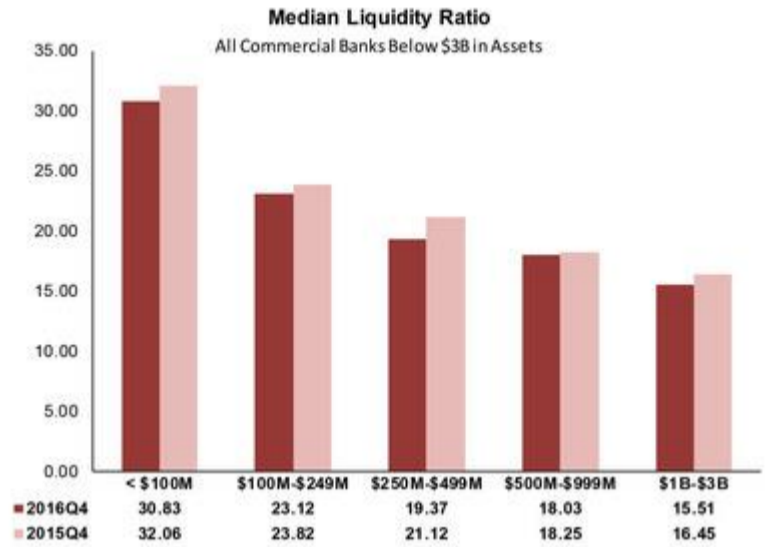


CHART OF THE WEEK: Liquidity Ratios Continue Their Trend Downward

Liquidity ratios have been trending downward over the last couple of years. When reviewing community banks' year-over-year median liquidity ratios, all assets groups have recorded a lower liquidity ratio for year-end 2016 when compared to year-end 2015. Median ratio levels for banks between \$0M - \$99M at 30.83%, is down -3.85%, \$100M - 249M at 23.12% is down -2.98%, \$250M - \$499M at 19.37% is down -8.28%, \$500M - \$1B at 18.03% is down -1.19% and \$1B - \$3B at 15.51% is down -5.74%. In a rising interest rate environment, this merits close scrutiny.



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TRENDS & OBSERVATIONS

- Trump pledges to ease regulations of community banks - The Washington Post
- How The Largest US Banks Have Strengthened Their Core Capital Ratios Since 2012 - Forbes
- 'Damaged Reputation The Biggest Risk' - BW Businessworld
- Four myths in the battle over Dodd-Frank - American Banker
- Bitcoin vs. Ethereum may be a zero-sum game - AB BankThink

REGULATORY & IT

- Glass-Steagall talk persists as Trump meets with community banks - Compliance Week
- FDIC's Supervisory Insights Highlights Credit Risk Trends - ABA Banking Journal
- Emerging cyber threats share a familiar root cause - Risk.net
- Fed's Kashkari: Bank CEOs are talking 'complete nonsense' to try to win less regulation - MarketWatch
- Amazon's history points the way for online lending: Lending Club CEO - American Banker
- How fintechs are using AI to transform payday lending - American Banker

SHAREHOLDER IMPACT

MERGERS & ACQUISITIONS

- Centennial Bank and Trust Announces Plan to Merge with Citywide Banks in Denver - Mountain -Ear
- American Patriot Bank Merges With Apex To Avoid FDIC Ownership - Greeneville Sun
- Seaway Bank sells again - Chicago Tribune
- Citizens Bank purchased by Investar Holding Corp. - Ville Platte Gazette
- Sterling Bancorp Buy to Double Bank Size - Barron's
- Customers Bancorp (CUBI) to Sell BankMobile Division to Flagship Community Bank for \$175M - StreetInsider.com

OTHER

- Chesapeake Bank CEO part of White House 'listening session' on banking - Daily Press
- Community Bank of the Bay Announces Closing of \$12 Million Private Placement - GlobeNewswire
- Summit Bank Announces \$5 Million Stock Offering Oversubscribed - Yahoo Finance
- Meridian Bank makes financial planning a major focus - InvestmentNews