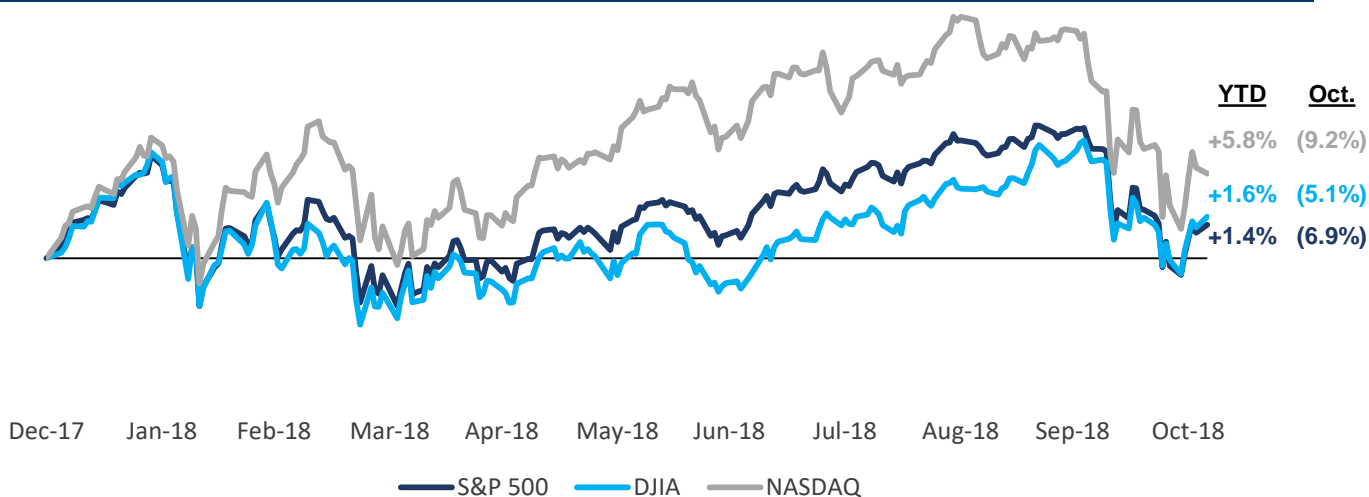
Note: Includes publicly traded banks headquartered in AZ, CO, IA, KS, MO, MT, ND, NE, NM, OK, SD, UT, WY; 3-month daily average volume greater than 10,000 shares and market capitalization greater than \$150 million; Excludes banks identified as the target in a merger/acquisition; Price / Earnings ratios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

# COMMUNITY BANK M&A NEWSLETTER

## OCTOBER WAS ROUGH ON THE MARKETS

During the month of October, the S&P 500 Index lost nearly \$2 trillion of value marking the worst month of losses since September 2011. The main factors effecting this run down were corporate America markets running at record highs for a prolonged period, concerns over a trade war with China, and worries on the impact of a rising interest rate environment. Overall, the market dropped more than 10% during the run down, known as a “correction” by Wall Street.

### YTD Market Indices Comparison



Since August, regional bank stocks lost over 13% in value resulting in the price to tangible equity multiples decreasing by over 13% and price to earnings multiples decreasing by over 14%.

### Bank Indices vs S&P 500

Month	Regional Bank Index				SNL U.S. Bank Index				S&P 500	
	TBV	P/E	M-M	YTD	TBV	P/E	M-M	YTD	M-M	YTD
May	241%	20.0x	+5.1%	+8.7%	201%	16.7x	(0.0%)	(1.5%)	+2.2%	+1.2%
June	233%	19.8x	(1.4%)	+8.1%	197%	16.4x	(1.7%)	(3.2%)	+0.5%	+1.7%
July	230%	20.6x	+1.1%	+9.2%	203%	16.0x	+5.2%	+1.9%	+3.6%	+5.3%
Aug.	237%	19.5x	+3.1%	+12.6%	205%	16.2x	+0.9%	+2.8%	+3.0%	+8.5%
Sept.	225%	18.5x	(5.0%)	+6.9%	195%	15.4x	(4.5%)	(1.8%)	+0.4%	+9.0%
Oct.	204%	16.7x	(8.2%)	(1.9%)	183%	13.4x	(5.4%)	(7.2%)	(6.9%)	+1.4%

October is historically known for being a volatile month for the stock markets. Although October of 2018 proved to be the worst in a decade, market corrections and volatility are not uncommon as the markets typically experience a 10% “correction” in over 50% of all calendar years, but end the year higher in three out of every four years.

Note: “M-M” defined as month-to-month; YTD defined as 10/31/2018  
Source: SNL Financial LC, CNBC

# COMMUNITY BANK M&A NEWSLETTER

## GLC'S PREMIERE INVESTMENT BANKING PRACTICE

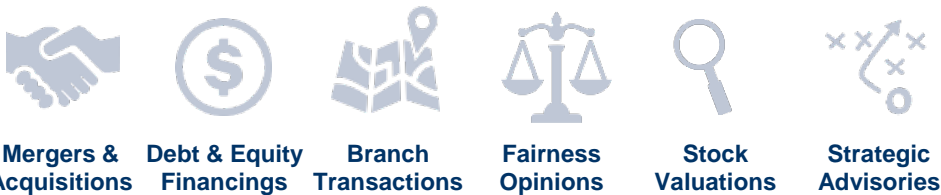
### About Our Firm

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 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

 <p>branches have been acquired by (pending)</p> 	 <p>has been acquired by (pending)</p> 	 <p>has been acquired by</p> <p><b>InBankshares Corp.</b></p>	 <p>has been acquired by</p> 	 <p>has been acquired by</p> <p><b>TIG Bancorp</b></p>
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### DENVER

1512 Larimer Street  
Denver, CO 80202

#### Adam Fiedor

Managing Director

[Adam.Fiedor@glca.com](mailto:Adam.Fiedor@glca.com)

303.479.3845

#### Michael Richter

Managing Director

[Michael.Richter@glca.com](mailto:Michael.Richter@glca.com)

303.479.3844

#### Mike Fleschner

Vice President

[Michael.Fleschner@glca.com](mailto:Michael.Fleschner@glca.com)

303.479.3846

#### Bradley Hale

Analyst

[Bradley.Hale@glca.com](mailto:Bradley.Hale@glca.com)

303.479.3851

### NEW YORK

600 Lexington Avenue  
New York, NY 10022

#### Soren Reynertson

Managing Director

[Soren.Reynertson@glca.com](mailto:Soren.Reynertson@glca.com)

212.542.4550

### SAN FRANCISCO

451 Jackson Street  
San Francisco, CA 94111

#### Tom Benninger

Managing Director

[Tmb@glcllc.com](mailto:Tmb@glcllc.com)

415.400.2320

For more information,  
visit [www.glca.com](http://www.glca.com).