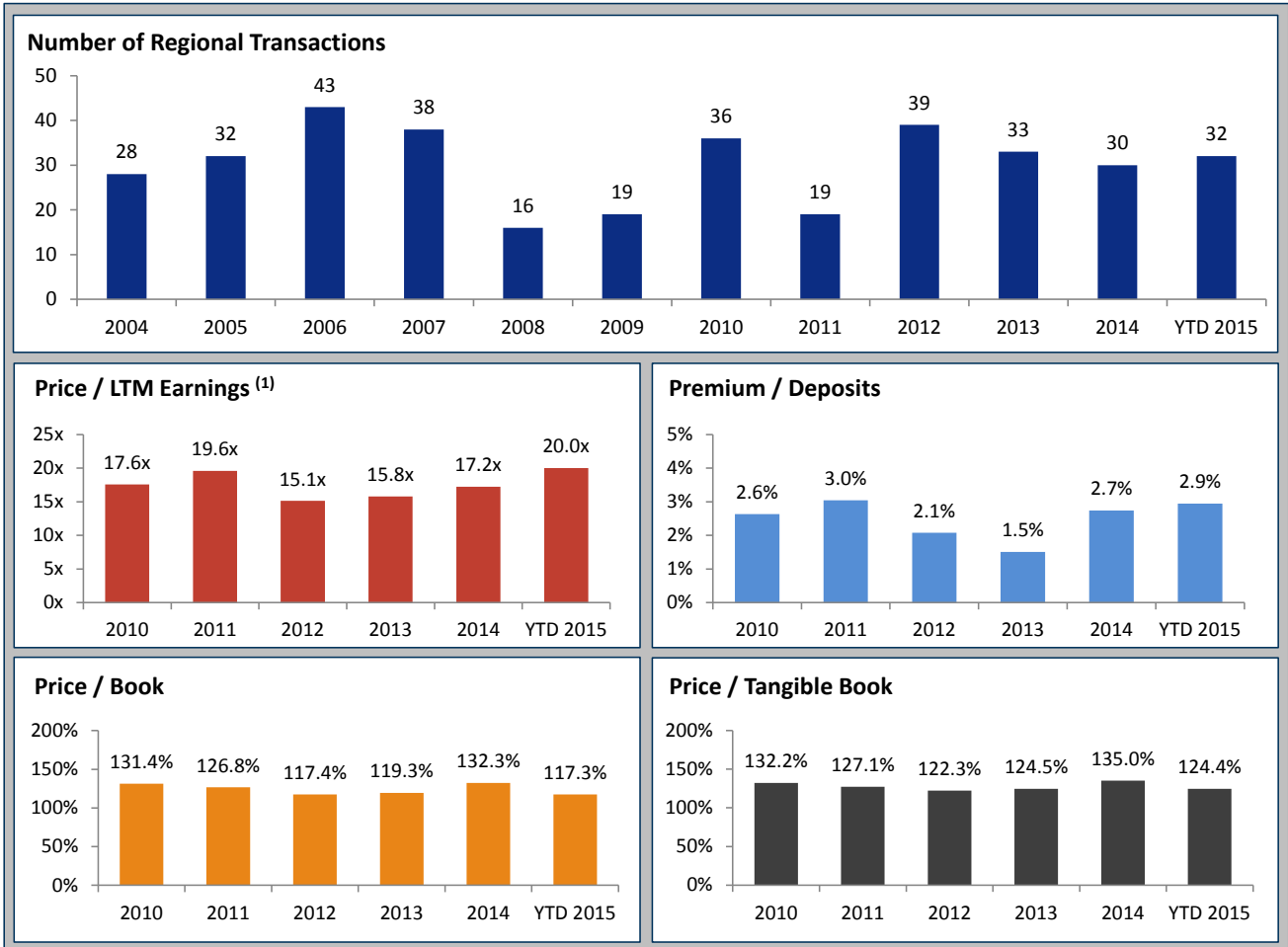


## Regional M&A Transaction Statistics



Note: Includes announced transactions in AZ, CO, KS, MT, NE, NM, OK, UT and WY, excluding failed banks

Source: SNL Financial

<sup>(1)</sup> Excludes multiples smaller than 8.0x and larger than 40.0x

## Regional M&A Transaction Overview

On November 25<sup>th</sup>, Denver, Colorado-based **Citywide Banks of Colorado Inc.** (\$1.3 billion in assets) announced that it completed a \$7 million private capital offering. 60 new investors each contributed an average of \$200,000 during the raise. In addition, approximately \$4 million in existing stock changed hands. The Bank will use the capital to hire new talent and position itself for any future strategic acquisition.

On November 16<sup>th</sup>, Wichita, Kansas-based **Equity Bancshares** (\$1.4 billion in assets), the parent company of **Equity Bank**, completed its initial public offering (“IPO”) by issuing 2.2 million shares at \$22.50 a share representing approximately 173% of tangible book value and 19.4x LTM earnings as calculated from 9/30/2015 financials. The offering was comprised of \$1.9 million new shares and 290,000 shares sold by current shareholders. The bank has announced that the proceeds from the IPO will be used to redeem SBLF funding, fund growth, and finance potential future acquisitions.

On November 12<sup>th</sup>, it was disclosed that Colorado Springs, Colorado-based **Stockmens Bank** (\$94 million in assets) completed a private capital offering totaling \$1.5 million. The offering was not made in connection with a business combination transaction. Stockmens operates through two locations: Colorado Springs, Colorado and Bartley, Nebraska.

On November 12<sup>th</sup>, it was announced that private investors agreed to acquire Woodbine, Kansas-based **Citizens State Bank and Trust Co.** (\$17 million in assets) from **Woodbine Agency Inc.** for approximately \$300,000 representing a premium to deposits of approximately 2.0%. The private investors also injected additional capital into the bank. The bank operates four branches in central and northern Kansas.

## Western States Regional Bank Index (“WBI”)<sup>(1)</sup>

Regional bank stocks, as measured by the WBI, continued to climb in November by jumping 5.9% and bringing the year-to-date (“YTD”) change to 10.0%. Nationally, bank stocks, as measured by the S&P Bank Index, increased by 3.3% in the month of November, ahead of the 0.1% increase recorded by the S&P 500 during the same time period. On a YTD basis, the S&P Bank Index is up 1.2% compared to the S&P 500 increase of 1.0%.

Following the completion of the initial public offering of **Equity Bancshares, Inc.** on November 16<sup>th</sup>, we have added the Wichita, Kansas-based bank to our Western States Regional Bank Index.

Bank Name	Symbol	State	Market Cap (\$ in mil)	Stock Price 11/30/15	Stock Price Change		Price / LTM EPS	Price / Book	Price / Tang. Book	NPAs <sup>(2)</sup> / Assets	LTM ROAA
					Monthly	YTD					
BancFirst Corporation	BANF	OK	\$961	\$64.47	4.6%	1.7%	15.5x	155.6%	169.6%	0.63%	1.02%
BOK Financial Corporation	BOKF	OK	\$4,549	\$68.85	2.5%	14.7%	16.2x	138.0%	158.2%	0.81%	0.99%
Capitol Federal Financial Inc.	FFN	KS	\$1,780	\$12.97	(0.1%)	1.5%	22.4x	125.6%	125.6%	0.33%	0.70%
CoBiz Financial, Inc.	COBZ	CO	\$512	\$13.72	10.1%	4.5%	19.9x	208.7%	210.3%	0.33%	0.93%
Commerce Bancshares, Inc.	CBSH	MO	\$4,230	\$45.92	5.9%	10.9%	18.3x	201.7%	215.7%	0.22%	1.13%
<b>Equity Bancshares, Inc.*</b>	<b>EQBK</b>	<b>KS</b>	<b>\$669</b>	<b>\$24.19</b>	<b>NM</b>	<b>NM</b>	<b>16.2x</b>	<b>138.2%</b>	<b>167.3%</b>	<b>1.28%</b>	<b>0.08%</b>
First Interstate BancSystem, Inc.	FIBK	MT	\$1,291	\$30.41	7.2%	9.3%	16.2x	146.9%	190.8%	1.01%	1.01%
Glacier Bancorp, Inc.	GBCI	MT	\$2,067	\$29.38	7.4%	5.8%	19.3x	206.5%	237.8%	0.98%	1.37%
Great Western Bancorp, Inc.*	GWB	SD	\$1,561	\$30.22	NM	NM	15.9x	114.5%	221.4%	1.50%	1.12%
Guaranty Bancorp	GBNK	CO	\$358	\$17.52	6.3%	21.3%	20.9x	174.0%	178.6%	0.65%	0.82%
National Bank Holdings Corporation	NBHC	CO	\$669	\$22.70	2.9%	17.0%	NM	114.3%	129.6%	1.28%	0.08%
People’s Utah Bancorp*	PUB	UT	\$288	\$17.01	NM	NM	14.7x	144.0%	144.5%	0.62%	1.32%
Southwest Bancorp, Inc.	OKSB	OK	\$342	\$18.50	9.4%	6.6%	18.9x	127.0%	127.7%	0.56%	0.95%
UMB Financial Corporation	UMBF	MO	\$2,419	\$52.70	7.4%	(7.4%)	21.6x	136.7%	160.1%	0.26%	0.66%
Western Alliance Bancorporation	WAL	AZ	\$3,657	\$38.79	8.5%	39.5%	20.6x	262.3%	328.7%	0.94%	1.52%
Zions Bancorporation	ZION	UT	\$5,877	\$29.96	4.1%	5.1%	27.2x	92.3%	109.3%	0.71%	0.50%
<b>Average<sup>(1)</sup></b>			<b>\$1,952</b>		<b>5.9%</b>	<b>10.0%</b>	<b>18.9x</b>	<b>155.4%</b>	<b>179.7%</b>	<b>0.76%</b>	<b>0.89%</b>
					<i>S&amp;P Bank</i>	<i>3.3%</i>	<i>1.2%</i>				
					<i>S&amp;P 500</i>	<i>0.1%</i>	<i>1.0%</i>				

<sup>(1)</sup> WBI Index is an equally weighted mean of stock price changes on a monthly and year-to-date basis derived from 13 of the 16 regional banks listed above

<sup>(2)</sup> Non-performing assets include non-accrual loans, loans 90+ days past due and OREO

\*Denotes banks excluded from the monthly and YTD index returns given limited history as a publicly traded company

Source: SNL Financial

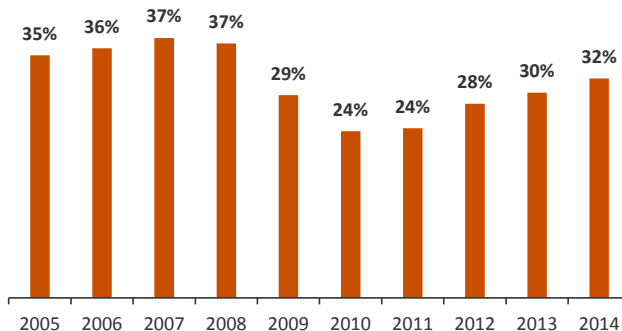
## Getting Back to Turning On the Dividend

The two charts below display the annual median Payout Ratio (dividends as a percentage of net income) and the annual median “Book Value Yield” (dividends as a percentage of average equity) for banks that have paid a dividend over the past ten years.

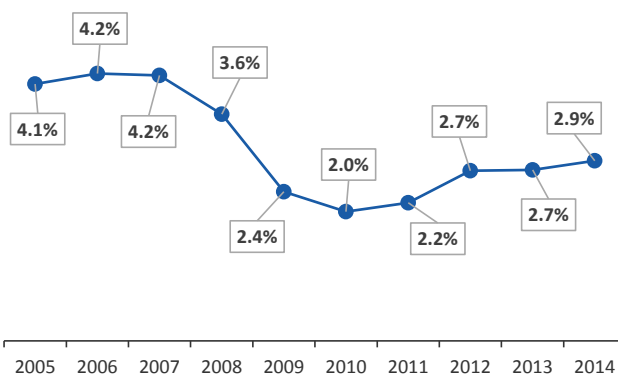
From 2005 to 2007, the Payout Ratio climbed annually to over 37%. In the midst of the financial downturn, banks cut dividends to build up capital – approximately 42% of banks in the study ceased dividends. As the industry returned to healthy levels of profitability and problem assets, banks increased dividend payments to shareholders. For 2014, the median dividend payout ratio rebounded to 32% and nearly 75% of banks in the study were paying dividends.

One yield measure for shareholders can be Book Value Yield. Over the past ten years, Book Value Yield has followed the same trend as the Payout Ratio. One exception to the trend is that Book Value Yield is still well below pre-downturn levels despite Payout Ratios nearing 35%. This is a result of banks maintaining higher capital levels.

Median Payout Ratio (Dividends/Net Income)



Median Book Value Yield (Dividends/Average Equity)



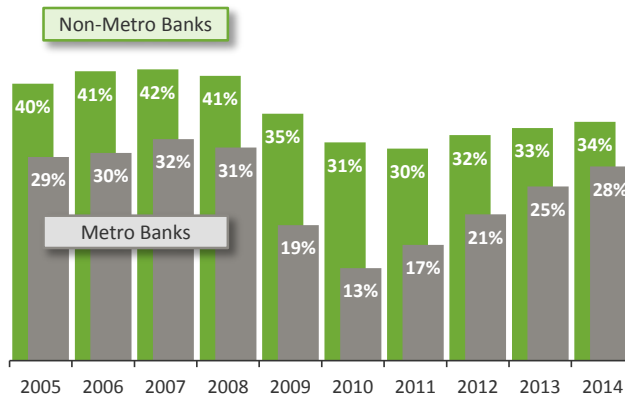
Note: Only includes banks that have at least paid a dividend since 2005; excludes dividend payout ratios greater than 100% or less than 0% Source: SNL Financial S-Corporation dividends adjusted for tax distributions (28% of pre-tax income)

The chart on the right investigates the Payout Ratio based upon a bank’s location: Metropolitan markets (populations greater than 50,000) and Non-Metropolitan markets.

The green bars represent the Payout Ratio for Non-Metro Banks. Non-Metro banks dividends were not as constrained during the downturn as these banks were less exposed to risky assets and typically maintained levels of capital in excess of regulatory requirements. Interestingly, Non-Metro banks averaged a payout ratio of 36% vs. 24% for Metro banks since 2005.

The Payout Ratio for Metro Banks, as represented by the grey bars, have been more volatile. In 2010, the median Payout Ratio dropped to 13% and by 2014 had climbed to 28%. Payout Ratios for Metro Banks have historically been lower than Non-Metro banks as banks operating in Metro markets need to retain capital to fund growth within their markets.

Median Payout Ratio



cutting through complexity  THE EASTERN COLORADO BANK has acquired a branch of (pending) 	cutting through complexity  THE CITIZENS STATE BANK of OURAY has been acquired by (pending) <b>CSBO Acquisition Corporation</b>	cutting through complexity  COMMUNITY BANK has been acquired by 	cutting through complexity  PINE RIVER VALLEY BANK Minors & Merchants Bank has been acquired by 	cutting through complexity  HCB Horizon Community Bank completed an equity financing	cutting through complexity  VALLEY NATIONAL BANK Igouville, New Mexico has been acquired by <b>CENTURY BANK</b>
cutting through complexity  STEELE STREET BANK & TRUST has been acquired by 	cutting through complexity  Advantage Bank has been acquired by a <b>Private Investor</b>	cutting through complexity  STAR BANK has been acquired by an <b>Investor Group</b>	cutting through complexity  FIRST NATIONAL BANK of the ROCKIES has been acquired by 	cutting through complexity  Platte Valley Bank has been acquired by 	cutting through complexity  1STBANK has acquired a branch of 
cutting through complexity  BOUNDARY WATERS BANK Assisted in the sale of bank subsidiary	cutting through complexity  THE CITIZENS STATE BANK OF CORTEZ has been acquired by 	cutting through complexity  First State Bank Your First Choice in Banking. has been acquired by 	cutting through complexity  SOLERA NATIONAL BANK has acquired a branch of 	cutting through complexity  NEW WEST BANK has been acquired by 	cutting through complexity  FIRST NATIONAL BANK of Santa Fe has been acquired by <b>Strategic Growth Bancorp, Inc.</b>

<sup>(1)</sup> Includes transactions completed by KPMG CF professionals while employed at another firm, substantially all of whose assets were acquired by KPMG CF

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