

## Chemical Financial Corporation (NASDAQ: CHFC; Midland, MI) has agreed to acquire Talmer Bancorp, Inc. (NASDAQ: TLMR; Troy, MI)

### Deal Value: Approximately \$1.1 Billion

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Chemical Financial Corporation in this transaction. This transaction represents Sandler O'Neill's 64<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$22.1 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2013, Sandler O'Neill has advised on 32 bank or thrift transactions in the Midwest for an aggregate transaction value of \$7.7 billion, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 17 of the 20 largest bank or thrift transactions, representing over \$19.5 billion in aggregate transaction value.<sup>1</sup>

The boards of directors of Chemical Financial Corporation, the holding company for Chemical Bank, and Talmer Bancorp, Inc., the holding company for Talmer Bank and Trust, today announced the execution of a definitive agreement for Chemical Financial Corporation to partner with Talmer Bancorp, Inc. in a cash and common stock merger transaction valued at approximately \$1.1 billion. The merger will result in the creation of one of the largest community banks in the Midwest. Based on the companies balance sheets as of December 31, 2015, following completion of the transaction, the combined organization will have approximately \$16 billion in assets, \$12 billion in loans and \$13 billion in deposits with 266 locations primarily in Michigan and northeast Ohio. The transaction will also allow the combined company to more effectively and efficiently navigate the challenges and costs associated with becoming a larger banking institution.

Under the terms of the definitive agreement, Chemical will acquire all of the outstanding shares of Talmer common stock for common stock and cash in a transaction currently valued at approximately \$1.1 billion, or \$15.64 per share, based on the closing price of Chemical of \$29.70 per share as of January 25, 2016. Talmer shareholders will receive 0.4725 shares of Chemical common stock and \$1.61 per share in cash. Subject to receipt of regulatory approvals and satisfaction of other customary closing conditions, including approval of both Chemical and Talmer shareholders, the transaction is anticipated to close in the second half of 2016.

"Through this partnership, we will make a marked entry into the southeast Michigan market, and expand for the first time beyond our State's borders. While Talmer's operations across Michigan clearly support our goal of being "Michigan's Community Bank," its operations in Northern Ohio and other contiguous states should position us well for future growth in those markets in the years ahead. We expect complementary strengths in specialty business lines such as wealth management and mortgage banking will lead to organic growth opportunities across the newly expanded franchise," said David B. Ramaker, Chairman, Chief Executive Officer and President of Chemical Financial Corporation.

"While both Chemical and Talmer have posted strong track records of acquisitive and organic growth, we view this as the start of the next stage of our companies' evolutions. By pairing two like-minded companies with consistent philosophies and cultures, and a strong focus on growth, we believe that shareholders of both organizations will benefit from the merger. The enhanced growth opportunities and efficiencies gained from the merger will strengthen our ability to achieve our goal of delivering strong and sustainable earnings growth over the longer term," said Gary Torgow, Chairman of the Board of Talmer Bancorp, Inc.

"Chemical's consistent, long-term track record of quality earnings growth driven by a customer-centric community banking strategy and focus make it an attractive partner, and we are confident that the clients, employees and shareholders of both companies will benefit from the combined organization. The resources and financial strength of the combined organization will allow us to better meet the credit needs of our communities and support the economic growth of our region," added David T. Provost, CEO and President of Talmer Bancorp, Inc.

Upon consummation of the merger, David B. Ramaker will continue to serve as CEO and President of Chemical Financial Corporation and Chairman, CEO and President of Chemical Bank. David T. Provost, Talmer's President and CEO and Chairman of Talmer Bank, will join the Chemical board of directors. Gary Torgow, Talmer's Chairman, will serve as Chairman of the Board of the combined entity.

### Financial Highlights

(Dollars in millions)

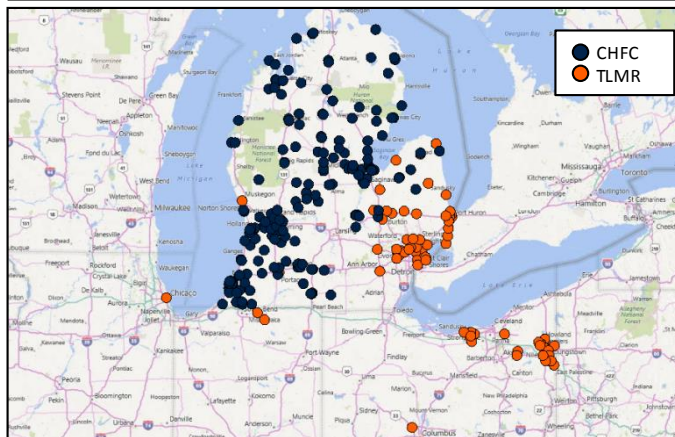
	CHFC	TLMR
Total Assets	\$9,189	\$6,596
Net Loans	\$7,208	\$4,811
Total Deposits	\$7,457	\$5,015
Total Equity	\$1,016	\$725
Branches	185	81

Financial data as of December 31, 2015

<sup>1</sup> Excludes terminated transactions and self-advisory roles

Source: SNL Financial, Company Documents, Press Release

### Pro Forma Map



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