



Public Bank Stock Performance – April 2017

In April 2017, stock markets remained stagnant for the second straight month. As investors began the process of evaluating the first 100 days of the Donald Trump presidency, the SNL Bank Index decreased 1.1%. Market participants will start weighing in on whether or not President Trump fulfilled his promises on key campaign platforms, such as healthcare reform, lower taxes, and financial regulatory reform. Some believe that geopolitical situations, such as the French election, the state of the Middle East and North Korea, coupled with U.S. and Russia relations, have taken the administration's eye off the ball as far as regulatory relief and tax reform. However, later in the month the Trump administration unveiled plans to lower individual tax rates and slash the corporate tax rate to 15%. One analyst said "We spent the months of late-March and April, until this week, with people giving up on Trump. They were questioning if he was going to accomplish anything, and if he was, if it was going to be on a timeline we could actually start to see. We found that maybe the hype was too high, but that we shouldn't discount it, because there's still a lot in the works."

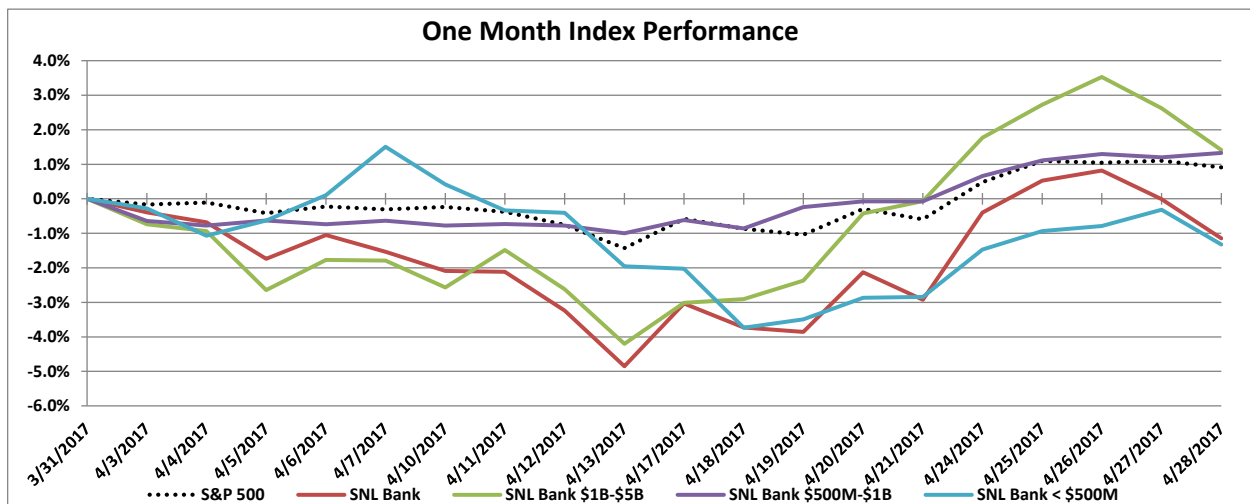
In economic news, GDP numbers revealed that the economy grew by only 0.7% over the fourth quarter of 2016, which was the lowest GDP growth since the same quarter three years ago, although the number is an initial figure that is likely to be revised later this year. However, some do not believe the slower GDP numbers will be enough to derail the Federal Reserve's plan for normalizing interest rates. The U.S. Labor Department reported that the unemployment rate fell to 4.5% in March, compared to the estimate prediction of 4.7%, but the report fell short of estimates for job gains. The forecast called for 175,000 job gains in March, but nonfarm payrolls expanded by only 98,000 jobs.

In other news, a majority of Federal Reserve officials project the central bank will begin normalizing the size of its balance sheet later in 2017 by ending the policy of reinvesting its maturing assets, according to minutes of the FOMC's March policy meeting. One analyst said the minutes did not talk about a pause but they did encourage that the normalization

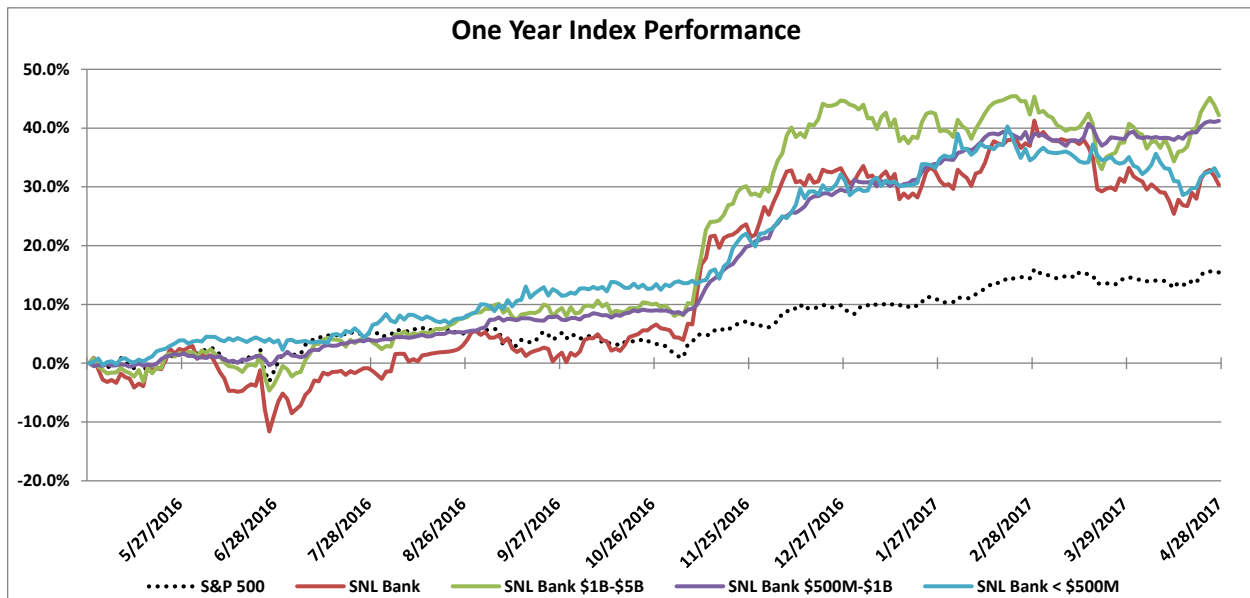
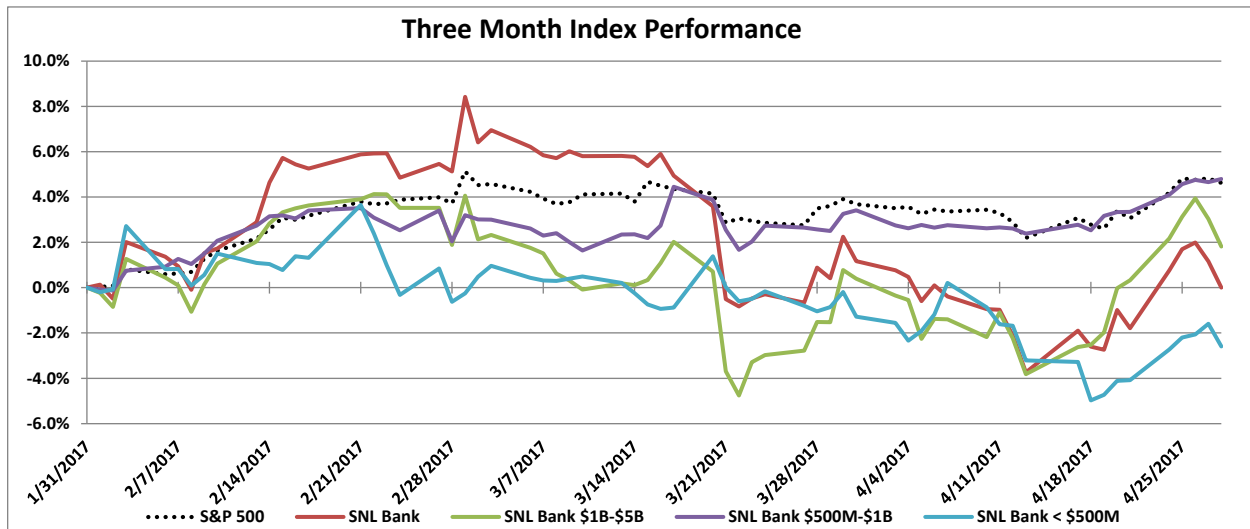
process will start at the end of this year assuming their projections for the economy and for the funds rate were still on track. Many are expecting the Fed to raise rates two more times in 2017, in June and September, and begin normalization of the balance sheet in December.

Bank M&A pricing was up year-to-date through April compared to year-to-date pricing through April 2016 on slightly lower volume.

The SNL Bank Index decreased 1.1% in April, and underperformed the S&P 500 which gained a modest 0.9%, while banks between \$1 billion and \$5 billion increased 1.4%, banks below \$500 million lost 1.3%, and banks between \$500 million and \$1 billion posted an increase of 1.3% during the month.



Over the three month period ending April 2017, the SNL Bank Index was flat while the S&P 500 increased 4.6%. Over the prior twelve months, the SNL Bank Index vastly outperformed the overall market, as it increased 30.3% while the S&P 500 increased 15.4%.



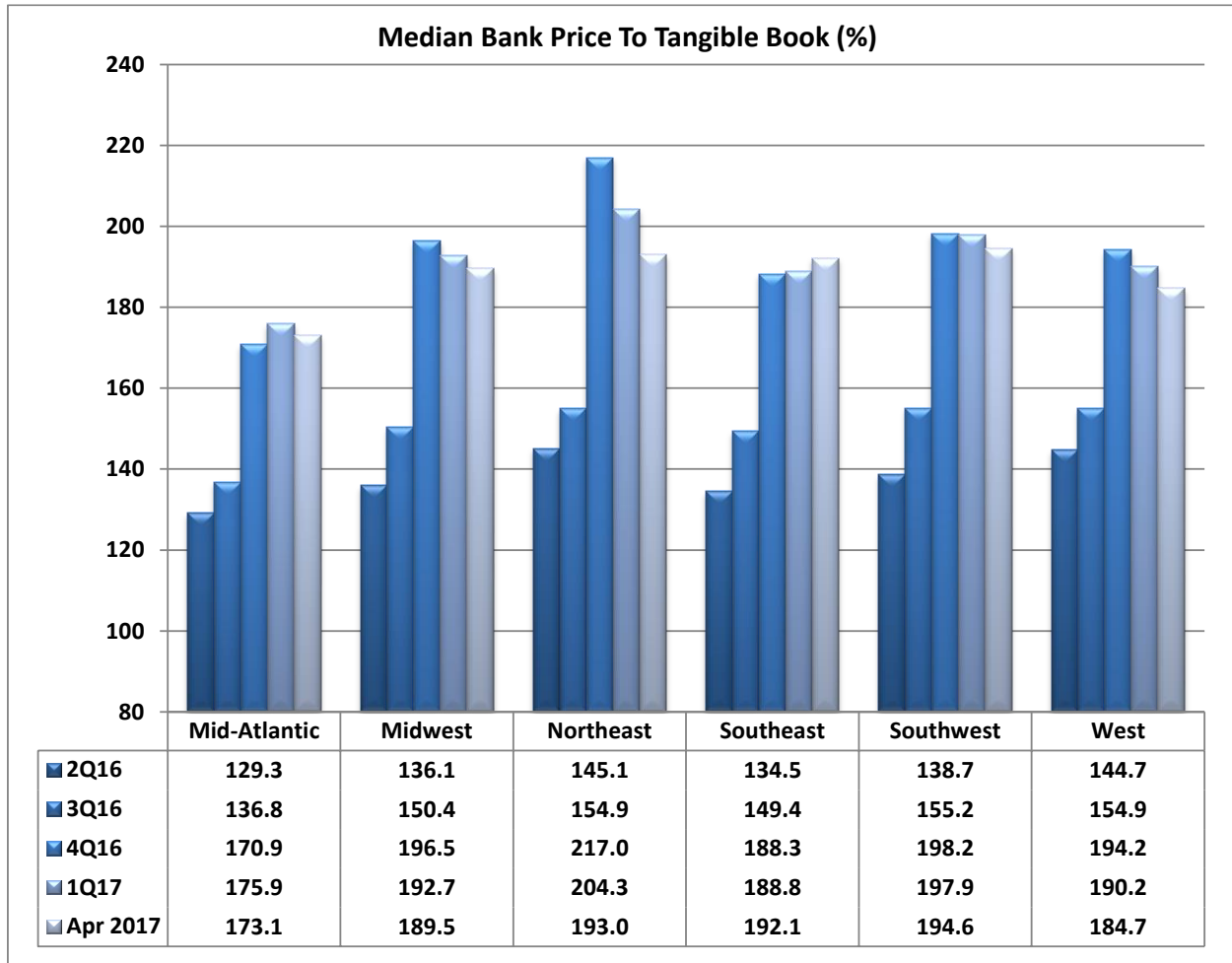
REGIONAL PRICING HIGHLIGHTS

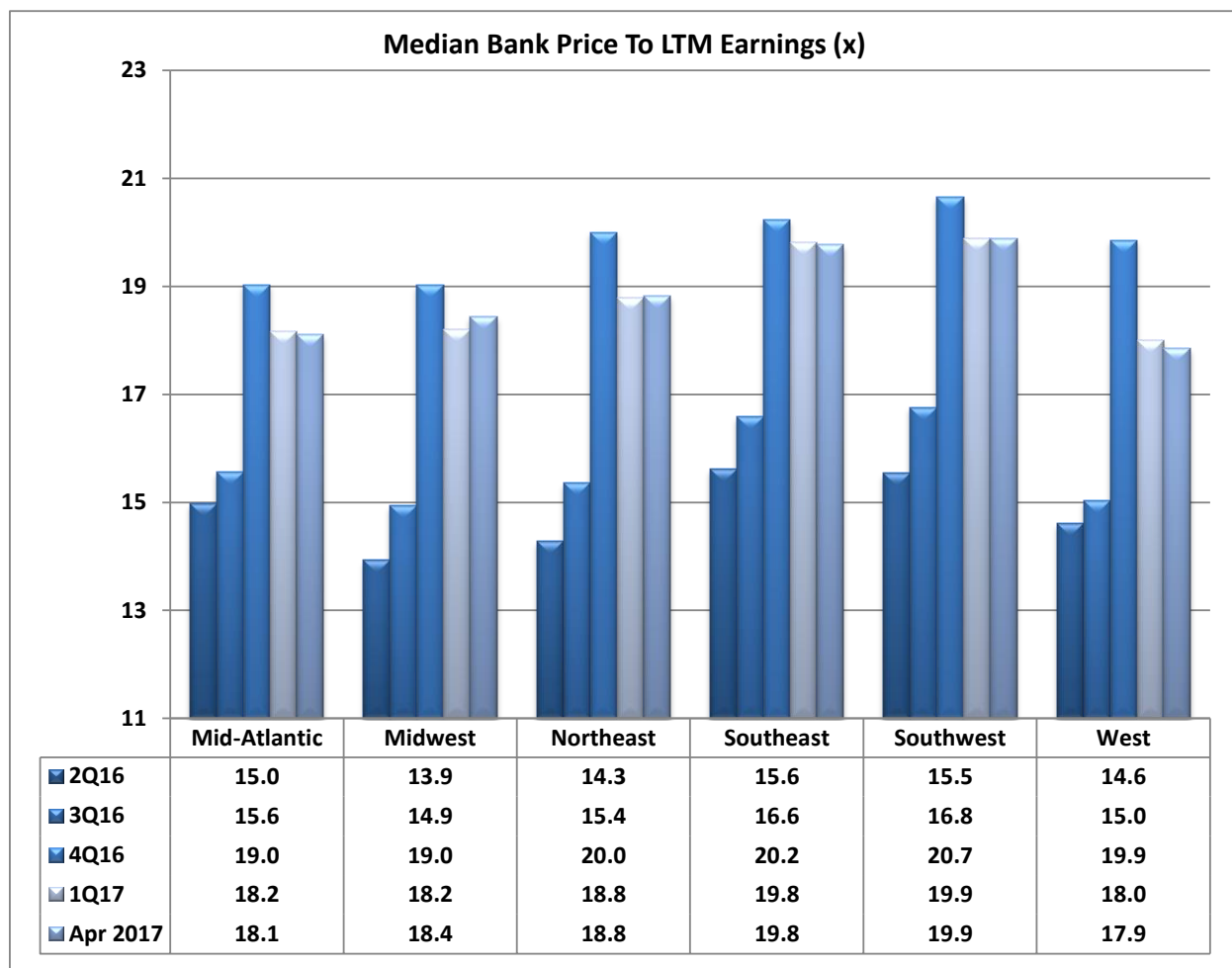
The Southeast region at a median price to tangible book of 1.92x was the only region to increase in median price to tangible book (1.3%) in April passing the Midwest at 1.90x to become the third highest price among all regions behind the Southwest at 1.95x and Northeast at 1.93x. A 2.4% decrease in oil prices in April impacted a 3.4% tangible book multiple decrease in the Southwest region, which is heavily tied to the energy sector but

remained the highest price to tangible book price. This is the third time in the past four months the prices in the region dropped as prices increased in each of the previous six months in the Southwest. With all but one region posting decreases in March, the Midwest saw the largest decrease (4.1%) in median price to tangible book to 1.90x tangible book.

At 1.95x tangible book, the Southwest region remained the highest median price among all regions as the region reported the third strongest ROAA (0.97%) and second highest Net Interest Margin (3.52%). The Northeast continued to report strong pricing at 1.93x tangible book on strong loan demand reflected in the highest loan to deposit ratio (98.6%) and the strongest median NPAs/Assets (0.53%). The Mid-Atlantic region reported the lowest median tangible book price of any region at 1.73x, and was down 2.4% from March, while median pricing in the West reported a median 1.85x tangible book after dropping 3.0%.

On a median price to earnings basis, all regions reported values within a range of 17.9x and 19.9x LTM earnings. The Southwest reported the highest pricing for the sixth straight month at 19.9x LTM earnings and was followed closely by the Southeast and Northeast, reporting a 19.8x and 18.8x LTM earnings multiple, respectively. All regions dropped on a price to earnings basis, as the Northeast (18.8x) fell the most (6.0%), while the Southeast (0.9%) declined the least.





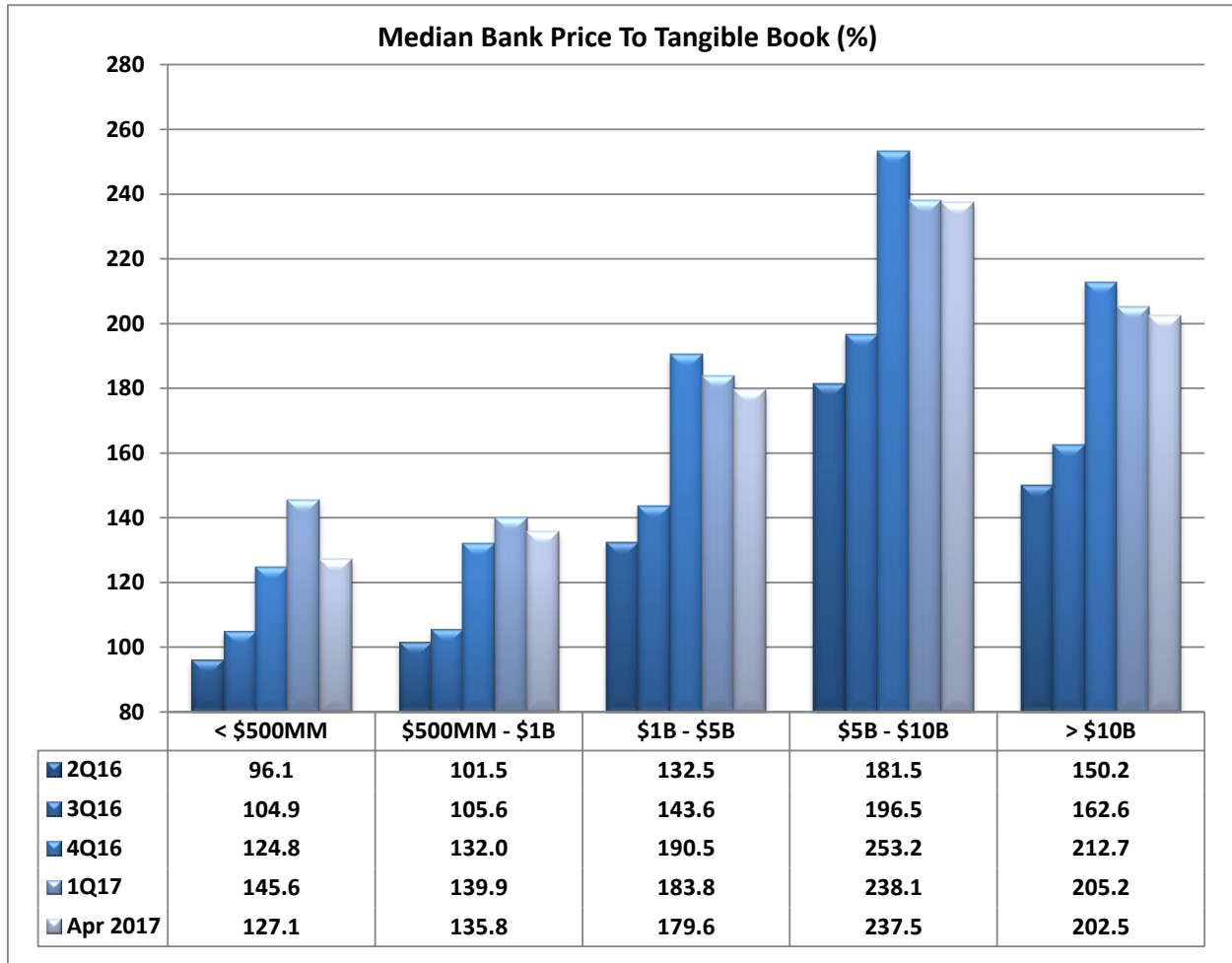
Region	Number of Companies	MRQ* Median Tg. Equity/ Assets (%)	LTM* Median ROAA (%)	MRQ* NPAs/ Assets (%)	MRQ* Loans/ Deposits (%)	LTM Net Interest Margin (%)
SNL Mid-Atlantic	67	8.42	0.89	0.84	94.9	3.36
SNL Midwest	75	9.06	0.98	0.88	89.6	3.51
SNL Northeast	20	8.16	0.87	0.53	98.6	3.15
SNL Southeast	83	9.16	0.94	0.94	88.1	3.52
SNL Southwest	28	9.69	0.97	0.84	87.8	3.52
SNL West	49	9.24	1.03	0.73	81.7	3.69

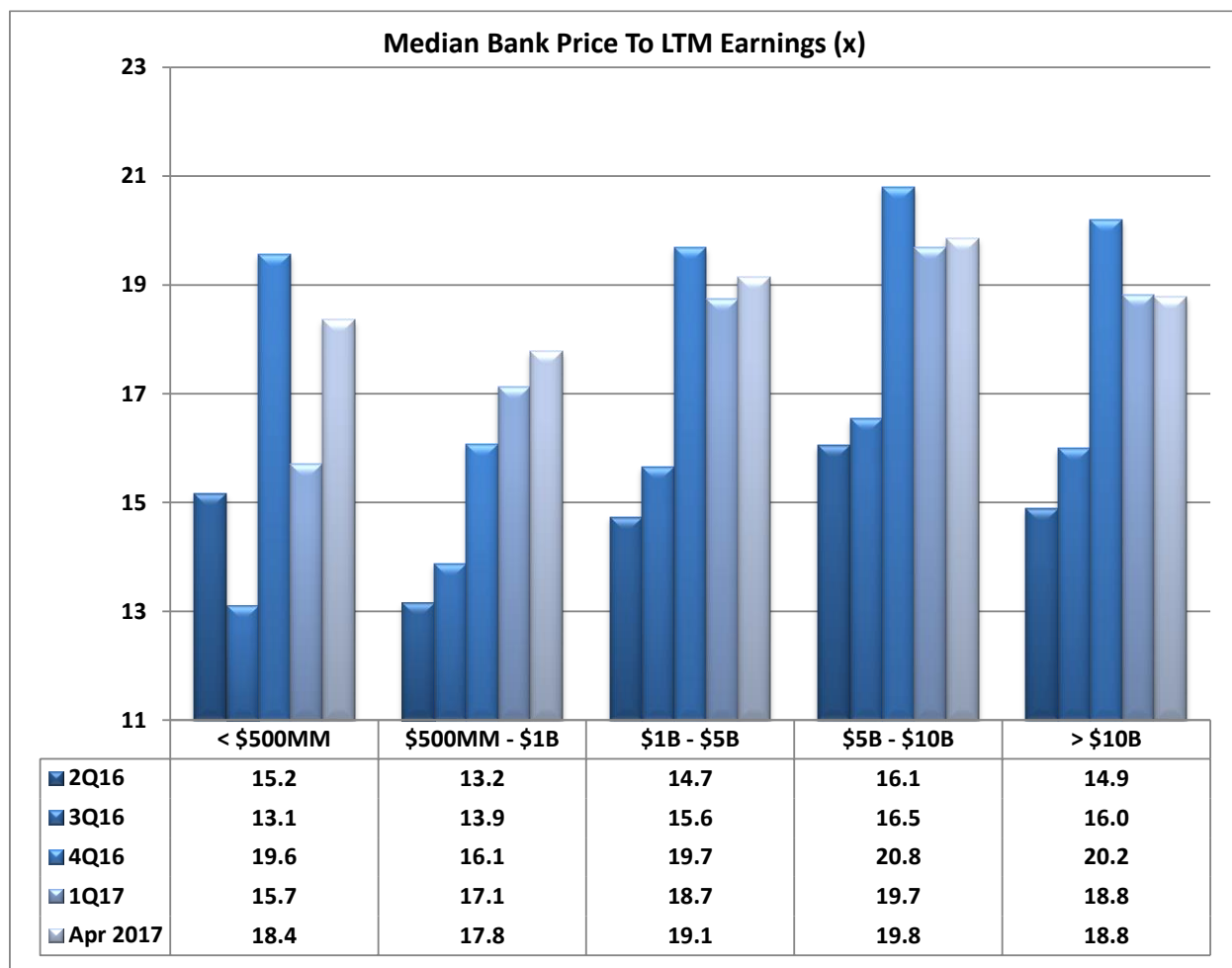
* Most Recent Quarter/Last Twelve Months (1Q17 for 95.0% of institutions)

PRICING BY SIZE

While all but one group dropped in pricing, the disparity of pricing based on size remained during April as the two largest groups saw average median tangible book pricing of 2.20x while the two smallest group medians averaged a 1.32x price to tangible book multiple. The banks between \$5 billion and \$10 billion reported a median price of 2.38x tangible book (down 0.2% from March), remaining the highest priced group, followed by banks greater than \$10 billion at a median of 2.03x (down 2.4% from March). The smallest banks, those below \$500 million, were up 0.6% in April to a median of 1.27x, and remain the lowest priced group as banks between \$500 million and \$1 billion decreased 1.7% during the month of April to a median of 1.36x. Mid-sized banks, those between \$1 billion and \$5 billion, decreased 5.5% since March and were priced at a median 1.80x tangible book, essentially midway between the smallest and largest public institutions.

On a median price to LTM earnings basis, the pricing range was similar to the regional groups ranging from 17.8x to 19.8x LTM earnings. Banks over \$1 billion reported the highest pricing with banks between \$1 and \$5 billion reporting a median 19.1x LTM earnings after falling 2.9% during April. Banks between \$5 and \$10 billion and those over \$10 billion reported a LTM price to earnings multiple of 19.8x and 18.8x, respectively. The banks with assets less than \$500 million reported a median earnings multiple of 18.4x (down 1.6%) in April and remained the second lowest priced group. The Banks with assets between \$500 million and \$1 billion was the only group to increase at 4.2% on a price to LTM earnings basis during April to 17.8x, reporting the lowest median ROAA (0.79%) and weakest asset quality (1.09% NPAs/Assets), and remained the lowest priced group.





Asset Size	Number of Companies	MRQ* Median Tg. Equity/ Tg. Assets (%)	LTM* Median ROAA (%)	MRQ* NPAs/ Assets (%)	MRQ* Loans/ Deposits (%)	LTM Net Interest Margin (%)
< \$500MM	9	8.50	0.84	0.97	94.1	3.61
\$500MM - \$1B	41	9.28	0.79	1.09	91.1	3.50
\$1B - \$5B	150	9.04	0.92	0.93	89.3	3.60
\$5B - \$10B	44	8.73	1.09	0.59	90.1	3.49
> \$10B	69	8.97	1.00	0.67	88.1	3.27

* Most Recent Quarter/Last Twelve Months (1Q17 for 95.0% of institutions)

Mergers & Acquisitions by Region

Bank consolidation slowed to a slightly lower pace in 2017 as 71 transactions have announced year-to-date compared to 78 through April 2016. Approximately 65% of the transactions announced year-to-date through April 2017 reported pricing terms, while 60% of the transactions through April 2016 reported terms. However, median year-to-date pricing through April 2017 was substantially higher at a 23.4% increase on tangible book (1.60x), 20.0% increase on price to 8% tangible book (1.66x), 16.2% increase on LTM earnings (22.5x), and 33.0% increase on deposits (21.3%) compared to transactions announced through April 2016. The West region had 10 transactions with a median price to tangible book multiple of 1.78x and price to LTM earnings of 24.7x, while the South had 18 transactions announced (14 with pricing) with a median price to tangible book multiple of 1.86x, the highest of any group as there were two deals announced in April for 2.38x and 2.37x tangible book, respectively. The Midwest also reported 13 transactions (8 with terms) at a median price to tangible book of 1.68x and price to LTM earnings of 19.6x, on the highest ROAA (0.99%) and highest tangible equity/tangible assets (12.0%). The Southwest region reported the lowest pricing multiples on the 4 transactions which disclosed terms and reported a median price to tangible book of 1.28x but median price to LTM earnings of 26.1x on a low median ROAA of 0.39%. The North Central region reported 12 transactions through April, 4 which announced terms at a median price to tangible book of 1.45x and price to LTM earnings of 17.3x. The East - New England region reported 8 transactions with terms (out of a total of 11 through April) with a median price to tangible book of 1.45x and price to LTM earnings of 28.7x on a median ROAA of 0.39%.

M&A Banks & Thrift Transactions Announced Year to Date through April 2017 Median Pricing by Region	Number of Transactions	Number of Transactions With Terms	Price/ Tg Book (x)	Price/ 8% Tg Book (x)	Price/ LTM Earnings (x)	Price/ Deposits (%)
East - New England	11	8	1.45	1.59	28.7	17.2
North Central	12	4	1.45	1.50	17.3	18.4
South	18	14	1.86	1.95	22.7	21.9
Midwest	13	8	1.68	2.02	19.6	23.6
Southwest	7	4	1.28	1.44	26.1	19.1
West	10	8	1.78	1.73	24.7	19.4
United States	71	46	1.60	1.66	22.5	21.3

Year to Date through April 2017 - Median Performance by Region for M&A Deals	Total Assets (\$000)	Equity/ Assets (%)	Tg Equity/ Assets (%)	NPAs/ Assets (%)	ROAA (%)	ROAE (%)	# Brn.
East - New England	263,299	10.1	9.3	1.7	0.39	4.23	4
North Central	110,685	11.0	11.0	0.7	0.79	6.45	3
South	284,967	10.9	9.4	0.7	0.77	7.36	5
Midwest	232,780	12.0	12.0	0.7	0.99	8.34	3
Southwest	153,846	11.0	10.7	0.2	0.39	4.23	2
West	255,409	10.3	9.3	0.0	0.75	8.15	4
United States	202,654	10.99	10.12	0.7	0.72	6.91	4