

MidWestOne Financial Group, Inc. (NASDAQ: MOFG; Iowa City, IA) has agreed to acquire Central Bancshares, Inc. (Private; Golden Valley, MN)

Deal Value: Approximately \$133.6 million

Sandler O'Neill served as financial advisor and rendered a fairness opinion to MidWestOne Financial Group, Inc. in connection with the transaction. This transaction represents Sandler O'Neill's 54th bank or thrift transaction nationwide since January 1, 2014. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

MidWestOne Financial Group, Inc. ("MidWestOne"), parent of MidWestOne Bank, headquartered in Iowa City, Iowa, and Central Bancshares, Inc. ("Central"), parent of Central Bank, headquartered in Golden Valley, Minnesota, have announced the execution of a definitive merger agreement calling for the merger of Central into MidWestOne. Following the merger, MidWestOne will operate MidWestOne Bank and Central Bank as separate banking subsidiaries.

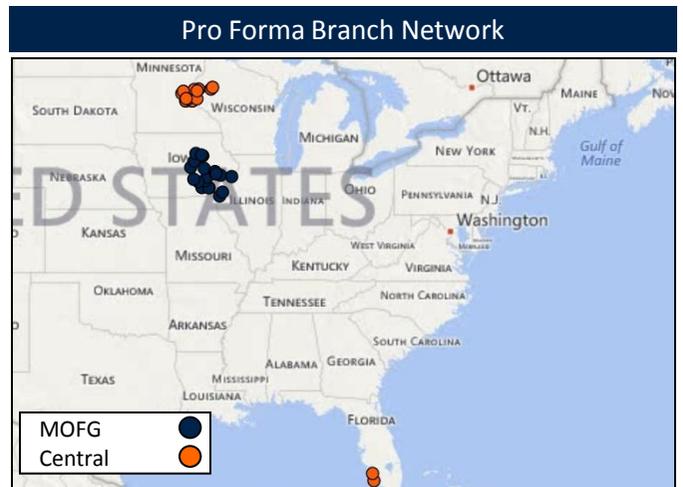
The combined company is expected to have nearly \$3 billion in assets, creating one of the premier publicly traded financial services companies in Iowa and Minnesota. As of September 30, 2014, Central Bank had assets of approximately \$1.2 billion, operating 20 branches in the Minneapolis/St. Paul metropolitan area and western Wisconsin and two branches in southwest Florida. As of September 30, 2014, MidWestOne Bank had assets of approximately \$1.8 billion, operating 25 branches in Iowa.

Following the merger, Charles N. Funk will continue to be the President and Chief Executive Officer of MidWestOne. John M. Morrison, Central's current Chairman and sole shareholder, will become the Chairman of the combined company's board of directors, while Kevin W. Monson, MidWestOne's current Chairman, will become Vice Chairman of the combined company's board.

Under terms of the definitive merger agreement, the aggregate consideration to be paid by MidWestOne for Central will consist of 2,723,083 shares of MidWestOne common stock and \$64.0 million in cash. MidWestOne expects the transaction to be immediately accretive to its 2015 earnings per share, excluding transaction expenses, and to be at least 20% accretive to its earnings per share in 2016. The definitive merger agreement has been unanimously approved by the boards of directors of both companies. The merger is expected to close during the second quarter of 2015 and is subject to approval by MidWestOne's shareholders and regulatory agencies, as well as other customary closing conditions.

Financial Highlights		
	MOFG	Central
Total Assets	\$1,813	\$1,172
Net Loans	\$1,106	\$856
Deposits	\$1,432	\$1,056
Equity	\$189	\$79
TCE/TA (%)	10.01%	6.62%

Notes:
Dollars in millions; financial data as of September 30, 2014
¹Excludes terminated transactions and self-advisory roles
Source: SNL Financial



Sandler O'Neill Contacts:
3424 Peachtree Road NE, Suite 2050
Atlanta, GA 30326

Kevin O'Keefe
Principal
(404) 442-2870

Andy Mutch
Associate
(404) 442-2879

Michael Thaden
Analyst
(404) 442-2890