

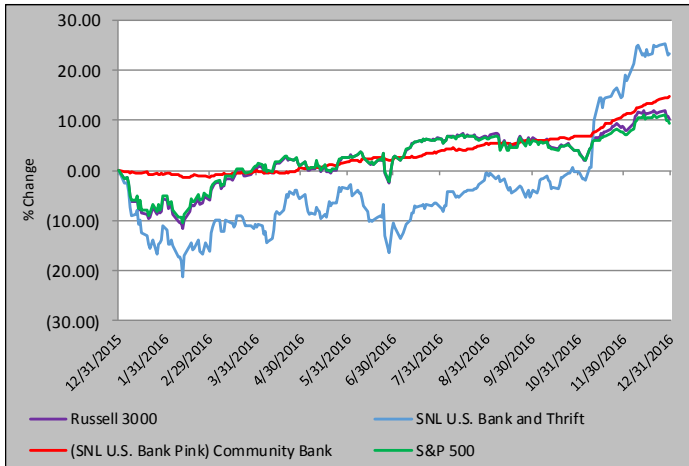


MONROE'S MARKET MAKERS

A SURVEY OF COMMUNITY BANKING DEVELOPMENTS IN THE CAPITAL MARKETS

QUARTER ENDING DECEMBER 31, 2016

PUBLIC MARKET TRENDS



In 2016, U.S. stocks roared back after a lackluster 2015, and huge post-election gains took bank stocks to their highest levels since 2008. Community banks trailed larger banks significantly, but finished the year up 14.7%, while bank stocks, on average, finished the year up 23.3% with a huge fourth quarter erasing earlier losses. The banking sector surged post-election, as many believe banks will benefit from increased government spending on infrastructure, faster economic growth, less onerous banking regulations, and rising interest rates.

End of Quarter	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016Y
Community Bank Index ⁽¹⁾	0.0%	2.4%	3.5%	8.3%	14.7%
SNL Bank And Thrift Index	-11.3%	1.0%	7.2%	28.4%	23.3%
Russell 3000	0.4%	2.1%	3.9%	3.7%	10.4%
S&P 500	0.8%	1.9%	3.3%	3.3%	9.5%

(1) "Community Bank" Index is comprised of Over the Counter (OTC) bank stocks and is derived from data gathered from SNL Financial.

PUBLIC MARKET VALUATION TRENDS**

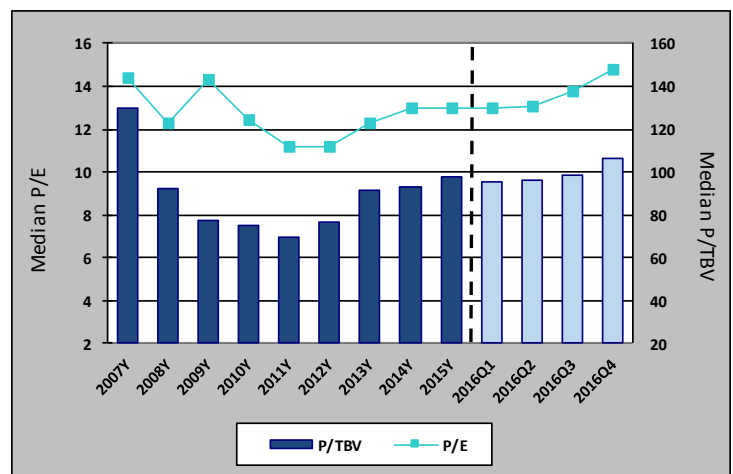
WHERE DO YOU STAND?

MEDIAN MEASUREMENTS

— as of 12/31/16 — — as of 9/30/16 —

Region	P/BV	P/TBV	LTM P/E*	ROAA	ROAE	NPA/Assets
Nation	104%	106%	14.9x	0.77%	7.38%	1.04%
Northeast	103%	105%	15.4x	0.70%	6.84%	0.83%
Mid-Atlantic	108%	111%	16.1x	0.70%	6.93%	1.57%
Southeast	95%	96%	14.3x	0.75%	6.80%	1.11%
Midwest	98%	100%	13.9x	0.83%	7.75%	1.18%
West	114%	117%	15.0x	0.87%	7.93%	0.39%

COMMUNITY BANK VALUATION TRENDS



* P/Es greater than 40.0x are excluded from median measurements

** Trends are based on any public bank or thrift with assets under \$1 billion

4TH QUARTER COMMUNITY BANK EQUITY OFFERINGS*

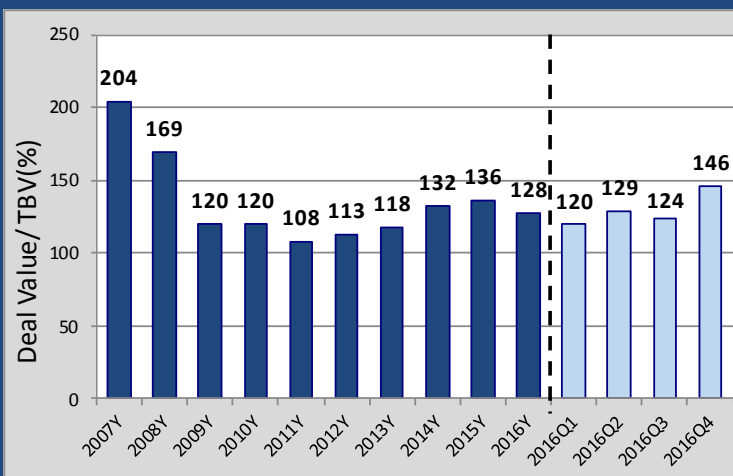
Closing Date	Company Name	Ticker	Assets (\$000)	City	State	Offering Description	Amount (\$000)	Offer Price
12/22/2016	Highlands Bancorp, Inc.	HSBK	\$ 384,512	Vernon	NJ	Private Placement	\$ 8,500	\$ 9.30
12/22/2016	Broadway Financial Corp.	BYFC	\$ 413,373	Los Angeles	CA	Private Placement	\$ 2,500	\$ 1.59
12/19/2016	Suncrest Bank	SBKK	\$ 353,221	Visalia	CA	Private Placement	\$ 7,000	\$ 8.25
12/12/2016	Fentura Financial, Inc.	FETM	\$ 500,560	Fenton	MI	Private Placement	\$ 15,000	\$ 14.00
11/23/2016	First Colebrook Bancorp, Inc.	FCNH	\$ 271,223	Colebrook	NH	Best Efforts	\$ 5,000	\$ 20.00
11/22/2016	BancAffiliated, Inc.	BAFI	\$ 619,393	Arlington	TX	Private Placement	\$ 5,000	\$ 80.00
10/12/2016	Bancorp 34, Inc.	BCTF	\$ 287,107	Alamogordo	NM	Mutual Conversion IPO - 2nd Stage	\$ 18,795	\$ 10.00
10/12/2016	Ottawa Bancorp, Inc.	OTTW	\$ 216,723	Ottawa	IL	Mutual Conversion IPO - 2nd Stage	\$ 23,840	\$ 10.00

*Excludes Banks with over \$1 billion in assets, De Novos, MHC 1st Stage Conversions, TARP Transactions, and Straight Preferreds

COMMUNITY BANK M&A TRENDS*

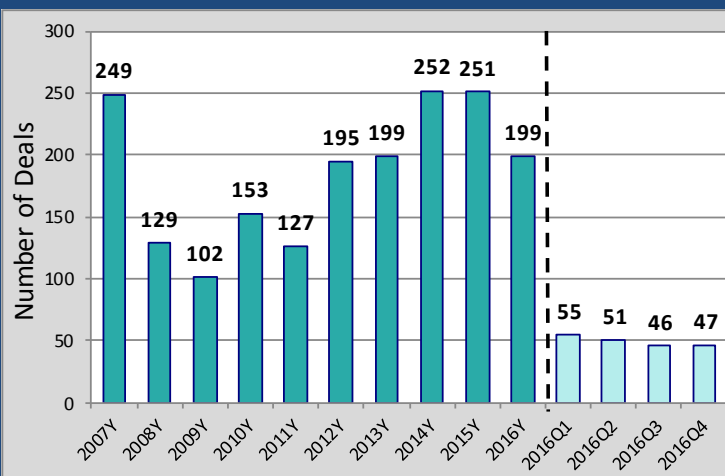
M&A VALUATION TRENDS

NATIONAL MEDIANS



NUMBER OF M&A DEALS

TARGET ASSETS UNDER \$1B



* Trends are based on any bank or thrift with assets under \$1 billion

4TH QUARTER COMMUNITY BANK M&A TRANSACTIONS*

Date Announ.	Target				Acquiror			Announcement Terms						Target Financials		
	Name	City	State	Assets (\$000)	Name	State	Assets (\$000)	Purch. Price (\$)	Tang Bk %	Earnings X	Assets (%)	Deposits (%)	Core Dep. Premium (%)	ROAA (%)	Tang. E / A (%)	NPAs/ Assets (%)
12/19/2016	FCB Bancorp Inc	Louisville	KY	507,741	MainSource Financial Group	IN	4,013,943	57.0	188.9	NM	11.2	14.7	8.5	NA	5.9	NA
12/16/2016	Community Bancshares of KS Inc	Overland Park	KS	102,141	Dickinson Financial Corp. II	MO	2,144,079	12.9	240.1	14.7	12.6	15.1	19.2	1.14	8.7	1.29
12/16/2016	Hometown Bancorp Inc (MHC)	Walden	NY	122,950	Wallkill Valley FS&LA	NY	193,697	7.0	88.7	NM	5.7	6.7	(1.0)	(0.03)	6.4	NA
12/14/2016	Palco Bankshares Inc.	Plainville	KS	61,397	First Belleville Bcshs Inc.	KS	256,241	8.0	105.5	15.0	13.0	17.7	1.2	1.08	13.9	0.16
12/7/2016	Manor Bank	Manor	PA	40,384	NexTier Inc.	PA	1,157,955	2.3	86.8	NM	5.8	6.2	(1.0)	(1.29)	6.7	0.00
11/30/2016	Gateway Finl Hldgs of FL Inc.	Daytona Beach	FL	879,702	CenterState Banks	FL	5,014,512	142.5	163.6	23.7	16.2	19.7	8.7	0.73	9.6	0.37
11/29/2016	Blanco National Holdings Inc.	Blanco	TX	183,224	Texas State Bankshares Inc.	TX	606,847	26.4	159.7	20.3	14.4	16.2	6.8	1.19	10.4	0.35
11/22/2016	New Windsor Bancorp Inc.	New Windsor	MD	311,061	ACNB Corp.	PA	1,208,869	32.8	143.3	20.5	10.6	12.0	NA	0.52	7.4	NA
11/17/2016	Bnk of Comm and Certain Assets	Sarasota	FL	209,077	Home BancShares Inc.	AR	9,764,238	3.6	51.0	NM	1.7	2.2	(2.7)	0.00	3.4	10.07
11/17/2016	Hardeman County Investment Co.	Jackson	TN	461,862	Simmons First National Corp.	AR	8,226,992	74.8	179.4	18.4	16.2	20.1	10.4	1.40	10.7	0.49
11/15/2016	TFB Bancorp Inc.	Yuma	AZ	315,589	Glacier Bancorp Inc.	MT	9,316,875	63.6	171.8	17.5	20.1	24.0	NA	1.17	11.9	NA
11/15/2016	Union Banc Corp.	Oxford	NC	299,480	Little Bank Inc	NC	366,501	30.7	129.0	NM	10.3	12.2	3.7	0.52	10.2	1.35
11/15/2016	Bluestem Development Corp.	Joy	IL	43,330	Merchants Bancorp	IN	3,077,086	5.0	115.3	19.7	11.6	14.0	NA	0.58	9.9	1.32
11/14/2016	RB Bancorp.	Athens	AL	210,093	Trustmark Corp.	MS	13,161,538	23.7	165.3	19.5	11.3	13.4	6.2	0.71	9.9	0.76
11/10/2016	T Bancshares Inc.	Dallas	TX	206,948	T Acquisition Inc.	TX	NA	32.8	156.8	11.3	16.5	19.4	15.1	1.58	13.9	0.03
11/8/2016	Greer Bancshares Inc.	Greer	SC	380,829	Carolina Financial Corp.	SC	1,653,849	44.4	160.4	14.9	11.7	15.0	NA	0.78	7.2	NA
11/4/2016	GulfShore Bancshares Inc.	Tampa	FL	331,179	Seacoast Banking Corp. of FL	FL	4,513,934	54.8	146.0	NM	16.6	19.6	7.3	0.46	10.8	0.69
11/3/2016	Virginia BanCorp Inc.	Petersburg	VA	323,617	Bay Banks of Virginia Inc.	VA	468,339	29.6	84.2	12.5	9.1	11.7	(2.8)	0.79	11.0	1.81
10/31/2016	Founders Bancorp	San Luis Obispo	CA	187,513	Heartland Financial USA Inc.	IA	8,204,401	29.1	154.7	26.6	15.5	17.2	NA	0.69	9.6	0.00
10/28/2016	Roxbury Bank	Roxbury	KS	15,654	Central Kansas Bancshares Inc.	KS	NA	2.0	115.4	25.3	12.6	15.7	2.1	0.73	10.9	2.16
10/26/2016	Admirals Bank	Boston	MA	445,570	First Boston Holdings Inc.	MA	NA	40.2	81.1	NM	9.0	10.9	(3.6)	(0.12)	11.2	2.59
10/21/2016	Mackinac SB FSB	Boynton Beach	FL	109,508	IBM Southeast Employees' CU	FL	946,693	12.0	125.8	26.0	11.0	12.2	2.7	0.64	8.7	0.02
10/20/2016	Prairie State Bancshares Inc.	Hoxie	KS	148,575	Equity Bancshares Inc.	KS	1,544,857	24.8	141.5	11.7	16.7	19.2	6.8	2.35	12.8	0.73
10/20/2016	Island Bancorp Inc	Edgartown	MA	186,964	Independent Bank Corp.	MA	7,418,866	24.5	152.4	22.3	13.1	15.2	5.5	0.60	9.7	0.00
10/18/2016	Platinum Bank Holding Co.	Brandon	FL	583,892	CenterState Banks	FL	4,995,289	84.9	179.0	29.3	14.5	17.2	10.4	1.16	9.2	0.50
10/14/2016	Gulf Coast Community Bank	Pensacola	FL	133,444	First Bancshares Inc.	MS	1,224,900	2.4	40.6	NM	1.8	2.0	(3.6)	(0.22)	4.3	16.58
10/14/2016	Iberville Bank	Plaquemine	LA	258,497	First Bancshares Inc.	MS	1,224,900	31.1	121.9	NM	12.0	13.5	2.6	0.44	9.9	1.54
10/13/2016	Little River Bancshares Inc.	Lepanto	AR	33,278	First Community Bcshs Inc.	AR	1,107,909	2.2	50.4	NM	6.7	7.8	(8.9)	(0.58)	13.4	8.17
10/11/2016	Jefferson County Bcshs Inc.	Festus	MO	927,735	Enterprise Financial Services	MO	3,761,665	130.8	145.9	19.7	14.1	17.1	6.0	0.85	10.5	2.90
10/6/2016	Georgetown Bancorp Inc.	Georgetown	MA	299,895	Salem Five Bancorp	MA	3,947,428	49.2	147.8	NM	16.4	21.1	10.2	0.39	10.8	NA
10/3/2016	DCB Financial Corp	Lewis Center	OH	556,062	First Commonwealth Financial	PA	6,749,821	106.4	176.8	8.9	19.1	22.8	NA	2.15	10.8	1.43

*Q4 2016 announced whole bank transactions under \$1 billion in assets with indicated pricing multiples.

31 TOTAL TRANSACTIONS

	Announcement Terms					Target Financials		
Average	134.5	18.9	12.2	14.6	4.4	0.68	9.7	2.21
Median	145.9	19.6	12.6	15.1	5.5	0.70	9.9	0.76

ABOUT US

AT MONROE FINANCIAL PARTNERS, WE FOCUS EXCLUSIVELY ON COMMUNITY BANKS. WE ARE A NATIONAL MARKET-MAKER FOR OVER 700 COMMUNITY BANK STOCKS, AND WE PROVIDE INVESTMENT BANKING SERVICES TO COMMUNITY BANKS, INCLUDING EQUITY CAPITAL RAISES AND ADVISORY SERVICES. FOR MORE INFORMATION, PLEASE CONTACT GREG DINGENS, EVP AND HEAD OF INVESTMENT BANKING: 312-506-8752 OR GD@MONROEFP.COM.