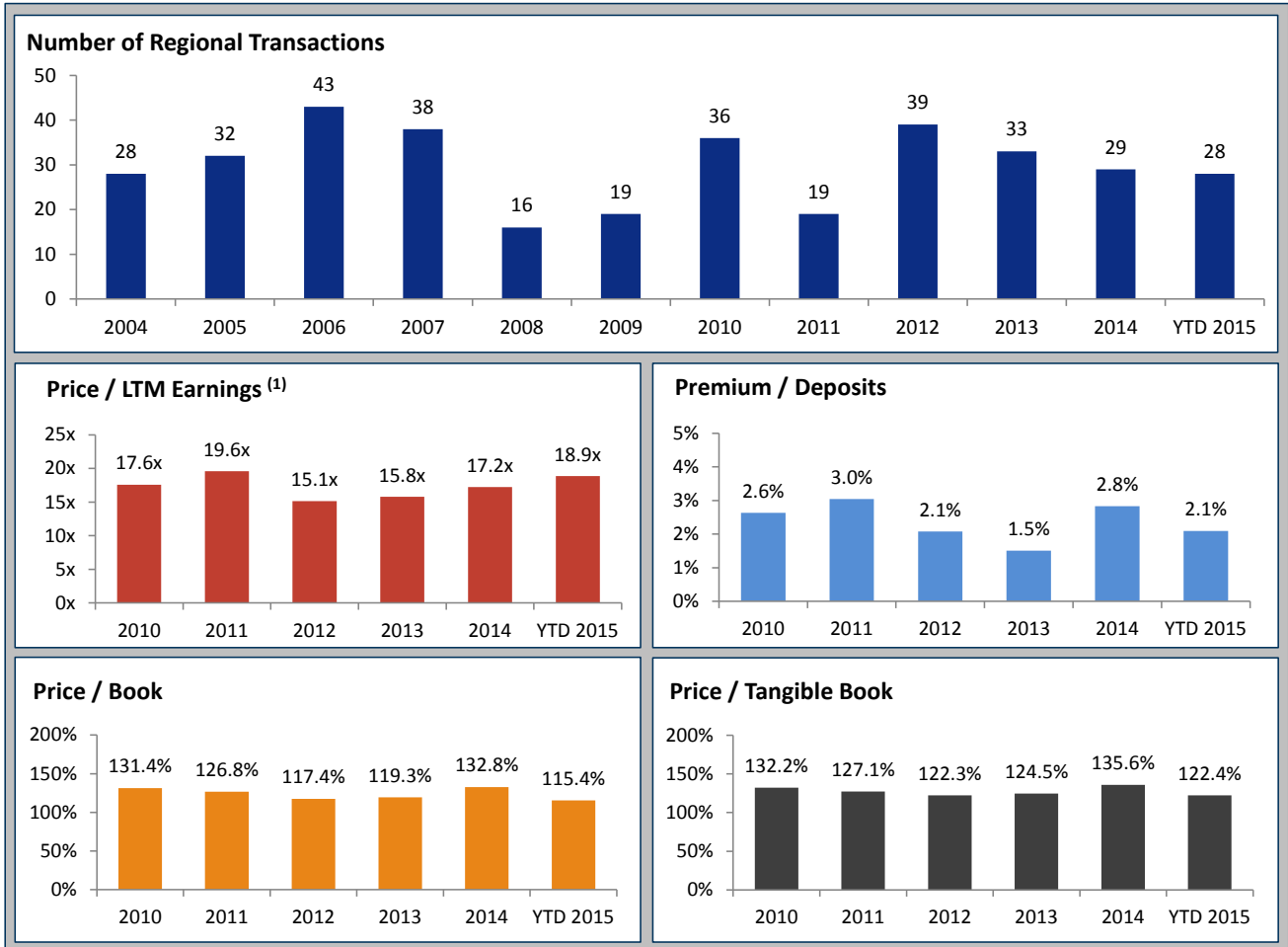


Regional M&A Transaction Statistics



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

Source: SNL Financial

⁽¹⁾ Excludes multiples smaller than 8.0x and larger than 40.0x

Regional M&A Transaction Overview

On September 8th, Topeka, Kansas-based **Capitol Federal Financial, Inc.** (\$9.1 billion in assets) completed its stock repurchase plan that was announced in November 2012. Under the buyback plan, the company repurchased 14.6 million shares at an average price of \$11.95 per share, totaling \$175 million. The repurchase plan, along with its first buyback program of \$193 million, has resulted in total share repurchases of \$368 million since December 2010.

On September 21st, Albuquerque, New Mexico-based **Weststar Mortgage Corp.** announced an agreement to acquire Scottsdale, Arizona-based **Goldwater Bank NA** (\$103 million in assets). Goldwater Bank NA operates one branch in Maricopa County, Arizona. Weststar Mortgage Corp. offers mortgage lending for financing and purchasing non-conventional loans, as well as retail mortgage origination in over 30 states. Terms of the deal were not disclosed.

Western States Regional Bank Index (“WBI”)⁽¹⁾

The boarder market continues to tumble! Nationally, bank stocks, as measured by the S&P Bank index, declined by 4.5% in the month of September, compared to a 2.6% decline recorded by the S&P 500 during the same time period. On a YTD basis, the S&P Bank Index is down 7.0% compared to the S&P 500 decline of 6.7%.

After falling in August, regional bank stocks, as measured by the WBI, actually reported a small gain in September by increasing 1.2%. This moved the year-to-date (“YTD”) change into the positive territory at 0.9%.

Bank Name	Symbol	State	Market Cap (\$ in mil)	Stock Price 9/30/15	Stock Price Change		Price / LTM EPS	Price / Book	Price / Tang. Book	NPAs ⁽²⁾ / Assets	LTM ROAA
					Monthly	YTD					
BancFirst Corporation	BANF	OK	\$983	\$63.10	4.3%	(0.5%)	14.4x	154.8%	169.2%	0.63%	1.07%
BOK Financial Corporation	BOKF	OK	\$4,461	\$64.71	2.3%	7.8%	15.2x	132.2%	151.5%	0.81%	1.01%
Capitol Federal Financial Inc.	CFFN	KS	\$1,662	\$12.12	0.6%	(5.2%)	20.9x	117.8%	117.8%	0.33%	0.72%
CoBiz Financial, Inc.	COBZ	CO	\$534	\$13.01	1.0%	(0.9%)	18.3x	201.2%	202.9%	0.33%	0.98%
Commerce Bancshares, Inc.	CBSH	MO	\$4,252	\$45.56	1.7%	4.8%	17.1x	196.4%	210.5%	0.22%	1.16%
First Interstate BancSystem, Inc.	FIBK	MT	\$1,267	\$27.84	4.3%	0.1%	15.0x	137.0%	178.7%	1.01%	1.01%
Glacier Bancorp, Inc.	GBCI	MT	\$1,993	\$26.39	1.5%	(5.0%)	17.2x	188.7%	218.1%	0.98%	1.39%
Great Western Bancorp, Inc.*	GWB	SD	\$1,401	\$25.37	NM	NM	14.3x	98.7%	187.7%	0.93%	1.07%
Guaranty Bancorp	GBNK	CO	\$358	\$16.47	2.7%	14.1%	21.1x	167.4%	172.3%	0.65%	0.78%
National Bank Holdings Corporation	NBHC	CO	\$645	\$20.53	1.8%	5.8%	NM	103.2%	115.0%	1.28%	0.11%
People’s Utah Bancorp*	PUB	UT	\$285	\$16.31	NM	NM	14.4x	141.2%	141.7%	0.62%	1.27%
Southwest Bancorp, Inc.	OKSB	OK	\$312	\$16.41	(1.6%)	(5.5%)	15.9x	114.1%	114.8%	0.56%	1.03%
UMB Financial Corporation	UMBF	MO	\$2,506	\$50.81	1.4%	(10.7%)	18.4x	134.9%	159.0%	0.26%	0.77%
Western Alliance Bancorporation	WAL	AZ	\$3,142	\$30.71	0.6%	10.5%	17.4x	217.5%	274.5%	0.94%	1.47%
Zions Bancorporation	ZION	UT	\$5,623	\$27.54	(5.0%)	(3.4%)	25.3x	86.0%	102.2%	0.71%	0.50%
Average⁽¹⁾			\$1,962		1.2%	0.9%	17.5x	146.1%	167.7%	0.68%	0.96%
					<i>S&P Bank</i>	<i>(4.5%)</i>	<i>(7.0%)</i>				
					<i>S&P 500</i>	<i>(2.6%)</i>	<i>(6.7%)</i>				

⁽¹⁾ WBI Index is an equally weighted mean of stock price changes on a monthly and year-to-date basis derived from 13 of the 15 regional banks listed above

⁽²⁾ 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

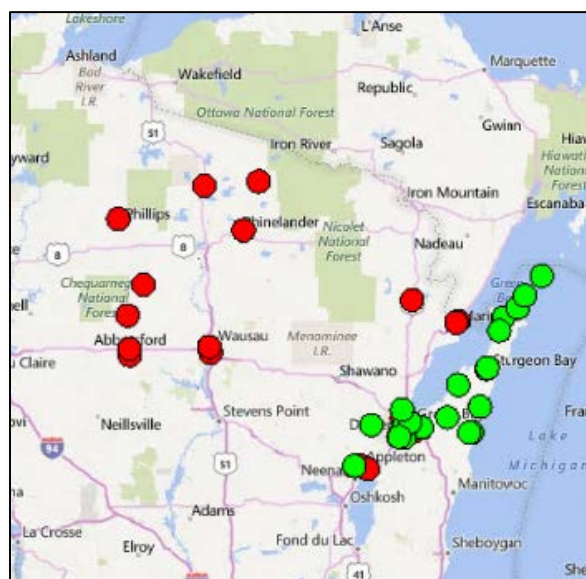
Source: SNL Financial

A True Merger of Equals

Many banks have considered a merger of equals (“MOE”) transaction as a potential strategy to increase shareholder value for both merger parties. However, most MOEs struggle to make it to the finish line as leadership disagreements (who will be CEO) and cultural differences get in the way. In fact, only 2% of all transactions in 2015 have been considered MOEs. Though rare, MOEs are completed when alignment occurs with senior management and company values. By looking outside of our region, there is one recent MOE that has achieved a truly remarkable feat.

On September 8th, Green Bay, Wisconsin-based **Nicolet Bankshares, Inc.** (\$1.2 billion in assets) announced an agreement to merge with Sturgeon Bay, Wisconsin-based **Baylake Corp.** (\$1.0 billion in assets) in a MOE with a near 50/50 split in ownership. Under the terms of the deal, Baylake Corp. shareholders will receive shares of Nicolet Bankshares common stock. The implied transaction value is approximately \$141 million for Baylake Corp. stock, representing a 13% premium to Baylake’s stock price prior to the merger announcement. The 13% premium is less than a typical control premium for a whole bank acquisition most likely due to the shared control of the combined entity by both parties in this merger. After closing, all the branches will operate under the Nicolet National Bank name.

Transaction Participants	
Acquirer  Nicolet Bankshares, Inc. Green Bay, WI	Target  Baylake Corp. Sturgeon Bay, WI
Participant Financials (\$000s)	
Assets: \$1,185,276	Assets: \$980,580
Deposits: \$999,939	Deposits: \$758,578
LTM ROAA: 1.02%	LTM ROAA: 0.94%
NPAs/Assets: 0.75%	NPAs/Assets: 1.59%
Acquisition Overview	
Announce Date:	9/8/2015
Acquisition Price (\$MM):	\$141.49
Price/Book Value:	133.7%
Price/Tang. Book Value:	145.3%
Price/LTM Earnings:	15.2x



● **Nicolet Bankshares, Inc.** ● **Baylake Corp.**

Based on June 30, 2015 financials, the combined company would have total assets of \$2.2 billion, making it the 5th largest bank in Wisconsin, with 41 branches in northeast and north central Wisconsin and the upper peninsula of Michigan.

A couple remarkable aspects of the deal include the parent company board being comprised of an equal number of members from each bank, the shareholder base being nearly 50/50 post-closing, and the top executives of each bank becoming co-Chairmen and co-CEOs. Nicolet Bankshares’s Chairman, President and CEO, Robert Atwell, considers the partnership the “closest thing to a merger of equals I think you can find.” Rob Cera, President and CEO of Baylake, believes that the two bank’s “similar cultures, customer-first approach, service strengths and geographies make this a perfect fit.”

Source: SNL Financial

cutting through complexity has been acquired by (pending) CSBO Acquisition Corporation	cutting through complexity has been acquired by 	cutting through complexity has been acquired by 	cutting through complexity completed an equity financing 	cutting through complexity has been acquired by CENTURY BANK	cutting through complexity has been acquired by
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cutting through complexity has been acquired by 	cutting through complexity has been acquired by 	cutting through complexity has acquired a branch of 	cutting through complexity has been acquired by 	cutting through complexity has been acquired by Strategic Growth Bancorp, Inc.	cutting through complexity has been acquired by

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

Wesley A. Brown
 Managing Director
wesleybrown@kpmg.com
 303.295.8883

Adam C. Fiedor
 Director
afiedor@kpmg.com
 303.295.8873

Michael D. Richter
 Director
michaelrichter@kpmg.com
 303.295.8847

Michael P. Fleschner
 Associate
mfleschner@kpmg.com
 303.295.8875

Maddison A. Miller
 Associate
maddisonmiller@kpmg.com
 303.382.7169

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