

Section 1: 425 (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15 (d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 18, 2019

FIRST INTERSTATE BANCSYSTEM, INC.

(Exact name of registrant as specified in its charter)

Montana

(State or other jurisdiction
of incorporation)

001-34653

(Commission
File Number)

81-0331430

(IRS Employer
Identification No.)

401 North 31st Street, Billings, Montana

(Address of principal executive offices)

59116

(Zip Code)

Registrant's telephone number (including area code): (406) 255-5390

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

Settlement of Certain Litigation Relating to the Merger

On or about February 1, 2019, a purported individual shareholder of Idaho Independent Bank (“**IIBK**”) filed a lawsuit in the Court for the Fourth Judicial District of the State of Idaho, Ada County (the “**Court**”), under the caption *Parshall v. Idaho Independent Bank, et. al.*, Case No. CV01-19-02475 (the “**Action**”). The complaint, which was filed as a putative class action and derivative action on behalf of the individual plaintiff and the public shareholders of IIBK, alleges that the proxy statement/prospectus (the “**Proxy Statement/Prospectus**”) forming a part of the Form S-4 Registration Statement filed by First Interstate BancSystem, Inc. (“**First Interstate**”) in connection with the proposed merger of IIBK with First Interstate Bank, the wholly-owned subsidiary of First Interstate, does not contain certain information alleged to be material to the IIBK shareholders concerning the proposed merger. The complaint asserts claims against IIBK’s directors for breach of fiduciary duty, and against First Interstate for aiding and abetting the alleged breach of fiduciary duty. The complaint seeks, among other things, injunctive relief against consummation of the merger and additional, allegedly corrective disclosures as well as unspecified attorneys’ and expert fees.

Solely to avoid the costs, risks, nuisance and uncertainties inherent in litigation and to allow the IIBK shareholders to vote on the proposals required in connection with the proposed merger with First Interstate Bank at the IIBK special meeting of shareholders to be held on March 27, 2019 (the “**Special Meeting**”), IIBK hereby supplements the disclosures contained in the Proxy Statement/Prospectus (the “**Additional Disclosures**”). The Additional Disclosures are set forth below and should be read in conjunction with the Proxy Statement/Prospectus.

In light of the Additional Disclosures, the plaintiff has agreed to dismiss the Action with prejudice as to his individual claims and without prejudice to the claims of the members of the putative class. In dismissing the Action, plaintiff has reserved the right to seek an award of attorneys’ fees from the Court.

The agreement to make the Additional Disclosures will not affect the merger consideration to be paid to IIBK’s shareholders or the timing of the Special Meeting.

IIBK and the other defendants, including First Interstate, vigorously deny that the Proxy Statement/Prospectus is deficient in any respect and that the Additional Disclosures are material or required. IIBK and First Interstate believe that the claims asserted in the Action are without merit, and that the Additional Disclosures do not provide information required by the federal securities laws or Idaho law or that is material to the decision of the IIBK shareholders as to how to vote their shares at the Special Meeting. As noted above, the Additional Disclosures are being made solely to eliminate the burden, expense, and nuisance of further litigation, and to avoid any possible delay to the closing of the merger that might arise from further litigation. Nothing in this document shall be deemed an admission of the legal necessity or materiality under any applicable laws for any of the disclosures set forth herein.

SUPPLEMENT TO PROXY STATEMENT/PROSPECTUS

The following information supplements the Proxy Statement/Prospectus and should be read in connection with the Proxy Statement/Prospectus, which should be read in its entirety. To the extent that information herein differs from or updates information contained in the Proxy Statement/Prospectus, the information contained herein supersedes the information contained in the Proxy Statement/Prospectus. All page references in the information below are to pages in the Proxy Statement/Prospectus, and terms used below have the meanings set forth in the Proxy Statement/Prospectus, unless otherwise defined below. Without admitting in any way that the disclosures below are material or otherwise required by law, IIBK and First Interstate make the following Additional Disclosures:

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor” beginning on page 35 of the Proxy Statement/Prospectus related to net income estimates for First Interstate for the years ending December 31, 2018 through December 31, 2020, as well as the estimated long-term net income growth rate for the years thereafter and estimated annual dividends per share for the years ending December 31, 2018 through December 31, 2022, as directed by the senior management of First Interstate, is hereby supplemented with the following information:

The publicly available mean analyst net income estimates for First Interstate for the years ending December 31, 2018 through December 31, 2020, as well as a long-term net income growth rate for the years thereafter and annual dividends per share for the years ending December 31, 2018 through December 31, 2022, as directed by the senior management of First Interstate are as follows:

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
Net Income (\$mm)	165	197	203	218	233
Earnings Per Share (\$)	2.82	3.23	3.34	3.57	3.82
Dividends Per Share (\$)	1.12	1.17	1.17	1.17	1.17

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—IIBK Comparable Company Analyses” on page 39 of the Proxy Statement/Prospectus is hereby supplemented with the following information:

The individual multiples and metrics for the companies observed by Sandler in Sandler’s IIBK Comparable Company Analysis, are attached separately. See *IIBK Comparable Companies* attached as Exhibit 99.1.

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—First Interstate Net Present Value Analyses” on page 45 of the Proxy Statement/Prospectus is supplemented with the following information:

The 2022 terminal value of IIBK common stock was presented as a range. Sandler O’Neill selected the price to earnings and tangible book value multiples for IIBK based on Sandler O’Neill’s review of, among other matters, the respective trading multiples of selected companies that Sandler O’Neill deemed to be comparable to IIBK. The range of discount rates of 9.0% to 15.0% used in the analysis was selected taking into account a capital asset pricing model implied cost of equity calculation. The following table describes the discount rate calculation for IIBK common stock prepared by Sandler O’Neill. In its normal course of business, Sandler O’Neill employs the Duff & Phelps Cost of Capital Navigator in determining an appropriate discount rate in which the discount rate equals the risk-free rate plus the equity risk premium plus the size premium plus the industry premium.

Calculation of Discount Rate	
Risk Free Rate	3.50%
Equity Risk Premium	5.00%
Size Premium	3.48%
Industry Premium	0.70%
Discount Rate	12.68%

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—Analysis of Selected Merger Transactions” on page 42 of the Proxy Statement/Prospectus is supplemented with the following information:

The individual multiples and metrics for the companies observed by Sandler in the analysis are attached separately. See *Selected Merger Transactions* attached as Exhibit 99.2.

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—First Interstate Comparable Company Analysis” on page 43 of the Proxy Statement/Prospectus is supplemented with the following information:

The individual multiples and metrics for the companies observed by Sandler in the analysis are attached separately. See *First Interstate Comparable Companies* attached as Exhibit 99.3.

The disclosure under the heading “DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—First Interstate Net Present Value Analysis” on page 45 of the Proxy Statement/Prospectus is supplemented with the following information:

The 2022 terminal value of First Interstate common stock was presented as a range. Sandler O’Neill selected the price to earnings and tangible book value multiples for First Interstate based on Sandler O’Neill’s review of, among other matters, the respective trading multiples of selected companies that Sandler O’Neill deemed to be comparable to First Interstate. The following table describes the discount rate calculation for First Interstate common stock prepared by Sandler O’Neill. In its normal course of business, Sandler O’Neill employs the Duff & Phelps Cost of Capital Navigator and Bloomberg in determining an appropriate discount rate in which the discount rate equals the risk-free rate plus the product of the 2-year adjusted beta for First Interstate common stock and the equity risk premium, plus the size premium.

Calculation of Discount Rate	
Risk Free Rate	3.50%
2 Year Beta of Stock	106.5%
Equity Risk Premium	5.00%
Size Premium	0.96%
Discount Rate	9.79%

The disclosure under the heading “ DESCRIPTION OF THE MERGER—Opinion of IIBK’s Financial Advisor—Pro Forma Merger Analysis” on page 46 of the Proxy Statement/Prospectus is supplemented with the following information:

Sandler used the following assumptions related to the transaction expenses, purchase accounting adjustments, cost savings, and revenue impacts following the close of the proposed transaction:

- (a) Cost Savings of approximately 56% of IIBK initial noninterest expense base (75% of cost savings realized in 2019, 100% realized in 2020 and thereafter);
- (b) Transaction expenses of approximately \$16.9 million on a pre-tax basis;
- (c) Core Deposit Intangible of approximately \$14.9 million (2.5%), amortized over 10 years using the sum-of-the-years digits method;
- (d) Negative credit mark on loans of approximately \$3.8 million;
- (e) Negative rate mark on loans of approximately \$8.9 million, accreted over 5 years using the straight-line method;
- (f) Discount on available for sale securities of approximately \$128,000, accreted over 2 years using the straight-line method;
- (g) A \$379,000 write-off associated with computer equipment and software;
- (h) A write-up of approximately \$5.7 million associated with property, plant and equipment (“PP&E”), accreted over 15 years using the straight-line method;
- (i) A write-up of approximately \$3.2 million associated with other real estate owned;
- (j) A write-down of approximately \$500,000 associated with time deposits;
- (k) A write-up of approximately \$192,000 associated with Federal Home Loan Bank borrowings, accreted over 2 years using the straight-line method;
- (l) A write-up associated with the non-qualified retirement plan of approximately \$2.6 million.

The analysis indicated that the merger could be accretive to First Interstate’s earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2019 through December 31, 2022 by approximately 1.5%, 2.9%, 3.2% and 3.3%, respectively. The analysis indicated that the merger could be dilutive to First Interstate’s estimated tangible book value per share at the completion of the merger and at December 31, 2019 and December 31, 2020, by approximately 1.8%, 1.3% and 0.6%, respectively.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about (1) the benefits of the proposed merger between First Interstate, First Interstate Bank and IIBK, including anticipated future results, cost savings and accretion to reported earnings that may be realized from the proposed merger; (2) First Interstate’s, First Interstate Bank’s and IIBK’s plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts; and (3) other statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. The following factors, among others, could cause actual results to differ materially from the anticipated results expressed in the forward-looking statements: the businesses of First Interstate, First Interstate Bank and IIBK may not be combined successfully, or such combination may take longer than expected; the cost savings from the proposed merger may not be fully realized or may take longer than expected; operating costs, customer loss and business disruption following the proposed merger may be greater than expected; governmental approvals of the proposed merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the proposed merger or

otherwise; the shareholders of IIBK may fail to approve the proposed merger; credit and interest rate risks associated with First Interstate's, First Interstate Bank's and IIBK's respective businesses; and difficulties associated with achieving expected future financial results. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in First Interstate's reports (such as the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available at the SEC's Internet website (www.sec.gov). All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to First Interstate, First Interstate Bank or IIBK or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Except as required by law, First Interstate, First Interstate Bank and IIBK do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

Additional Information and Where to Find It

This communication is being made in respect of the proposed merger. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

In connection with the proposed transaction, First Interstate has filed a registration statement on Form S-4 with the SEC, which includes a proxy statement of IIBK and a prospectus of First Interstate, and First Interstate will file other documents regarding the proposed transaction with the SEC. **Before making any voting or investment decision, investors and security holders of IIBK are urged to carefully read the entire registration statement and proxy statement/prospectus, as well as any amendments or supplements to these documents, because they will contain important information about the proposed transaction.** The documents filed by First Interstate with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, the documents filed by First Interstate may be obtained free of charge at its website at www.fibk.com or by contacting First Interstate BancSystem, Inc., 401 North 31st Street, Billings, Montana 59116, Attention: Marcy Mutch, Chief Financial Officer, telephone 406-255-5312.

First Interstate, First Interstate Bank and IIBK and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies of IIBK's shareholders in connection with the proposed transaction. Information about the directors and executive officers of First Interstate and their ownership of First Interstate common stock is set forth in the preliminary proxy statement for First Interstate's 2019 Annual Meeting of Shareholders, as filed with the SEC on Schedule 14A on March 1, 2019. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Item 9.01 Financial Statements and Exhibits

- (a) Financial Statements of Businesses Acquired. Not applicable.
- (b) Pro Forma Financial Information. Not applicable.
- (c) Shell Company Transactions. Not applicable.
- (d)

<u>Exhibits</u>	<u>Description</u>
99.1	IIBK Comparable Companies.
99.2	Selected Merger Transactions.
99.3	First Interstate Comparable Companies.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

FIRST INTERSTATE BANCSYSTEM, INC.

Date: March 18, 2019

By: /s/ Kevin P. Riley
 Kevin P. Riley
 President and Chief Executive Officer

[\(Back To Top\)](#)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

Publicly-Traded Western Region Banks With Total Assets \$500 Million—\$1 Billion

Financials as of
 June 30, 2018 unless
 otherwise noted

Company Name	City, St	Ticker	Market Data (as of 10/10/2018)						YTD Profitability				Balance Sheet Ratios ¹			
			Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/Tang. Book Value (%)	Price/Ann. EPS (x)	1 yr Price Change (%)	Div. Yield (%)	YTD Eff. Ratio (%)	YTD NIM (%)	YTD ROAA (%)	TCE/TA (%)	CRE		
														Conc. Ratio (%)	Loan/Dpts. (%)	NPAs/Assets (%)
Seacoast Commerce Banc Holdings	San Diego, CA	SCBH	998	207	22.15	268	16.3	10.8	1.6	67.7	5.67	1.31	9.2	218	104	0.38
OP Bancorp	Los Angeles, CA	OPBK	979	177	11.35	146	12.1	23.4	0.0	58.2	4.48	1.52	12.4	252	101	0.10
First Choice Bancorp	Cerritos, CA	FCBP	963	306	26.25	175	16.4	8.5	3.0	56.2	4.52	1.28	11.3	305	101	0.20
California BanCorp	Lafayette, CA	CALB	911	178	22.30	179	17.7	20.5	0.0	66.0	4.08	0.92	9.2	235	94	0.39
Pacific Financial Corporation	Aberdeen, WA	PFLC	887	132	12.50	176	13.3	34.4	2.0	74.5	4.38	1.10	8.6	230	93	0.20
Suncrest Bank	Visalia, CA	SBKK	883	164	13.25	202	18.9	25.0	0.0	52.8	4.36	0.93	9.7	266	85	0.24
United Security Bancshares	Fresno, CA	UBFO	879	187	11.07	186	14.2	15.3	3.6	56.5	4.22	1.56	11.5	234	76	2.53
Community West Bancshares	Goleta, CA	CWBC	865	99	12.00	135	13.3	15.4	1.7	70.8	4.12	0.89	8.5	301	108	1.07
Presidio Bank	San Francisco, CA	PDOB	853	164	26.50	203	16.0	32.5	0.0	60.5	4.20	1.25	9.5	393	86	0.00
Coastal Financial Corporation	Everett, WA	CCB	851	200	16.82	225	19.1	—	0.0	67.5	4.16	1.01	8.2	373	94	0.24
Avidbank Holdings, Inc.	San Jose, CA	AVBH	845	148	24.75	158	14.9	23.8	0.0	63.8	4.52	1.17	11.1	378	102	0.27
Eagle Bancorp Montana, Inc.	Helena, MT	EBMT	827	99	18.25	128	26.1	(6.1)	2.0	83.6	3.85	0.46	9.6	195	97	0.24
Plumas Bancorp	Quincy, CA	PLBC	765	128	25.09	216	9.7	14.0	1.4	53.0	4.60	1.83	7.8	209	76	0.39
Citizens Bancorp	Corvallis, OR	CZBC	761	116	21.44	175	15.1	42.9	1.7	59.2	3.56	1.08	9.6	129	62	0.39
Private Bancorp of America, Inc.	La Jolla, CA	PBAM	711	131	26.00	163	32.5	11.8	0.0	77.2	3.96	0.61	12.1	368	101	0.21
Sound Financial Bancorp, Inc.	Seattle, WA	SFBC	686	96	38.40	145	13.3	15.8	1.5	69.0	4.31	1.08	9.8	333	110	0.87
Valley Republic Bancorp	Bakersfield, CA	VLLX	683	133	33.75	215	15.1	38.4	0.0	53.2	3.38	1.27	9.0	195	76	0.00
Mission Bancorp	Bakersfield, CA	MSBC	682	141	80.01	241	12.5	78.7	0.0	47.2	4.33	2.09	8.6	268	85	0.03
American River Bankshares	Rancho Cordova, CA	AMRB	675	88	15.06	159	17.1	(0.4)	1.3	67.0	3.30	0.77	8.4	306	51	1.36
State Bank Corp.	Lake Havasu City, AZ	SBAZ	642	121	14.95	230	15.3	81.9	1.6	61.8	3.80	1.26	9.3	269	65	1.28
Santa Cruz County Bank	Santa Cruz, CA	SCZC	635	130	53.45	208	12.4	35.2	0.6	50.5	4.58	1.66	9.8	335	84	0.00
1st Capital Bank	Salinas, CA	FISB	610	89	18.80	162	15.9	31.9	0.0	67.5	3.74	0.94	9.0	339	86	0.08
American Riviera Bank	Santa Barbara, CA	ARBV	591	86	19.25	166	15.0	10.0	0.0	62.5	4.52	1.05	8.7	410	90	0.02
Baker Boyer Bancorp	Walla Walla, WA	BBBK	591	85	66.00	162	13.6	(2.9)	4.5	76.8	3.49	1.03	8.9	154	56	0.47
Summit State Bank	Santa Rosa, CA	SSBI	586	88	14.55	158	13.7	15.0	3.3	59.9	3.72	1.11	9.6	326	91	0.72

Publicly-Traded Western Region Banks With Total Assets \$500 Million—\$1 Billion

Financials as of
June 30, 2018 unless
otherwise noted

Company Name	City, St	Ticker	Market Data (as of 10/10/2018)						YTD Profitability				Balance Sheet Ratios ¹				
			Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/Book Value (%)	Price/Ann. EPS (x)	1 yr Price Change (%)	YTD Div. Yield (%)	YTD Eff. Ratio (%)	YTD NIM (%)	YTD ROAA (%)	TCE/TA (%)	CRE			
														Conc. Ratio (%)	Loan/Dpts. (%)	NPAs/Assets (%)	
CommerceWest Bank	Irvine, CA	CWBK	550	96	25.37	168	18.1	14.3	2.7	56.3	4.11	0.99	10.5	303	90	0.17	
Bank of Southern California, National Association	San Diego, CA	BCAL	521	130	15.45	143	19.8	14.4	0.0	61.3	4.21	0.94	14.5	211	94	0.14	
Pacific Enterprise Bancorp	Irvine, CA	PEBN	509	68	22.00	141	19.5	11.2	0.0	81.2	4.95	0.69	9.5	156	90	0.22	
			High	998	306	—	268	32.5	81.9	4.5	83.6	5.67	2.09	14.5	410	110	2.53
			Low	509	68	—	128	9.7	(6.1)	0.0	47.2	3.30	0.46	7.8	129	51	0.00
			Mean	748	135	—	180	16.3	22.8	1.2	63.6	4.18	1.14	9.8	275	87	0.44
		Median	736	130	—	171	15.2	15.4	0.9	62.1	4.21	1.08	9.5	268	90	0.24	
Idaho Independent Bank ²	Coeur d'Alene, ID	IIBK	742	110	14.66	156	15.5	35.1	0.0	69.4	3.97	1.06	9.8	199 ³	59	0.26 ³	

Note:

- 1: Bank-level financials used where holding company information not available
- 2: Preliminary September 30, 2018 financial information, unless otherwise noted
- 3: Ratios as of June 30, 2018

Financials not adjusted to reflect pending or recently completed acquisitions. Market cap reflects shares issued in transactions which have closed since June 30, 2018

Source: S&P Global Market Intelligence; excludes targets of announced mergers

[\(Back To Top\)](#)

Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2

Nationwide Bank Deals Announced Between January 1, 2018 and October 10, 2018 with Target Assets Between \$500 Million and \$1 Billion

Acquiror	Target	Ann. Date	Transaction Information			Core Deposit Prem. (%)	Seller Financial Information					
			Deal Value (\$mm)	Price/LTM EPS (x)	Price/TBVPS (%)		Total Assets (\$mm)	Total Equity (\$mm)	TCE/TA (%)	LTM ROAA (%)	LTM ROAE (%)	NPAs/Assets (%)
American National Bankshares Inc. (VA)	HomeTown Bankshares Corporation (VA)	10/1/2018	95.3	27.4	182	11.0	558	52	9.3	0.64	6.9	1.59
Park National Corporation (OH)	CAB Financial Corporation (SC)	9/13/2018	140.3	28.0	183	12.9	731	79	10.2	0.70	6.3	0.58
Banner Corporation (WA)	Skagit Bancorp, Inc. (WA)	7/25/2018	192.4	21.6	240	15.5	922	80	8.7	0.98	11.3	0.36
ConnectOne Bancorp, Inc. (NJ)	Greater Hudson Bank (NY)	7/12/2018	76.3	36.3	135	5.7	501	57	11.3	0.41	3.5	1.59
Northwest Bancshares, Inc. (PA)	Donegal Financial Services Corp. (PA)	6/12/2018	86.1	20.3	174	7.4	577	86	13.8	0.82	5.5	0.32
Seacoast Banking Corporation of Florida (FL)	First Green Bancorp, Inc. (FL)	6/11/2018	135.1	35.8	178	13.3	731	77	10.5	0.91	8.1	0.07
German American Bancorp, Inc. (IN)	First Security, Inc. (KY)	5/22/2018	103.3	35.5	162	11.1	586	59	9.2	0.48	5.0	2.04
Stifel Financial Corp. (MO)	Business Bancshares, Inc. (MO)	5/10/2018	120.8	27.2	173	16.2	619	74	12.0	0.86	7.3	1.03
First Interstate BancSystem, Inc. (MT)	Northwest Bancorporation, Inc. (WA)	4/25/2018	155.6	28.8	219	13.9	827	82	8.6	0.70	7.0	0.64
Private Investor—Gaylon Lawrence Jr. (-)	Volunteer State Bancshares, Inc. (TN)	4/25/2018	127.5	28.1	234	20.3	622	61	9.8	1.50	14.5	1.39
National Commerce Corporation (AL)	Landmark Bancshares, Inc. (GA)	4/24/2018	115.4	16.0	222	17.7	595	70	10.8	1.36	11.9	1.11
RBB Bancorp (CA)	First American International Corp. (NY)	4/23/2018	116.8	19.2	177	12.1	873	79	7.3	0.95	10.6	0.30
BancorpSouth Bank (MS)	Icon Capital Corporation (TX)	4/18/2018	132.7	19.2	198	13.3	794	75	9.4	1.00	10.6	2.52
QCR Holdings, Inc. (IL)	Springfield Bancshares, Inc. (MO)	4/18/2018	84.3	17.4	184	13.6	563	49	8.6	1.56	17.3	0.18
Triumph Bancorp, Inc. (TX)	First Bancorp of Durango, Inc. (IL)	4/9/2018	134.5	36.4	203	12.7	634	56	8.5	0.94	9.3	1.22
HarborOne Bancorp, Inc. (MHC) (MA)	Coastway Bancorp, Inc. (RI)	3/14/2018	125.6	44.1	174	14.2	739	71	9.7	0.39	3.7	1.94
Civista Bancshares, Inc. (OH)	United Community Bancorp (IN)	3/12/2018	118.5	34.0	165	10.3	546	72	12.7	0.61	4.6	0.39
First Choice Bancorp (CA)	Pacific Commerce Bancorp (CA)	2/26/2018	114.4	23.5	194	15.5	536	64	11.3	0.88	7.4	0.20

Nationwide Bank Deals Announced Between January 1, 2018 and October 10, 2018 with Target Assets Between \$500 Million and \$1 Billion

Acquiror	Target	Ann. Date	Transaction Information				Seller Financial Information					
			Deal Value (\$mm)	Price/LTM EPS (x)	Price/TBVPS (%)	Core Deposit Prem. (%)	Total Assets (\$mm)	Total Equity (\$mm)	TCE/TA (%)	LTM ROAA (%)	LTM ROAE (%)	NPAs/Assets (%)
Mechanics Bank (CA)	Learner Financial Corporation (CA)	2/12/2018	124.9	37.6	170	9.3	692	69	9.9	0.56	5.6	0.79
Mid Penn Bancorp, Inc. (PA)	First Priority Financial Corp. (PA)	1/16/2018	90.7	32.6	194	11.2	612	50	7.3	0.52	6.1	0.37
	(20 Transactions)	High	192.4	44.1	240	20.3	922	86	13.8	1.56	17.3	2.52
		Low	76.3	16.0	135	5.7	501	49	7.3	0.39	3.5	0.07
		Mean	119.5	28.4	188	12.9	663	68	9.9	0.84	8.1	0.93
		Median	119.6	28.0	182	13.1	621	71	9.7	0.84	7.2	0.72
	Idaho Independent Bank ¹		183.1	34.3	245	18.4 ²	742	72	9.8	0.74	7.7	0.26 ⁴

18.3³

Note:

- 1: Preliminary September 30, 2018 financial information, unless otherwise noted
- 2: Core deposits defined as total deposits less time deposits greater than \$100,000; assumes percentage of core deposits from June 30, 2018 financials applied to September 30, 2018 total deposits
- 3: Core deposits defined as total deposits less time deposits greater than \$250,000; assumes percentage of core deposits from June 30, 2018 financials applied to September 30, 2018 total deposits
- 4: Ratio as of June 30, 2018

Excludes transactions where deal value was not reported

Source: S&P Global Market Intelligence; data as of October 10, 2018

[\(Back To Top\)](#)

Section 4: EX-99.3 (EX-99.3)

Exhibit 99.3

Exchange-Traded Nationwide Banks With Total Assets \$10 Billion—\$15 Billion¹

Financials as of June 30, 2018 unless otherwise noted			Market Data (as of 10/10/2018)										YTD Profitability			Balance Sheet Ratios			
Company Name	City, St	Ticker	Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/Book (%)	Price/Ann. EPS (x)	Price/Est. EPS (x)	Price/Est. EPS (x)	Div. Yield (%)	1 Yr Price Change (%)	YTD Eff. Ratio (%)	YTD NIM (%)	YTD ROAA (%)	TCE/TA (%)	CRE Conc. Ratio (%)	Loan/Dpts (%)	NP As/Assets (%)	
Home BancShares, Inc.	Conway, AR	HOMB	14,924	3,794	21.72	289	12.6	12.3	11.3	2.2	(15.6)	37	4.43	2.09	9.4	286	102	0.49	
Hope Bancorp, Inc.	Los Angeles, CA	HOPE	14,870	2,099	16.15	149	10.9	11.1	10.5	3.5	(10.3)	49	3.61	1.37	9.9	348	100	1.02	
First Midwest Bancorp, Inc.	Chicago, IL	FMBI	14,818	2,746	26.62	243	21.8	16.3	13.0	1.7	13.0	59	3.82	0.88	8.0	210	95	0.46	
South State Corporation	Columbia, SC	SSB	14,566	2,954	80.50	232	17.9	14.2	13.5	1.7	(13.3)	56	4.20	1.14	9.5	215	93	0.29	
First Financial Bancorp.	Cincinnati, OH	FFBC	13,920	2,860	29.21	265	17.4	13.2	12.4	2.7	10.0	53	3.99	1.17	8.4	219	88	0.46	
Hilltop Holdings Inc.	Dallas, TX	HTH	13,689	1,891	19.99	116	16.7	13.3	11.6	1.4	(24.0)	88	3.47	0.89	12.1	148	109	0.34	
Trustmark Corporation	Jackson, MS	TRMK	13,525	2,294	33.92	193	15.0	15.1	14.7	2.7	0.2	66	3.49	1.13	9.1	205	82	0.76	
Union Bankshares Corporation	Richmond, VA	UBSH	13,066	2,541	38.51	232	19.9	15.1	13.2	2.4	7.9	56	3.73	0.98	8.9	309	95	0.38	
Columbia Banking System, Inc.	Tacoma, WA	COLB	12,629	2,792	38.10	243	17.0	15.4	14.1	2.7	(9.6)	55	4.26	1.30	9.7	191	81	0.73	
United Community Banks, Inc.	Blairsville, GA	UCBI	12,386	2,165	27.36	206	14.1	12.8	11.6	2.2	(4.5)	55	3.82	1.27	8.7	199	83	0.58	
Great Western Bancorp, Inc.	Sioux Falls, SD	GWB	12,009	2,467	41.87	231	10.7	14.1	12.5	2.4	2.5	47	3.92	1.31	9.5	238	98	1.42	
International Bancshares Corporation	Laredo, TX	IBOC	11,989	2,828	42.76	177	13.3	—	—	2.0	1.7	51	3.77	1.80	13.6	180	74	0.77	
Berkshire Hills Bancorp, Inc.	Boston, MA	BHLB	11,902	1,842	40.55	200	15.7	14.6	13.4	2.2	3.7	59	3.44	1.02	8.1	226	100	0.31	
Glacier Bancorp, Inc.	Kalispell, MT	GBCI	11,898	3,703	43.81	327	21.9	19.5	17.9	2.4	16.1	55	4.11	1.50	9.8	200	85	0.83	
Cadence Bancorporation	Houston, TX	CADE	11,306	2,079	24.86	193	12.0	12.3	10.7	2.4	8.9	49	3.62	1.57	9.8	94	97	0.58	
Heartland Financial USA, Inc.	Dubuque, IA	HTLF	11,302	1,981	57.53	244	17.8	15.2	13.3	1.0	13.9	67	4.22	1.00	7.5	188	79	0.61	
Ameris Bancorp	Moultrie, GA	ABCB	11,191	2,131	44.86	262	24.4	13.6	10.5	0.9	(12.1)	57	3.90	0.88	7.7	280	98	0.86	
Customers Bancorp, Inc.	Wyomissing, PA	CUBI	11,093	737	23.28	105	9.0	8.7	7.5	0.0	(29.6)	61	2.63	0.91	6.3	440	125	0.35	
WesBanco, Inc.	Wheeling, WV	WSBC	10,947	2,348	43.03	231	14.6	13.9	13.1	2.7	1.3	54	3.39	1.28	8.4	210	89	0.39	
TowneBank	Portsmouth, VA	TOWN	10,832	2,184	30.51	226	18.2	15.2	13.9	2.1	(12.5)	63	3.60	1.22	9.4	250	102	0.47	
Community Bank System, Inc.	De Witt, NY	CBU	10,633	3,134	61.33	353	18.6	19.2	19.0	2.5	9.1	57	3.69	1.58	8.6	82	73	0.26	
Renasant Corporation	Tupelo, MS	RNST	10,544	2,334	39.73	212	13.9	13.1	11.7	2.0	(7.9)	60	4.14	1.38	9.3	242	96	0.38	
CenterState Bank Corporation	Winter Haven, FL	CSFL	10,537	2,616	27.38	261	16.9	13.5	12.2	1.5	0.1	51	4.41	1.32	8.9	282	86	0.37	
Banner Corporation	Walla Walla, WA	BANR	10,379	1,964	60.62	198	16.0	16.2	14.4	2.5	(2.1)	66	4.34	1.20	9.8	286	91	0.27	
Banc of California, Inc.	Santa Ana, CA	BANC	10,319	945	18.65	140	37.3	28.4	15.6	2.8	(9.5)	75	2.97	0.46	6.6	291	99	0.28	

Exchange-Traded Nationwide Banks With Total Assets \$10 Billion—\$15 Billion ¹																		
Financials as of June 30, 2018 unless otherwise noted			Market Data (as of 10/10/2018)								YTD Profitability			Balance Sheet Ratios				
Company Name	City, St	Ticker	Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/Book Value (%)	Price/YTD Ann. EPS (x)	Price/Est. EPS (x)	Price/Est. EPS (x)	Div. Yield (%)	1 Yr Price Change (%)	YTD Eff. Ratio (%)	YTD NIM (%)	YTD ROAA (%)	TCE/TA (%)	CRE Conc. Ratio (%)	NP Loan/Dpts Assets (%)	
Independent Bank Group, Inc.	McKinney, TX	IBTX	10,017	2,024	66.40	263	16.3	14.4	12.1	0.8	7.4	49	4.01	1.32	8.3	394	102	0.17
		High	14,924	3,794	—	353	37.3	28.4	19.0	3.5	16.1	88	4.43	2.09	13.6	440	125	1.42
		Low	10,017	737	—	105	9.0	8.7	7.5	0.0	(29.6)	37	2.63	0.46	6.3	82	73	0.17
		Mean	12,127	2,364	—	223	16.9	14.8	13.0	2.0	(2.1)	57	3.81	1.23	9.1	239	93	0.53
		Median	11,900	2,314	—	231	16.5	14.2	13.0	2.2	0.2	56	3.82	1.24	9.0	223	95	0.46
First Interstate BancSystem, Inc.	Billings, MT	FIBK	12,236	2,781	45.90	278	16.5	15.6	14.0	2.4	18.1	59	3.78	1.29	8.2	185	78	0.75

Note:

1: First BanCorp. (NYSE: FBP) removed due to elevated NPAs / Assets of 8.19%

Financials not adjusted to reflect pending or recently completed acquisitions. Market cap reflects shares issued in transactions which have closed since June 30, 2018

Source: S&P Global Market Intelligence, excludes targets of announced mergers

[\(Back To Top\)](#)