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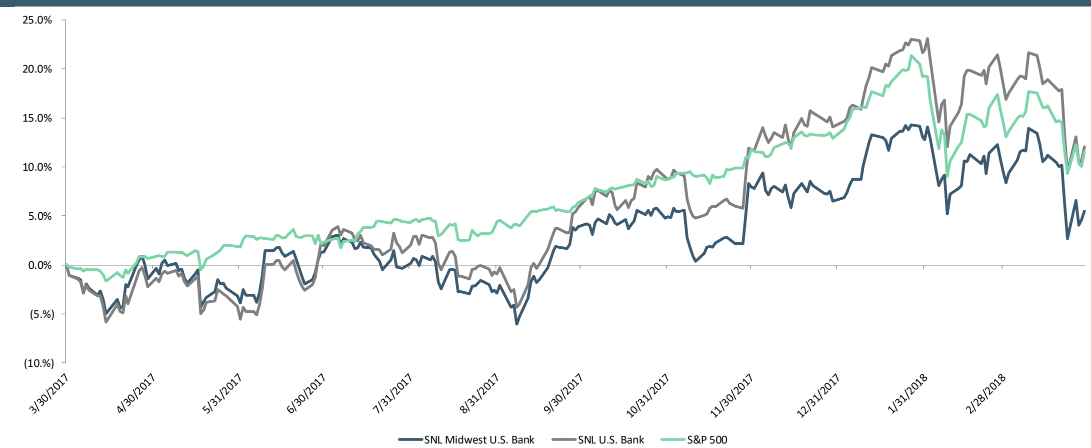
Midwest Bank Index Performance (shown as % change)



Indices Performance (% change)

	March 2018	LTM		March 2018	LTM
S&P 500	(1.4%)	11.5%	SNL U.S. Bank	(4.1%)	12.0%
Dow Jones	(2.1%)	16.3%	SNL Midwest U.S. Bank	(2.7%)	5.5%
NASDAQ	(1.6%)	19.4%			

Note: U.S. Bank index includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ). Midwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI.

Movers and Losers (largest % changes in the month of March)

Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
National Bankshares (NKSH)	$45.05	15.8%	Wells Fargo (WFC)	$52.41	(8.5%)
Farmers & Merchants (FMAO)	$40.37	15.2%	Citigroup (C)	$67.50	(8.4%)
Pacific Mercantile (PMBC)	$9.55	15.1%	Bank of NY Mellon (BK)	$51.53	(7.2%)
Enterprise Bancorp (EBTC)	$35.29	13.4%	KeyCorp (KEY)	$19.55	(6.9%)
C&F Financial Corp. (CFFI)	$52.60	13.4%	Northeast Bancorp (NBN)	$20.50	(6.8%)

Note: Price per share as of March 31, 2018. Consists of public banks listed on the NYSE and NASDAQ with a market capitalization greater than $150 million.

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Select Public Trading Statistics (as of 3/31/2018)

Large U.S. National Banks:

Institution Name	Ticker	State	Market Capitalization ($ in millions)	Total Assets ($ in thousands)	NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Book (%)	Price/ Tangible Book (%)
JPMorgan Chase & Co.	JPM	NY	375,042.9	2,609,785,000	NA	2.45	57.97	15.30	8.20	164.0	207.8
Bank of America Corporation	BAC	NC	306,618.4	2,328,478,000	NA	2.38	59.71	NA	8.40	126.0	177.5
Wells Fargo & Company	WFC	CA	255,556.0	1,915,388,000	NA	2.82	67.27	NA	NA	140.0	166.1
Citigroup Inc.	C	NY	172,822.0	1,922,104,000	NA	2.77	58.54	NA	NA	95.6	111.1
U.S. Bancorp	USB	MN	83,367.0	462,040,000	0.75	3.09	58.40	12.92	8.91	191.7	248.8
PNC Financial Services Group, Inc.	PNC	PA	71,323.3	379,161,000	NA	2.90	61.04	NA	9.40	164.3	210.2
Bank of New York Mellon Corporation	BK	NY	51,918.9	371,758,000	0.04	1.16	73.04	13.40	6.60	138.5	312.1
BB&T Corporation	BBT	NC	40,453.8	221,642,000	NA	3.44	61.73	13.91	9.85	153.0	250.2
State Street Corporation	STT	MA	36,688.2	238,425,000	0.00	1.40	67.36	16.01	7.30	191.8	319.2
SunTrust Banks, Inc.	STI	GA	31,863.1	205,962,000	1.56	3.19	62.74	13.09	9.80	141.9	197.4
Minimum			**31,863**	**205,962,000**	**0.0**	**1.2**	**58.0**	**12.9**	**6.6**	**95.6**	**111.1**
Mean			**142,565**	**1,065,474,300**	**0.6**	**2.6**	**62.8**	**14.1**	**8.6**	**150.7**	**220.0**
Median			**77,345**	**420,600,500**	**0.4**	**2.8**	**61.4**	**13.7**	**8.7**	**147.5**	**209.0**
Maximum			**375,043**	**2,609,785,000**	**1.6**	**3.4**	**73.0**	**16.0**	**9.9**	**191.8**	**319.2**

Large Midwest Banks:

Institution Name	Ticker	State	Market Capitalization ($ in millions)	Total Assets ($ in thousands)	NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Book (%)	Price/ Tangible Book (%)
Northern Trust Corporation	NTRS	IL	23,264.3	129,672,200	NA	1.36	66.75	15.60	7.60	249.8	272.2
Fifth Third Bancorp	FITB	OH	21,811.7	142,193,000	0.86	3.04	63.14	15.16	10.01	146.5	175.4
KeyCorp	KEY	OH	20,570.3	137,698,000	0.48	3.11	62.89	12.92	9.73	149.3	188.8
Huntington Bancshares Incorporated	HBAN	OH	16,209.0	104,185,000	1.19	3.33	55.68	13.39	9.09	166.1	218.6
Commerce Bancshares, Inc.	CBSH	MO	6,403.9	24,611,242	NA	3.32	57.62	NA	10.84	248.8	263.3
Wintrust Financial Corporation	WTFC	IL	4,837.9	28,456,772	0.55	3.51	60.96	12.10	9.40	168.9	206.5
Associated Banc-Corp	ASB	WI	4,229.5	30,483,594	0.99	2.80	64.63	13.22	8.02	123.4	182.1
MB Financial, Inc.	MBFI	IL	3,399.9	20,086,940	0.57	3.68	65.16	14.23	10.02	125.8	206.9
First Midwest Bancorp, Inc.	FMBI	IL	2,533.0	14,077,052	0.63	3.86	60.66	12.15	8.99	135.4	227.5
First National of Nebraska, Inc.	FINN	NE	2,283.1	20,434,754	0.98	6.60	56.16	12.58	10.47	116.3	127.0
Minimum			**2,283**	**14,077,052**	**0.5**	**1.4**	**55.7**	**12.1**	**7.6**	**116.3**	**127.0**
Mean			**10,554**	**65,189,855**	**0.8**	**3.5**	**61.4**	**13.5**	**9.4**	**163.0**	**206.8**
Median			**5,621**	**29,470,183**	**0.7**	**3.3**	**61.9**	**13.2**	**9.6**	**147.9**	**206.7**
Maximum			**23,264**	**142,193,000**	**1.2**	**6.6**	**66.8**	**15.6**	**10.8**	**249.8**	**272.2**

Small Midwest Banks:

Institution Name	Ticker	State	Market Capitalization ($ in millions)	Total Assets ($ in thousands)	NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Book (%)	Price/ Tangible Book (%)
Horizon Bancorp	HBNC	IN	767.1	3,964,303	0.43	3.78	58.65	12.91	9.92	167.6	235.9
Byline Bancorp, Inc.	BY	IL	672.2	3,366,130	0.69	4.29	64.19	15.98	12.25	150.0	177.2
First Mid-Illinois Bancshares, Inc.	FMBH	IL	462.0	2,841,539	0.72	3.78	57.29	12.70	9.91	149.9	193.9
West Suburban Bancorp, Inc.	WNRP	IL	260.8	2,269,263	2.53	3.42	64.15	16.10	9.57	121.0	121.4
First Business Financial Services, Inc.	FBIZ	WI	220.5	1,794,066	1.55	3.63	64.00	11.98	9.54	130.3	139.1
STAR Financial Group, Inc.	SFIGA	IN	219.0	1,934,531	1.07	3.76	73.32	13.17	10.50	106.1	109.1
Marquette National Corporation	MNAT	IL	141.1	1,580,771	1.49	3.55	77.74	15.97	8.12	97.9	129.7
Minimum			**141**	**1,580,771**	**0.4**	**3.4**	**57.3**	**12.0**	**8.1**	**97.9**	**109.1**
Mean			**392**	**2,535,800**	**1.2**	**3.7**	**65.6**	**14.1**	**10.0**	**131.8**	**158.1**
Median			**261**	**2,269,263**	**1.1**	**3.8**	**64.2**	**13.2**	**9.9**	**130.3**	**139.1**
Maximum			**767**	**3,964,303**	**2.5**	**4.3**	**77.7**	**16.1**	**12.3**	**167.6**	**235.9**

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Valuation Summary (as of 3/31/2018)

Asset Size Index – Nationwide

	Price/Book (%)	Price/Tangible Book (%)
$5B-$10B	188.7	243.7
$1B-$5B	176.0	205.6
$500M-$1B	161.3	170.5
$250M-$500M	158.8	160.8
< $250M	NA	NA

Geographic Index

	Price/Book (%)	Price/Tangible Book (%)
Mid-Atlantic	145.9	193.6
Midwest	181.1	226.8
New England	161.0	251.6
Southeast	134.5	191.6
Southwest	183.8	225.7
Western	158.7	189.3

Interest Rate Scorecard

Financial Yields	March 31, 2018	1 Month Prior	3 Month Prior	6 Month Prior	1 Year Prior
2 Year T Note	2.27	2.25	1.89	1.47	0.27
5 Year T Note	2.56	2.65	2.20	1.92	0.82
10 Year T Note	2.74	2.87	2.40	2.33	1.95
30 Year T Bond	2.97	3.13	2.74	2.86	3.12
Prime Rate	4.75	4.50	4.50	4.25	3.25
3 Month LIBOR	NA	2.02	1.69	1.33	0.47

Note:
Mid-Atlantic region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in DE, DC, MD, NJ, NY, PA, PR.
Midwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI.
New England region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in CT, ME, MA, NH, RI, VT.
Southeast region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in AL, AR, FL, GA, MS, NC, SC, TN, VA, WV.
Southwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in CO, LA, NM, OK, TX, UT.
Western region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in AZ, AK, CA, HI, ID, MT, NV, OR, WA, WY.

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The Vault

A Midwest Bank Newsletter

Select Mergers and Acquisitions & Capital Raising News

❖ Oklahoma-based RCB to Buy Bank in Kansas

March 6, 2018 – Claremore, Oklahoma-based RCB Holding Co. agreed to acquire Hutchinson, Kansas-based Central Bank and Trust Co. The financial terms of the transaction were not disclosed. Central Bank and Trust locations will continue to operate as Central Bank and Trust until late in the first quarter of 2019. Central Bank and Trust Chairman, President and CEO Earl McVicker will continue with RCB Holding unit RCB Bank as its Kansas market board chairman. As of the end of 2017, RCB Bank had $2.79 billion in assets. Central Bank and Trust, a unit of Central Financial Corp., had assets of $323.1 million.

❖ Civista Bancshares Inks $114.4M Transaction with United Community Bancorp

March 12, 2018 – Sandusky, Ohio-based Civista Bancshares Inc. is buying Lawrenceburg, Indiana-based United Community Bancorp in a transaction valued at $114.4 million, or $26.22 per share. Under the transaction, United Community shareholders will receive 1.027 Civista common shares and $2.54 in cash for each United Community common share held. The estimated transaction value is based on Civista's 15-day average closing price of $23.06 on March 9. The companies estimated the transaction to be 161% of United Community's tangible book value and 24.4x its estimated 2018 earnings per share. Including expected cost savings of about 41% of the seller's noninterest expenses, the transaction would be 12.0x its estimated 2018 EPS. The purchase price equates to 158.6% of book, 164.7% of tangible book and 34.0x earnings, on a per-share basis. The purchase price also equates to 21.72% of assets and 25.68% of deposits. The premium to tangible book is 10.68% of deposits. The transaction carries a one-day premium of 34.49%, based on United Community's March 9 closing price of $20.20, and a one-month premium of 35.16%, based on its February 9 closing price of $20.10. As of December 31, 2017, Civista unit Civista Bank had $1.52 billion in assets, while United Community subsidiary United Community Bank had $542.7 million in assets. The combined company will have $2.1 billion in assets, $1.5 billion in loans and $1.7 billion in deposits. The transaction is expected to be immediately accretive to Civista's EPS in 2018 and approximately 9.3% accretive to its EPS in 2019. The internal rate of return is estimated at 17.5%. Civista expects one-time pretax transaction and integration expenses of $11.0 million. Tangible book value dilution from the transaction is anticipated to be earned back in 3.5 years using the crossover method, or 4.1 years using the simple method.

❖ Evansville Teachers FCU to Buy American Founders Bank

March 12, 2018 – Evansville, Indiana-based Evansville Teachers FCU is buying American Founders Bank Inc. of Louisville, Kentucky. Terms of the transaction were not disclosed. The acquisition brings Evansville Teachers more branches in Louisville, where it already has two mortgage loan offices, and with it, Evansville Teachers will expand mortgage subsidiary First Liberty Financial Group LLC's loan and deposit products. Evansville Teachers had $1.46 billion at the end of 2017; American Founders had $113.4 million. The transaction is still subject to regulatory approval. Completion is expected later in 2018.

❖ Georgia Bank Becomes 4th to Strike Transaction Selling to CU in 2018

March 22, 2018 – Marietta, Georgia-based LGE Community CU is purchasing Georgia Heritage Bank, the fourth bank to strike a transaction with a credit union this year. LGE Community has $1.27 billion in assets and 11 branches. As of December 31, 2017, Georgia Heritage Bank had approximately $94.7 million in assets. The terms of the deal were not disclosed. Transactions with credit unions purchasing banks were once rare occurrences, but they have become more commonplace. Three other transactions have been announced within the past two months.

❖ Illinois-based Marion County Savings Bank to Acquire Smaller, In-State Peer

March 24, 2018 – Salem, Illinois-based Marion County Savings Bank agreed to acquire Flora, Illinois-based Flora Savings Bank. Flora Savings Bank, which is expected to become part of Marion County Savings Bank this fall, will operate as "Flora Savings Bank, a division of Marion County Savings Bank." As of the end of 2017, Marion County Savings Bank had $178.7 million in assets, while Flora Savings Bank had assets of $30.2 million.

❖ Bank M&A 2018 Deal Tracker

March 22, 2018 – As of March 15, 45 transactions have been announced for a combined $3.51 billion and a median transaction value-to-tangible common equity ratio of 173.8%. Over the same time frame in 2017, 44 transactions worth $8.08 billion were announced with a median transaction value-to-tangible common equity ratio of 137.3%.

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Select Industry News

- **Multifamily Loan Delinquencies at U.S. Banks Rise for First Time Since 2010**

  March 1, 2018 – Delinquencies in multifamily loans increased slightly for the U.S. banking industry in the fourth quarter of 2017, the first quarterly increase since the third quarter of 2010. Multifamily loan totals at U.S. banks and thrifts continued to rise in the fourth quarter to $403.89 billion at year-end, up from $400.16 billion on September 30, 2017. Loans that were 30 days or more past due accounted for 0.27% of multifamily loans at the end of 2017, up 3 basis points from the third quarter However, the delinquency rate was down from 0.31% in the same quarter of 2016.

- **U.S. Banks' Consumer Deposit Fees Fall in Q4'17**

  March 2, 2018 – Consumer deposit fees declined in the final quarter of 2017 in the U.S. banking industry, as banks took steps to maintain funding levels amid heightening competition for deposits following several interest rate hikes. Across the industry, 2017 fourth-quarter fees totaled $4.29 billion, down from $4.59 billion in the linked quarter. The latest quarterly level represents the lowest industry total since the second quarter of 2016. Overdraft fees, the largest category, declined to $2.79 billion from $3.04 billion. The 2017 fourth-quarter overdraft total was the lowest since the first quarter of 2017. As a percentage of operating revenue, at 2.22%, fees were the lowest they have been since the industry began reporting total service fees in the first quarter of 2016.

- **CD Rates at Regional Banks Continue to Closely Follow Fed Rate Hikes**

  March 13, 2018 – While community banks have reduced their exposures to certificates of deposits, larger regional banks have continued to grow their CD balances and rates. These regional banks have passed on much of the Federal Reserve's three rate hikes in 2017 to their customers. Among banks with assets between $50 billion and $250 billion, the average rate on one-year CDs with minimum balances of $10,000 rose 16 basis points between December 8, 2017, and March 2, 2018. Between December 9, 2016, and March 2, 2018, that rate rose by 34 basis points. That compares to a 7-basis-point increase in the average rate on one-year CDs offered by the banking industry during the same period. The higher rate offered by larger regional banks during 2017 implies a deposit beta, or just how much of the change in market rates those institutions passed onto their customers, of roughly 33% on one-year CDs. That compares to a 24% beta on retail CDs recorded by the banking industry in 2017. Some banks raised CD rates by even greater amounts. Looking at rates on one-year CDs with a minimum balance of $10,000, 293 banks raised rates by more than 25 basis points in the roughly three months following the Fed's December 2017 rate increase. The top 25 institutions in that group lifted rates on those products in the range of 100 and 146 basis points. Through the fourth quarter of 2017, banks with assets between $50 billion and $250 billion grew CDs by 11.1% from year-ago levels, while banks with assets in the range of $10 billion to $50 billion increased the accounts by 13.9% during the same period. Community banks have become less reliant on CDs for funding, particularly the nation's smallest banks. Institutions with less than $1 billion in assets reported a 5.2% year-over-year decrease in CDs in fourth quarter 2017, while banks with assets between $1 billion and $10 billion only grew CDs by 0.9% in the period. Still, community banks maintain far larger concentrations of CDs on their balance sheets than their larger counterparts and could look to build that maturity funding in the coming year as they grow their loan portfolios. Banks in the two smallest asset groups — institutions with assets between $1 billion and $10 billion; and banks with assets below $1 billion — have seen their median loan-to-deposit ratios rise by greater amounts than larger institutions, increasing that ratio by 175 basis points and 130 basis points, respectively. Seventeen of the top 20 banks that reported the largest increases in CD composition in 2017 were community banks.

- **U.S. Agriculture Loans Just Keep Growing**

  March 15, 2018 – Agriculture loans at U.S. banks and thrifts continued to grow in the fourth quarter, reaching $181.85 billion, the highest level since detailed reporting began. Farm loans grew by 5.4% year over year to $101.00 billion, while agricultural production loans grew 1.2% to $80.85 billion. Delinquencies ticked higher year over year. Approximately 1.9% of farm loans were delinquent at the end of 2017, a 10-basis-point increase. Similarly, 1.3% of agricultural production loans were delinquent or in nonaccrual status, also a 10-basis-point rise. Total agricultural loans at Reno, Nevada-based John Deere Capital Corp., the country's largest ag lender among banks and thrifts, fell 0.9% year over year to $14.64 billion. Total ag loans grew at only 10 of the top 20 agriculture lenders last year. At JPMorgan Chase & Co., the largest U.S. bank, they grew by 20.1% to $896.0 million as of year-end, but still only accounted for 0.1% of the company's total loans.

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❖ Construction Loans at U.S. Banks at Highest Level Since Q3'10

March 19, 2018 – Construction loans at U.S. banks and thrifts reached $338.33 billion at year-end 2017, up 2.3% for the quarter and 8.1% for the year. Nonresidential construction loans grew 8.4% year over year to $263.95 billion, while residential construction loans grew by 6.9% to $74.38 billion. Total construction loans have been growing for 19 straight quarters after plummeting during the banking crisis. The last time total construction loans at U.S. banks and thrifts were this high, was in the third quarter of 2010. However, total construction loans are still well below the pre-recession peak of $631.36 billion reached in the first quarter of 2008. Construction loan delinquencies fell to $2.92 billion or 0.86% of total construction loans at year-end 2017 from $3.31 billion or 1.06% of total construction loans at the end of 2016. Construction loan delinquency has fallen significantly since peaking at 19.64% in the first quarter of 2010 and is now below the levels reported before the banking crisis. During the fourth quarter, both residential and nonresidential construction loans fell quarter over quarter at Wells Fargo & Co., the nation's largest bank construction lender. However, nonresidential construction loans were up $264.0 million year over year at the company, offsetting a $115.0 million decline in residential construction loans over the same period.

❖ Home BancShares Leads in U.S. Branch Net Closures in February

March 20, 2018 – U.S. banks and thrifts continued to shut down offices across the country through the second month of 2018. Depository institutions closed 118 branches and opened just 46. As of February 28, there were 88,926 active bank and thrift branches in the U.S. During the last 12 months, U.S. banks and thrifts shut down a net 2,026 branches, with the Southeast region accounting for 28.68% and the Midwest region accounting for 28.63% of total net closures. In February, the Southeast region led the nation with 45 net closings, followed by the Mid-Atlantic region with 12 closings. By state, Florida led the country with 36 net closures, followed by New York with 6 net closings, during the month of February. There were three net openings in Oklahoma, the most net openings of any state in the U.S. Conway, Arkansas-based Home BancShares Inc. closed a net 15 offices during February, the most by any banking institution in the country. The closures came as a consequence of the completion of four bank and thrift deals in 2017, including with Stonegate Bank, which helped Home BancShares cross the $10 billion assets mark. Home BancShares' management indicated on a January 18 earnings call that the company would consolidate its branch footprint after the conversion of Stonegate systems in early February. All 15 of the company's branch closings during the month were in Florida. Winter Haven, Florida-based CenterState Bank Corp. closed a net 11 branches in Florida during February. The bank completed three transactions last year and also mentioned plans to consolidate its branch network, during a January 31 earnings conference. Meanwhile, Bank of America Corp. and Wells Fargo & Co. closed a net 12 branches each, across the country, in February. The two companies closed a combined net seven branches in Florida during the month. Overall, 33 of the 36 net closings in Florida during the month were attributed to these four banks.