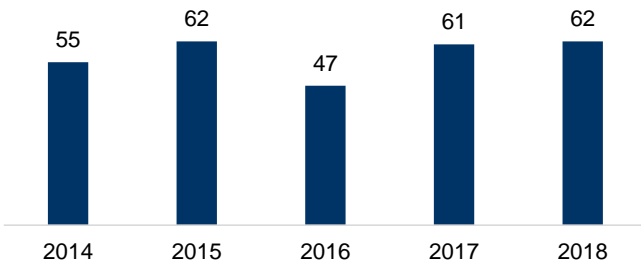


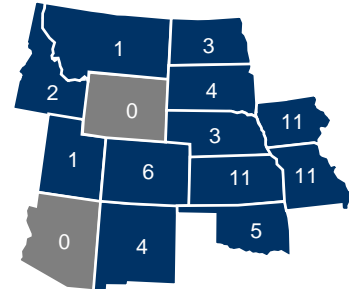
COMMUNITY BANK M&A NEWSLETTER

REGIONAL MERGERS & ACQUISITIONS STATISTICS

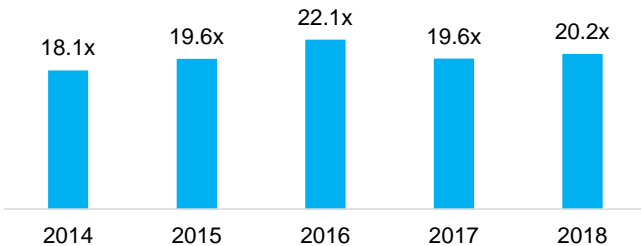
Regional Bank Acquisitions



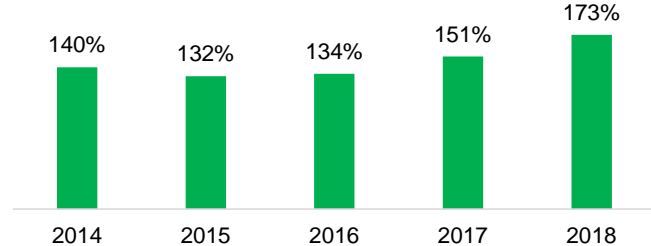
2018 Acquisition Activity by State



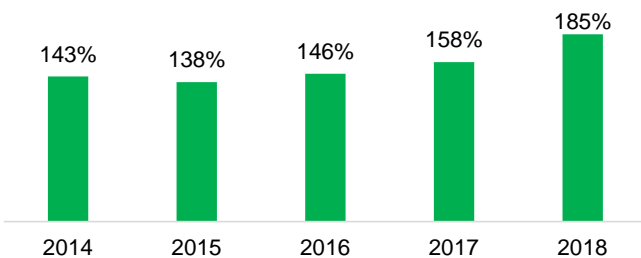
Price / LTM Earnings



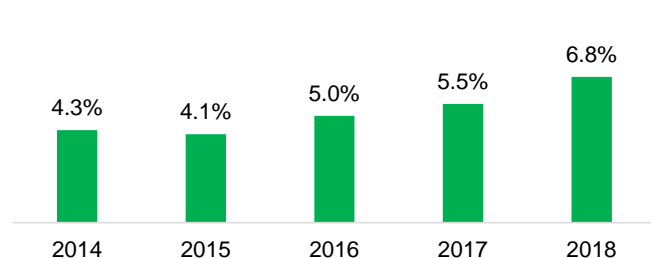
Price / Tangible Book



Price / Adjusted Tangible Book⁽¹⁾



Tangible Premium / Deposits



⁽¹⁾ Calculated on 8.0% of tangible assets

Note: YTD figures as of 12/31/2018; 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 December 1st, Amsterdam, MO-based **Amsterdam Bancshares, Inc.**, the holding company for Butler, MO-based **Citizens Bank** (\$121M in assets) agreed to acquire Mindenmines, MO-based **S.T.D. Investments, Inc.**, the holding company for **Bank of Minden** (\$28M in assets). Terms of the transaction were not disclosed and expected closing is in Q1 2019.

On December 20th, Britton, SD-based **Beresford Bancorp, Inc.**, the holding company for **First Savings Bank** (\$732M in assets) agreed to acquire Carlsbad, NM-based **Western Bancshares of Alamogordo**, the holding company for **Western Bank** (\$64M in assets). Beresford will expand in Otero County, NM by two 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 December 20th, Denver, CO-based **Fortis Financial Inc.**, issued \$10M in subordinated debt with an offering rate of 6.5%, a 10-year term and a five-year non-call period. Fortis plans to use the proceeds from the offering for general corporate purposes, including investment in its regulatory capital and potential future growth opportunities. Fortis Financial is the holding company for **Fortis Private Bank**, which has \$700M in assets and three branches in Colorado as well as Fortis Asset Management, Inc., which has \$144M in AUM (assets under management).

REGIONAL BANK INDEX

The GLC Regional Bank Index decreased in December by 13.5%. In December, Regional Bank stocks outperformed the SNL US Bank Index (down 14.5%), and underperformed the S&P 500 Index (down 9.2%). Regional Bank stocks were averaging a valuation of 14.9x LTM earnings and 180% of tangible book value. Regional Bank stocks have traded down by over 20% from their highs in August.

Regional Bank Index Companies and Statistics (market data as of 12/31/2018)

Company Name	Ticker	State	MRQ		Market Cap (\$M)	Stock Price (\$ Actual)	52-Week High (%)	12/31/2018 Return		Price/LTM Earnings (x)	Price/Tangible Book (%)
			Total Assets (\$M)	LTM ROAA (%)				Month (%)	YTD (%)		
BancFirst Corporation	BANF	OK	\$7,602	1.50	\$1,634	\$49.90	76.9	(10.6)	(2.4)	14.8	207.4
BOK Financial Corporation	BOKF	OK	\$33,290	1.22	\$5,326	\$73.33	69.7	(13.0)	(20.6)	11.7	153.1
Capitol Federal Financial, Inc.	CFFN	KS	\$9,450	0.94	\$1,479	\$12.77	91.0	(9.0)	(4.8)	17.5	131.3
Commerce Bancshares, Inc.	CBSH	MO	\$25,062	1.71	\$6,287	\$56.37	82.2	(10.6)	6.0	15.5	250.6
Enterprise Financial Services Corp	EFSC	MO	\$5,518	1.37	\$868	\$37.63	65.0	(15.8)	(16.7)	12.0	188.8
Equity Bancshares, Inc.	EQBK	KS	\$3,931	0.91	\$563	\$35.25	80.4	(6.7)	(0.5)	17.9	193.4
First Interstate BancSystem, Inc.	FIBK	MT	\$13,356	1.25	\$2,216	\$36.56	77.9	(15.8)	(8.7)	13.5	211.3
Glacier Bancorp, Inc.	GBCI	MT	\$11,909	1.35	\$3,349	\$39.62	83.9	(16.1)	0.6	22.4	290.7
Great Southern Bancorp, Inc.	GSBC	MO	\$4,584	1.39	\$651	\$46.03	75.2	(15.2)	(10.9)	10.6	130.7
Great Western Bancorp, Inc.	GWB	SD	\$12,117	1.34	\$1,808	\$31.25	68.7	(16.3)	(21.5)	11.7	168.3
Heartland Financial USA, Inc.	HTLF	IA	\$11,335	0.95	\$1,515	\$43.95	71.2	(19.7)	(18.1)	14.5	180.7
Independent Bank Group, Inc.	IBTX	TX	\$9,891	1.24	\$1,395	\$45.77	58.2	(20.0)	(32.3)	11.8	174.6
MidWestOne Financial Group, Inc.	MOFG	IA	\$3,268	0.66	\$303	\$24.83	70.8	(13.6)	(25.9)	14.4	110.7
National Bank Holdings Corporation	NBHC	CO	\$5,585	0.63	\$958	\$30.87	74.8	(17.1)	(4.8)	29.7	174.2
People's Utah Bancorp	PUB	UT	\$2,213	1.43	\$564	\$30.15	78.5	(6.7)	(0.5)	18.7	225.4
Southern Missouri Bancorp, Inc.	SMBC	MO	\$1,944	1.24	\$316	\$33.90	84.8	(6.7)	(9.8)	13.1	162.2
Triumph Bancorp, Inc.	TBK	TX	\$4,537	1.12	\$781	\$29.70	66.7	(22.4)	(5.7)	17.9	192.7
UMB Financial Corporation	UMBF	MO	\$21,462	1.36	\$3,041	\$60.97	76.3	(9.9)	(15.2)	10.8	151.5
West Bancorporation, Inc.	WTBA	IA	\$2,172	1.19	\$311	\$19.09	71.4	(6.9)	(24.1)	12.3	168.5
Western Alliance Bancorporation	WAL	AZ	\$22,176	1.97	\$4,180	\$39.49	62.3	(15.7)	(30.3)	10.3	191.0
Zions Bancorporation	ZION	UT	\$66,731	1.18	\$7,830	\$40.74	69.6	(16.3)	(19.9)	11.4	131.1
Regional Bank Index (Average)			\$13,244	1.24	\$2,161		74.1	(13.5)	(12.7)	14.9	180.4
SNL US Bank Index								(14.5)	(18.6)	11.9	162.5
S&P 500 Index								(9.2)	(6.2)		

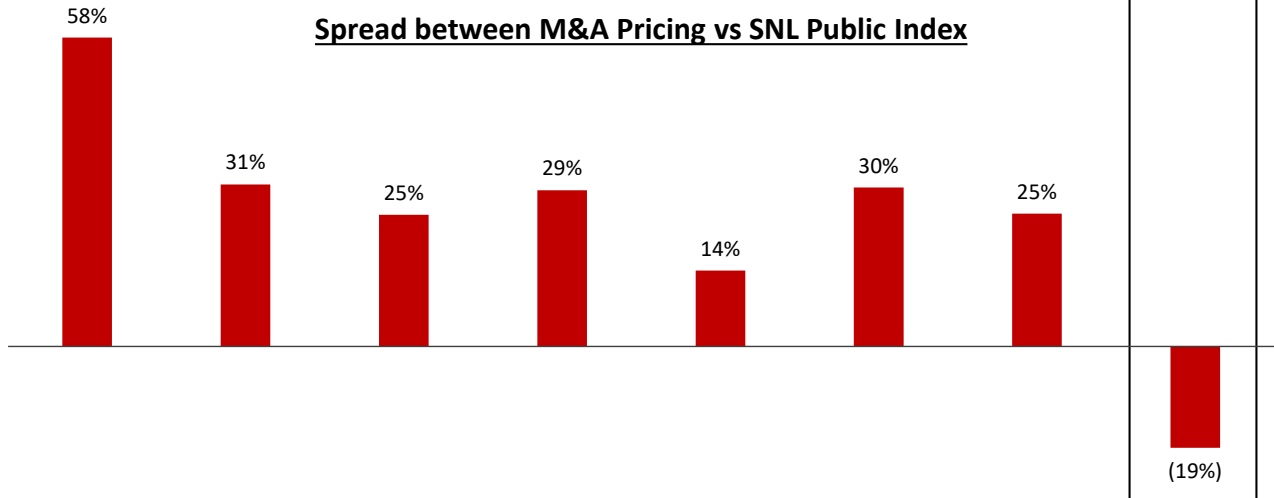
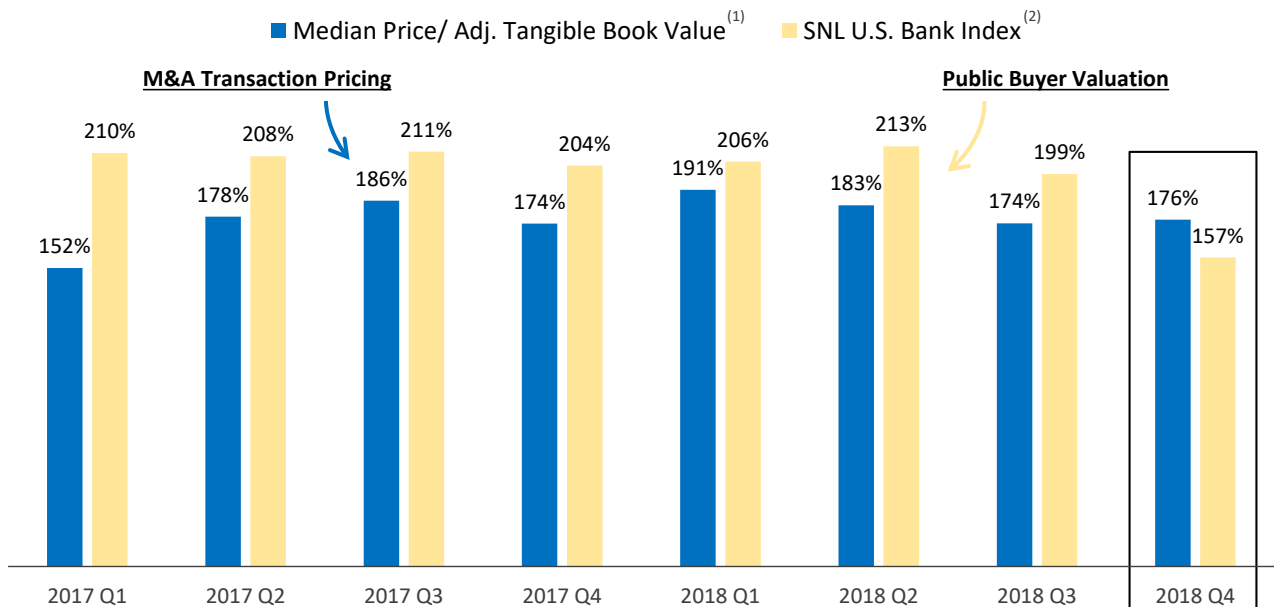
Note: Includes publicly traded banks headquartered in AZ, CO, IA, KS, MO, MT, ND, NE, NM, OK, SD, UT, WY; 3-month daily average volume greater than 10,000 shares and market capitalization greater than \$150 million; Excludes banks identified as the target in a merger/acquisition; Price / Earnings ratios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

COMMUNITY BANK M&A NEWSLETTER

PUBLIC BUYER ARBITRAGE IS DISAPPEARING

In the last few months of 2018, bank stocks and the overall stock market experienced a pullback resulting in lower valuations for publicly traded banks. In fact, valuations for publicly traded banks between \$1B in assets to \$5B in assets (a barometer for public bank buyers) decreased below the median pricing of bank M&A transactions. The SNL US Bank index was trading at 157% of tangible book value as of 12/31/2018 vs. the median price to adjusted tangible book value for bank transactions in Q4 2018 was 176%. With the tangible book value spread becoming negative, it is expected that many public bank buyers will have to rethink their M&A strategy and pricing in the near future. Prior to the recent stock pullback, publicly traded banks had the advantage of using their higher publicly traded currency for acquisitions with a positive spread or arbitrage.

M&A Pricing vs SNL Public Index



Source: SNL Financial LC; Data as of 12/31/2018 and only includes data for target size banks with \$100M - \$1B in assets
(1) Adjusted to a core equity ratio of 8.0%; (2) SNL U.S. Bank Index includes pricing for public banks with \$1B - \$5B in assets

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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)




SANDHILLS STATE BANK



VERUS BANK

has been acquired by (pending)



CITIZENS BANK OF KANSAS



CAPITAL ALIGNMENT PARTNERS


completed an equity financing



INTERNATIONAL BANK


has been acquired by

InBankshares Corp.



Valley Bank & Trust

has been acquired by



TRIUMPH

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DENVER

1512 Larimer Street
Denver, CO 80202

Adam Fiedor

Managing Director

Adam.Fiedor@glca.com
303.479.3845

Michael Richter

Managing Director

Michael.Richter@glca.com
303.479.3844

Mike Fleschner

Vice President

Michael.Fleschner@glca.com
303.479.3846

Bradley Hale

Analyst

Bradley.Hale@glca.com
303.479.3851

NEW YORK

600 Lexington Avenue
New York, NY 10022

Soren Reynertson

Managing Director

Soren.Reynertson@glca.com
212.542.4550

SAN FRANCISCO

451 Jackson Street
San Francisco, CA 94111

Tom Benninger

Managing Director

Tmb@glcllc.com
415.400.2320

For more information,
visit www.glca.com.