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## 2013 Financial Presentation



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## FORWARD-LOOKING STATEMENTS

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This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, descriptions of the financial condition, results of operations, asset and credit quality trends, profitability, projected earnings, future plans, strategies and expectations of QCR Holdings Inc. (the “Company”). The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions of the Company, are generally identifiable by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “seek,” “target,” “potential,” “focus,” “may,” “could,” “should” or similar expressions. These forward-looking statements express management’s current expectations or forecasts of future events, and by their nature, are subject to risks and uncertainties. Therefore, there are a number of factors that might cause actual results to differ materially from those in such statements. Factors that might cause such a difference include, but are not limited to: (i) the effects of future economic, business and market conditions and changes, domestic and foreign, including seasonality; (ii) governmental monetary and fiscal policies; (iii) legislative and regulatory changes, including changes in banking, securities and tax laws and regulations such as the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act and the recently adopted Basel III regulatory capital reforms and their application by the Company’s regulators, and changes in the scope and cost of Federal Deposit Insurance Corporation insurance and other coverages; (iv) changes in accounting policies, rules and practices; (v) the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand, and the values and liquidity of loan collateral, securities, and other interest sensitive assets and liabilities; (vi) the failure of assumptions and estimates underlying the establishment of reserves for possible loan losses and other estimates; (vii) changes in borrowers’ credit risks and payment behaviors; (viii) changes in the availability and cost of credit and capital in the financial markets;

## **FORWARD-LOOKING STATEMENTS - Continued**

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(ix) changes in the prices, values and sales volumes of residential and commercial real estate; (x) the effects of competition from a wide variety of local, regional, national and other providers of financial, investment and insurance services; (xi) the risks of mergers, acquisitions and divestitures, including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions; (xii) changes in technology or products that may be more difficult, costly, or less effective than anticipated; (xiii) the effects of war or other conflicts, acts of terrorism or other catastrophic events, including hurricanes, storms, droughts, tornados and flooding, that may affect economic conditions generally and in the Company's markets; (xiv) the failure of assumptions and estimates used in the Company's reviews of its loan portfolio, the review of its credit grading methods by an independent firm and the Company's analysis of its capital position; and (xv) such other matters as discussed in this presentation or identified in the Company's periodic filings with the Securities and Exchange Commission, particularly those matters described under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2013. You are cautioned not to place undue reliance on forward-looking statements, which reflect the Company's outlook only and speak only as of the date of this presentation or the dates indicated in the statements. The Company assumes no obligation to update or supplement forward-looking statements. For further information on these and other factors that could impact the Company and the statements contained herein, reference should be made to the Company's filings with the Securities and Exchange Commission.

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## NON-GAAP FINANCIAL MEASURES

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These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirement of Regulation G, QCR Holdings, Inc. has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

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## History of QCR Holdings, Inc.

**1993** Founded by Mike Bauer and Doug Hultquist - \$14 million IPO

*Assets as of December 31, 2013*

*\* De Novo*

**1994** Quad City Bank & Trust\* – Currently \$1.25 Billion in Assets

**1995** Quad City Bancard Formed

**2001** Cedar Rapids Bank & Trust\* – Currently \$804 Million in Assets (includes Community Bank & Trust)

**2005** Rockford Bank & Trust\* – Currently \$339 Million in Assets

**2005** Quad City Bank & Trust acquires 80% ownership of m2 Lease Funds, LLC

**2007** First Wisconsin Bank & Trust\* – Milwaukee, WI

**2008** Quad City Bancard sells Merchant Acquiring Business

**2008** Sale of First Wisconsin Bank & Trust – Milwaukee, WI

**2012** Quad City Bank & Trust acquires remaining 20% ownership of m2 Lease Funds, LLC – Currently \$136 Million in Assets

**2013** Quad City Bank & Trust Sells its credit card portfolio & servicing to Fifth Third Bank – January 31, 2013

**2013** QCR Holdings acquires Community National Bancorporation and Community National Bank (CNB) on May 13, 2013

**2013** Community National Bank merges with Cedar Rapids Bank & Trust on October 26, 2013 and begins operating as a division of Cedar Rapids Bank & Trust under the name Community Bank & Trust. (QCR Holdings sells Mason City, IA branches of CNB to Clear Lake Bank & Trust on October 4, 2013 and Austin, MN branches of CNB to Eastwood Bank on October 11, 2013.) (Assets included with Cedar Rapids Bank & Trust – above)



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## Corporate Overview

**QCR Holdings, Inc. - Founded in 1993 Headquartered in Moline, IL**

**SYMBOL – QCRH**

**\$2.39 Billion in Assets**

**\$1.46 Billion in Loans**

**\$1.65 Billion in Deposits**

### **14 Facilities**

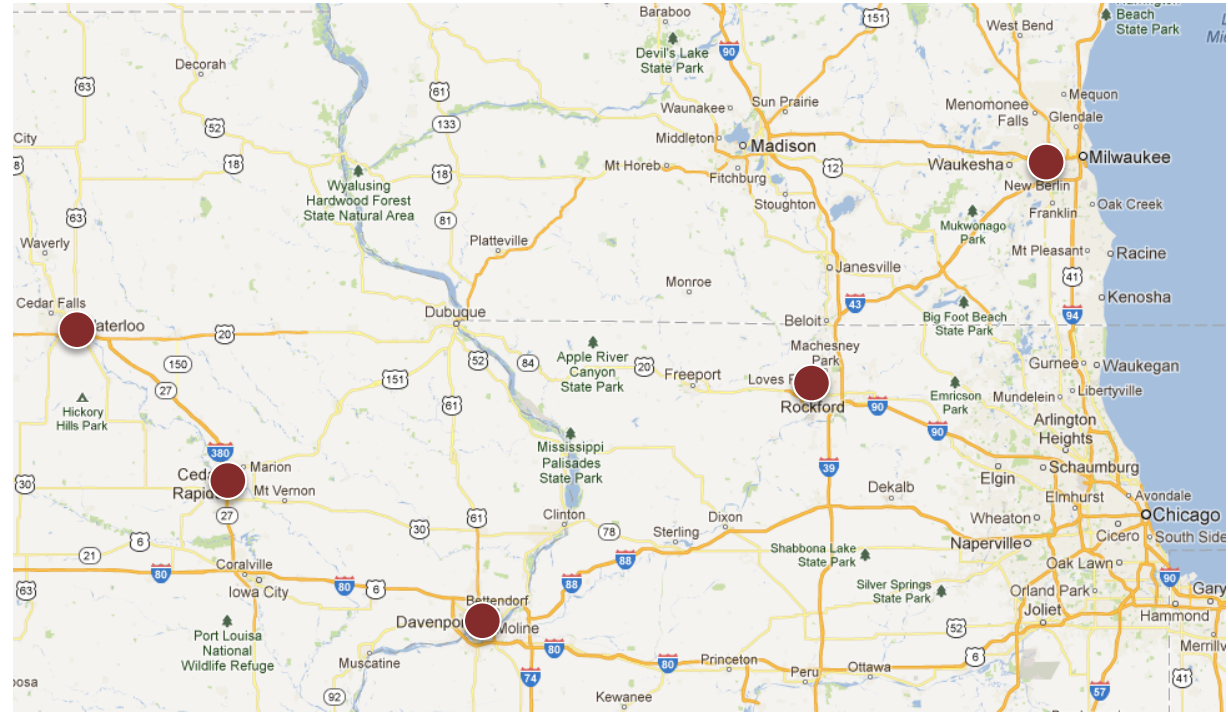
Quad City Bank & Trust (5)  
Cedar Rapids Bank & Trust (2)  
Rockford Bank & Trust (2)  
m2 Lease Funds LLC (1)  
Community Bank & Trust \* (3)

### **Shares Outstanding:**

7.9 Million

### **Ownership:**

Company Benefit Plans 7.7%  
Institutional & Mutual Funds 13.3%  
Insiders 13.8%



\* Community National Bank (CNB) became Community Bank & Trust effective 10/26/13



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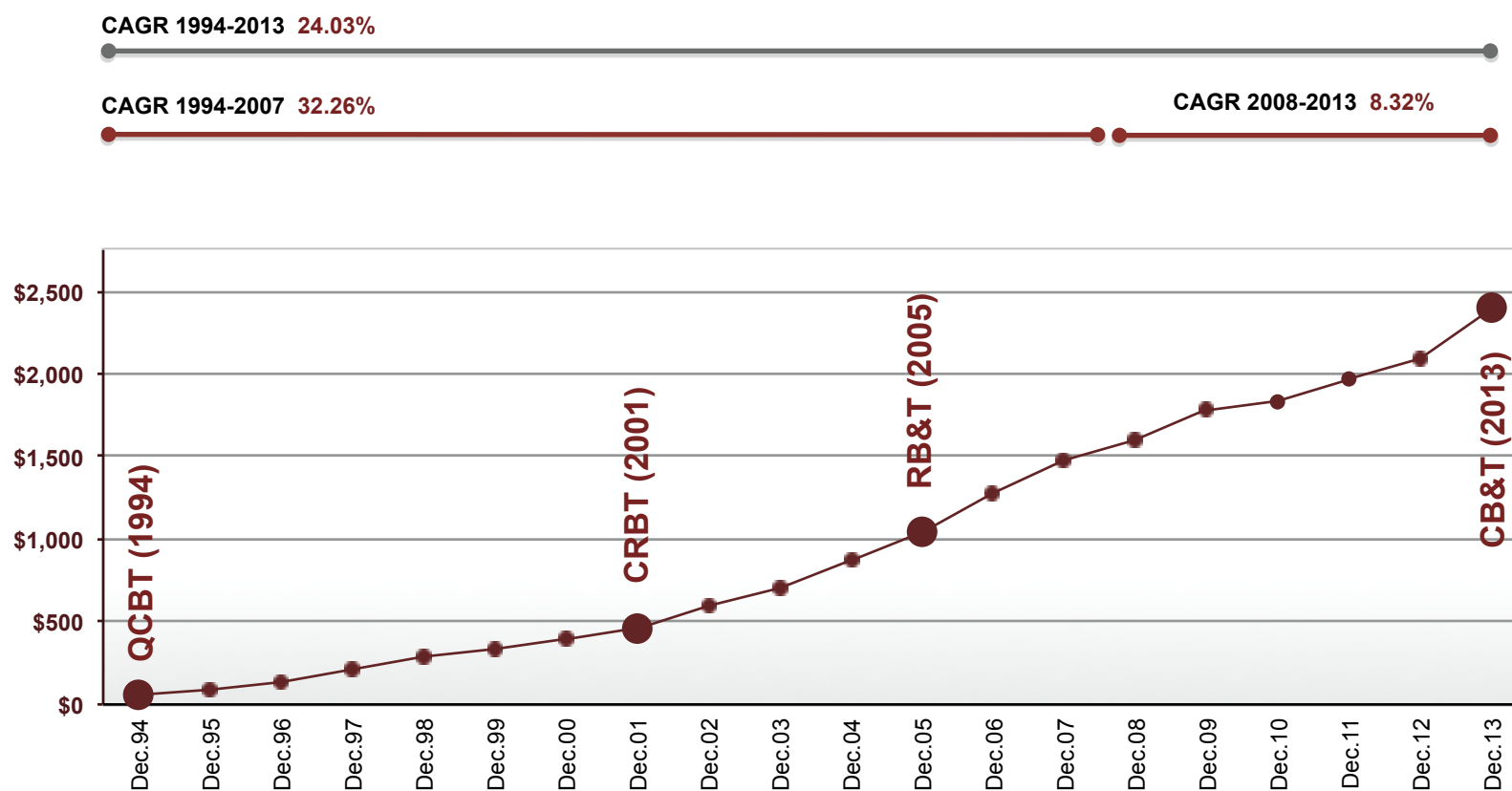
## Top 25 MSAs / Iowa and Illinois

MSA	Deposits (\$ M )	# of Inst	# of Branches	Total Population	Projected Population Growth	Median Household Income	Projected HHI	Median Growth
Chicago-Joliet-Naperville, IL-IN-WI	327,667	210	3,145	9,543,629	1.47 %	\$ 56,994		19.71 %
Saint Louis, MO-IL	64,944	132	938	2,835,935	1.42	51,224		14.43
Omaha-Council Bluffs, NE-IA	25,868	70	341	883,619	5.05	51,810		18.17
Des Moines-West Des Moines, IA	12,553	48	225	585,247	7.53	55,247		21.49
Davenport-Moline-Rock Island, IA-IL	7,718	39	152	383,562	1.81	45,173		19.00
Peoria, IL	6,720	41	162	383,377	1.75	50,315		15.92
Rockford, IL	6,069	24	101	349,061	1.76	48,852		14.43
Cedar Rapids, IA	5,289	38	106	262,680	4.42	50,651		20.37
Champaign-Urbana, IL	4,989	33	104	235,359	2.74	47,127		16.29
Springfield, IL	4,923	27	91	212,755	2.48	50,388		13.55
Ottawa-Streator, IL	3,688	33	86	155,165	(0.49)	46,650		13.13
Iowa City, IA	3,202	21	61	155,912	7.04	52,054		19.72
Waterloo-Cedar Falls, IA	2,960	22	70	170,078	2.48	44,046		21.24
Sioux City, IA-NE-SD	2,909	30	74	143,803	1.30	43,077		20.97
Bloomington-Normal, IL	2,749	26	58	171,166	3.18	56,367		19.65
Dubuque, IA	2,444	10	41	95,669	4.47	46,149		18.69
Ames, IA	2,075	17	38	91,436	5.03	47,863		19.00
Quincy, IL-MO	1,914	20	46	77,631	0.47	41,590		17.41
Kankakee-Bradley, IL	1,879	18	43	114,328	2.15	49,731		15.24
Galesburg, IL	1,871	17	32	70,573	(0.05)	37,347		13.08
Paducah, KY-IL	1,869	15	44	99,213	1.13	38,496		14.64
Decatur, IL	1,834	14	41	111,271	0.30	42,983		17.97
Cape Girardeau-Jackson, MO-IL	1,799	17	47	97,654	3.46	39,827		23.18
Effingham, IL	1,502	11	21	34,536	0.92	45,023		14.56
Sterling, IL	1,438	16	30	58,868	(0.01)	41,101		17.38
<b>High</b>	<b>327,667</b>	<b>210</b>	<b>3,145</b>	<b>9,543,629</b>	<b>7.53 %</b>	<b>\$ 56,994</b>		<b>23.18 %</b>
<b>Low</b>	<b>1,438</b>	<b>10</b>	<b>21</b>	<b>34,536</b>	<b>(0.49)</b>	<b>\$ 37,347</b>		<b>13.08</b>
<b>Medium</b>	<b>2,960</b>	<b>24</b>	<b>70</b>	<b>155,912</b>	<b>1.81</b>	<b>\$ 47,127</b>		<b>17.97</b>

Source SNL Financial. Deposit data as of June 30, 2013. Growth rates for the period 2012 – 2017.



## Total Consolidated Assets



IN MILLIONS OF DOLLARS



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## Consolidated Balance Sheet 2009-2013

	As of December 31,									
	2009		2010		2011		2012		2013	
	(in thousands)									
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Cash, federal funds sold, and interest-bearing deposits	71,806	4%	143,737	8%	100,673	5%	110,488	5%	114,431	5%
Securities	370,520	21%	424,847	23%	565,229	29%	602,239	29%	697,210	29%
Net loans/leases	1,221,815	69%	1,152,174	63%	1,181,956	60%	1,267,462	61%	1,438,832	60%
Other assets	115,505	6%	115,877	6%	118,752	6%	113,541	5%	144,480	6%
TOTAL ASSETS	1,779,646	100%	1,836,635	100%	1,966,610	100%	2,093,730	100%	2,394,953	100%
Noninterest-bearing deposits	207,844	12%	276,827	15%	357,184	18%	450,660	22%	542,566	22%
Interest-bearing deposits	881,479	50%	837,989	46%	848,274	43%	923,454	44%	1,104,425	46%
Total borrowings	542,895	31%	566,059	31%	590,603	30%	547,758	26%	563,381	24%
Other liabilities	21,833	1%	23,189	1%	26,116	1%	31,424	2%	37,004	2%
Total stockholders' equity	125,595	7%	132,571	7%	144,433	7%	140,434	7%	147,577	6%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,779,646	100%	1,836,635	100%	1,966,610	100%	2,093,730	100%	2,394,953	100%



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## Summary of Financial Results 2009-2013

	2009	2010	2011	2012	2013
	(in thousands)				
Net interest income	\$50,662	\$49,864	\$54,145	\$57,649	\$64,105
Non-interest income	15,547	15,406	17,462	16,621	25,814 *
Non-interest expense	(46,937)	(48,549)	(50,993)	(52,259)	(64,433) **
Pre-tax pre-provision	19,272	16,721	20,614	22,011	25,486
Provision expense	(16,976)	(7,464)	(6,616)	(4,371)	(5,930)
Income before taxes	2,296	9,257	13,998	17,640	19,556
Income taxes	(247)	(2,449)	(3,868)	(4,534)	(4,618)
Net income	2,049	6,808	10,130	13,106	14,938
Less: net income attributable to non-controlling interests	277	221	438	488	-
Net income attributable to QCR Holdings, Inc.	\$1,772	\$6,587	\$9,692	\$12,618	\$14,938
Diluted Earnings Per Share (After Preferred Dividends)	\$(0.46)	\$0.53	\$0.92	\$1.85	\$2.08

\* Includes bargain purchase gain on CNB acquisition of \$1.8 million and gains on branch sales of \$2.3 million

\*\* Includes acquisition and data conversion costs related to CNB acquisition of \$2.3 million



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## Corporate Overview

### Community National Bank Founded in 1997 Headquartered in Waterloo, IA

Acquired by QCRH May 13, 2013



**\$ 277 Million in assets**

**\$ 246 Million in deposits**

**\$ 191 Million in loans**

#### **8 Facilities**

Waterloo, IA (2)  
Cedar Falls, IA (2)  
Mason City, IA (2)  
Austin, MN (2)

**Shares Outstanding:** 2.09 Million

### Community National Bank Q4 2013

- Sale of Mason City Branches  
(\$23MM loans/\$55MM deposits)
- Sale of Austin Branches  
(\$32MM loans/\$36MM deposits)
- Merger of Charter into  
Cedar Rapids Bank & Trust



### Resulting Proforma Cedar Rapids Bank & Trust



**\$ 804 Million in assets**

**\$ 577 Million in deposits**

**\$ 525 Million in loans**

#### **5 Facilities**

Cedar Rapids, IA (2)  
Waterloo, IA (2)  
Cedar Falls, IA (1)

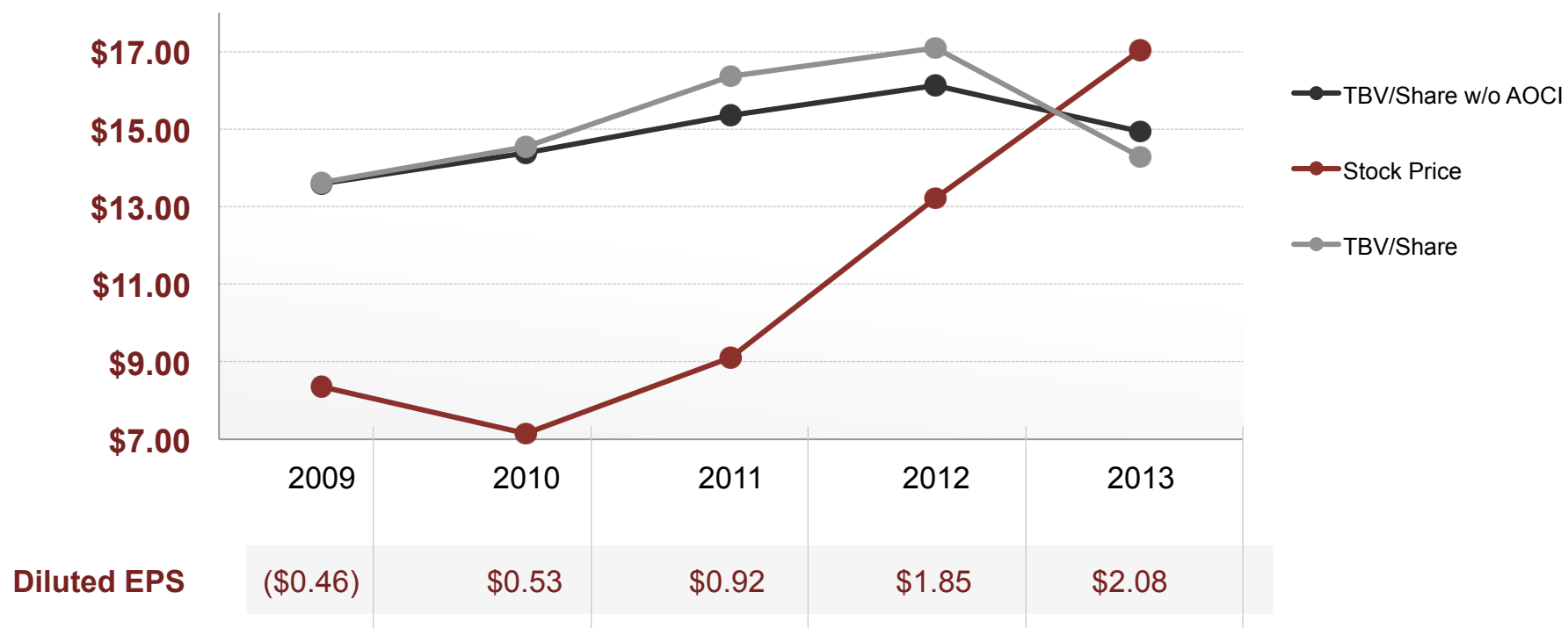
**Community National Bank  
“brand” continues as:**



Q4 2013

## Year End Stock Metrics

2009-2013



## **Focus Areas for Improving Shareholder Value in 2014**

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1. Continue to expand our Investor Relations plans
2. Grow loans
3. Maintain and improve our Net Interest Margin
4. Maximize SBA/USDA gains on loan sales
5. Grow Wealth Management income
6. Improve liquidity in our stock
7. Drive down efficiency ratio as we work to achieve a 1% ROAA
8. Continue to redeem Small Business Lending Fund preferred stock



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## History of Capital Raises

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<b>Oct 1993</b>	IPO of \$14M in Common Stock at \$10 per share (split adjusted = \$4.44 per share today).
<b>Dec 1996</b>	Private Placement of \$1M in Preferred Stock at 9.75%
<b>Dec 1997</b>	Private Placement of \$1.5M in Preferred Stock at 9.75%
<b>Nov 1998</b>	3 for 2 Common Stock Split
<b>Jun 1999</b>	Private Placement of \$12M in Trust Preferred Securities at 9.20% (redemption of \$2.5M in Preferred Stock)
<b>Sep 2001</b>	Private Placement of \$5M in Common Stock at \$11 per share (split adjusted = \$7.33 per share today).
<b>Feb 2004</b>	Pooled Trust Preferred (\$12M fixed at 6.93%, now floating at at Libor + 2.85%; \$8M floating at Libor + 2.85%) (Redemption of \$12M at 9.20% TRUPS)
<b>May 2004</b>	3 for 2 Common Stock Split
<b>Dec 2004</b>	Private Placement of \$5M in Common Stock at \$19.50 per share.
<b>May 2005</b>	Pooled Trust Preferred \$5M floating at Libor + 1.80%
<b>Feb 2006</b>	Pooled Trust Preferred \$10M fixed at 6.62%, now floating at Libor + 1.55%
<b>Nov 2006</b>	Private Placement of \$13.4M in Preferred Stock at 8.00% (Series B)
<b>Dec 2007</b>	Private Placement of \$7.5M in Preferred Stock at 9.50% (Series C)
<b>Feb 2009</b>	Treasury Capital Purchase Plan (TCPP) - \$38.2M in Preferred Stock at 5% - 521,888 common stock warrants at \$10.99
<b>Mar 2010</b>	Private Placement of \$2.7M in Subordinated Debt at 6% – 54,000 common stock warrants at \$10.00
<b>Jun 2010</b>	Private Placement of \$25M in Preferred Stock at 7% (Series E) (redemption of \$20.9M in Series B and Series C Preferred Stock)
<b>Sep 2011</b>	Small Business Lending Fund (SBLF) - \$40.1M in Preferred Stock at 5% (redemption of \$38.2M in TCPP Preferred Stock)
<b>Nov 2011</b>	Buy back of 521,888 TCPP Warrants at a cost of \$1.1M
<b>Jun 2012</b>	Partial Redemption of SBLF Preferred Stock(\$10.2M)
<b>May 2013</b>	Issue 834,715 shares of Common stock for acquisition of CNB
<b>Mar 2014</b>	Partial Redemption of SBLF Preferred Stock (\$15M)(Balance remaining \$14.9M)

- Continue to redeem SBLF organically.
- Continue to grow TCE organically - Series E conversion added >100bps of TCE.
- Continue to leverage non-common sources of capital to benefit common shareholders.
- Consider a capital raise for additional accretive acquisition opportunities.
- Our capital plan is consistent with the requirements of the new regulatory capital guidelines (Basel III).





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## Strategic Advantages

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- 3 distinct (yet similar) operating charters – able to customize solutions by market
- Managed by local veteran bankers, governed by local Board of Directors, local decisions, local solutions, enhanced market specific knowledge
- 3 charters supported by QCRH Group Operations team that delivers operational services in a centralized and efficient manner
- Credit quality better than peers
- Historic growth better than peers
- Top 5 Deposit market share in Quad Cities and Cedar Rapids
- Top 10 Deposit market share in Rockford and Waterloo/Cedar Falls
- High touch service delivered locally by knowledgeable advisors
- Opportunities in Correspondent Banking, Wealth Management, SBA/USDA lending, and m2 Leasing

## **Key Differentiator: Correspondent Banking**

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- Uniquely positioned due to veteran Correspondent bankers on our team.
- Competitively positioned with software, systems and processes.
- Depth of product offerings:
  - Online Cash Management
  - Image Cash Letter System
  - Loan Participations
  - Bank Stock Financing
  - Safekeeping Services
  - Trust and Investment Services
  - Credit Card Services
  - Fed Funds Lines
- Favorably positioned with market opportunities in Illinois, Iowa and Wisconsin.
- 160 relationships to date with Total Deposits of \$258MM at 12/31/13 (non-interest bearing).
- Key competitors exited the market - LaSalle and Bankers Bank of Illinois.
- Total Bank Stock Loans as of 12/31/13 total \$61MM, or 8.9% of total loans/leases.

- **Accounting** – John Oakes
- **Customer Service/Item Processing** – Kathy Francque
- **Deposit Operations** – Beth Easterla and John Rodriguez
- **Funds Management** – John McEvoy
- **Human Resources** – Jill DeKeyser
- **Information Technology** – Michael Wyffels and John Rodriguez
- **Internal Audit** – Tim Harding
- **Investment Management** – Rand Westlund
- **Loan Operations** – Pam Goodwin
- **Risk Management** – Shawna Graham

- As of December 31, 2013: Approximately \$1.58 Billion in Trust (and related) accounts and \$625 Million in Brokerage (and related) accounts.
- Competitively positioned due to our veteran team of Wealth Management professionals
- Uniquely positioned with software, systems and processes
- Depth of product offerings:
  - Financial Planning
  - Trust Services
  - Brokerage and RIA
  - Family Office
  - Qualified Plans
  - Asset Management
  - Estate Planning
  - Insurance
  - Core Banking and Commercial & Consumer Lending
- Favorably positioned with market opportunities in western Illinois and eastern Iowa – “big banks are going up market”

### **SBA Loans Originated for the Fiscal Year Ending 9/30/13**

- Quad City Bank & Trust - 3rd in the state of Iowa for Iowa chartered banks (dollar volume)
- Cedar Rapids Bank & Trust – 1st in the state of Iowa for Iowa chartered banks (dollar volume)
- Rockford Bank & Trust - 18th in the state of Illinois (dollar volume)  
8th in the state of Illinois (# of loans)

### **USDA Lending for Fiscal Year Ending 9/30/12\***

- Cedar Rapids Bank & Trust - Leader in the state of Iowa (dollar volume)

\* 2013 USDA rankings will be released May 2014

- Effective September 2012, Quad City Bank & Trust now owns 100% of m2 Lease Funds, LLC.
- Quad City Bank & Trust acquired 80% ownership August of 2005

	Assets (in millions)	Pre-Tax Earnings	Net Charge-offs to Leases
2006	\$ 53.0	\$ 875,651	0.14%
2007	\$ 68.7	\$ 1,421,142	0.78%
2008	\$ 79.7	\$ 784,424	0.33%
2009	\$ 90.6	\$ 855,679	1.34%
2010	\$ 85.4	\$ 852,741	1.01%
2011	\$ 98.8	\$ 2,069,470	1.18%
2012	\$ 109.7	\$ 3,367,182	0.64%
2013	\$ 136.0	\$ 3,627,414	0.68%

- Key Niches:

- Marine Equipment
- Printing
- Health Care
- Bakery
- Machinery/Machine Tools
- Telecom
- Office Technology

Thank You  
*For Your Time Today!*

**QCR**  
HOLDINGS, INC.

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**Questions**



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# Appendix





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# Quad City Bank & Trust



## John H. Anderson, President & CEO

**Assets:** \$1.25 Billion

**Population:** 380,858

**Market Deposits:** \$7.3 Billion

*Davenport, Moline, Rock Island MSA – located on the Mississippi River*

## Major Employers

Rock Island Arsenal

Deere & Company

Genesis Health Systems

Trinity Regional Health Systems

Tyson Fresh Meats

Alcoa

Kraft

3M

Excelon

## National Rankings – Quad Cities

- The Rock Island Arsenal is the largest government-owned military weapons manufacturing arsenal in the United States.
- Alcoa (Quad Cities) is the world's premier aerospace supply plant – the hub of Alcoa's \$3B aerospace business
- Quad Cities cost of living is 3.3% lower than the national cost of living.
- Ranked 16<sup>th</sup> in the nation for high-tech job growth
- Business operating cost (labor, utilities, and taxes) are 20% below other nearby metro's (Minneapolis and Chicago)
- International Headquarters for Deere & Company
- Top 5 Advanced Manufacturing Community (2013)

## What They're Saying About the Quad Cities

**CNN Money: February 2014**

Davenport, Iowa is the largest of the Quad Cities metro area that straddles the Mississippi River and was recently voted the 6<sup>th</sup> most affordable small city in the United States.



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# Cedar Rapids Bank & Trust



## Larry J. Helling, President & CEO

**Assets:** \$804 Million

**Population:** 260,031

**Market Deposits:** \$4.7 Billion

*Cedar Rapids MSA*

## Major Employers

Rockwell Collins

Aegon USA

St. Lukes Hospital

Mercy Medical Center

Whirlpool Corporation

Kirkwood Community College

Quaker Food and Snacks

Cedar Rapids Community Schools

Amana Refrigeration

MCI

## National & State Rankings, Cedar Rapids

- Top 12 Best Cities for High Paying Jobs (*Kiplinger, Jan 2012*)
- Top 10 Fourth Economy Community (*Fourth Economy Consulting, Dec 2012*)
- America's Best Cities on the Rise (*Smarter Travel, Sept 2012*)
- Best Places for Business & Careers (33 of 200) (*Forbes, Jun 2012*)
- Aaa Bond Rating (*Moody's, May 2013*)
- International Headquarters for Rockwell Collins
- U.S. Headquarters for Aegon USA
- Home to 3 of the Top 10 High Schools in the state (*US News Oct. 2013*)
- Top city in Iowa for "Liveability" and 29<sup>th</sup> in the country.
- Top 10 Healthiest Small Cities (*Daily Finance, Feb. 2014*)

## What They're Saying About Cedar Rapids

*Time Magazine* – April 2, 2012 Edition: highlights Cedar Rapids and 10 other cities in "Boomtown USA: A look at growing cities and what's fueling their growth." The article points to Cedar Rapids 6% unemployment rate and the job growth that has topped national levels by 7%.

*American.com* – April 24, 2012 Edition: highlights Cedar Rapids higher educational attainment and manufacturing growth. Cedar Rapids has the highest GDP growth from 2000 to 2010 of any metro area in the Midwest.



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# Rockford Bank & Trust



## Thomas D. Budd, President & CEO

**Assets:** \$339 Million

**Population:** 350,095 *(expected to grow to 552,000 by 2030)*

**Market Deposits:** \$5.2 Billion

*Rockford MSA*

## Major Employers

Rockford Public School District  
Swedish American Health Systems  
Chrysler (Belvidere Assembly Plant)  
Rockford Health Systems  
Hamilton Sundstrand  
Wal-Mart Stores  
Rockford Memorial Hospital  
OSF St. Anthony Medical Center  
Winnebago County  
Woodward, Inc.  
UPS

## National & State Rankings, Rockford

- Top 10 in the Most Affordable MSA's in America
- Top 10 in the State of Illinois for academic performance
- Fastest growing metro market in the state of Illinois
- Rockford cost of living about 15% lower than the U.S. average
- Considered Illinois' second largest city
- Top 20 "Best Cities for Manufacturing Jobs"
- 6<sup>th</sup> highest concentration of Aerospace production employment in the U.S.

## What They're Saying About Rockford

*Carter & Burgess – 2012 Study (National Site Selection Company)*  
"Manufacturers of industrial machinery find the Rockford Area to be an ideal location. Several factors come in to play, including the cities highly skilled work force, the availability of highly specialized existing facilities, and a strong, qualified supplier base. The region's central location (close to Chicago, Milwaukee, etc.) and close proximity to key transportation assets (airports, roads, and rails) are an additional benefit. The Rockford Region maintains a much higher concentration of skilled metal – working employees than the national average."



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# Waterloo-Cedar Falls

## Community Bank & Trust



### Stacey J. Bentley, President & CEO

**Assets:** \$176 Million

**Population:** 168,757

**Market Deposits:** \$3.57 Billion

*Waterloo-Cedar Falls, MSA*

### Major Employers

John Deere

Wheaton Franciscan Healthcare

Tyson Fresh Meats

Allen Memorial Hospital

University of Northern Iowa

Target Regional Distribution Center

Area Education Agency 267

Omega Cabinetry Ltd.

CBE Companies, Inc.

Bertch Cabinets

### National & State Rankings, Waterloo-Cedar Falls

- Waterloo-Cedar Falls is a Blue Zones Demonstration Community
- Community Bank & Trust became the 1<sup>st</sup> Iowa bank designated as a Blue Zone Worksite.
- Waterloo is one of 21 metro areas in the nation that are in a state of steady expansion (*Moody's June 2012*)
- Waterloo-Cedar Falls ranks 4<sup>th</sup> of most liveable bargain markets in the U.S. (*msn.com 2011*)
- The University of Northern Iowa is ranked 2<sup>nd</sup> in the "Best Regional Universities Midwest" category for public universities (*US News & World Reports, 2013*)

### What They're Saying About Waterloo-Cedar Falls

*Princeton Review – October 9, 2012:* The University of Northern Iowa College of Business Administration holds the highest possible accreditation for business schools worldwide and has been listed among the Princeton Review's Best Business Schools in the World for seven consecutive years.



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## Loan Portfolio Composition

December 31, 2013

IN MILLIONS OF DOLLARS

TYPE	Dollar Mix	Percent Mix
Commercial & Industrial	\$ 431.7	30 %
Non Owner Occupied Commercial Real Estate	352.7	24
Owner Occupied Commercial Real Estate	261.2	18
Residential Real Estate	147.4	10
Direct Financing Leases	128.9	9
Installment and Other Consumer	76.0	5
Commercial Construction/Land Development	57.8	4
	<b>\$ 1,445.7</b>	<b>100 %</b>

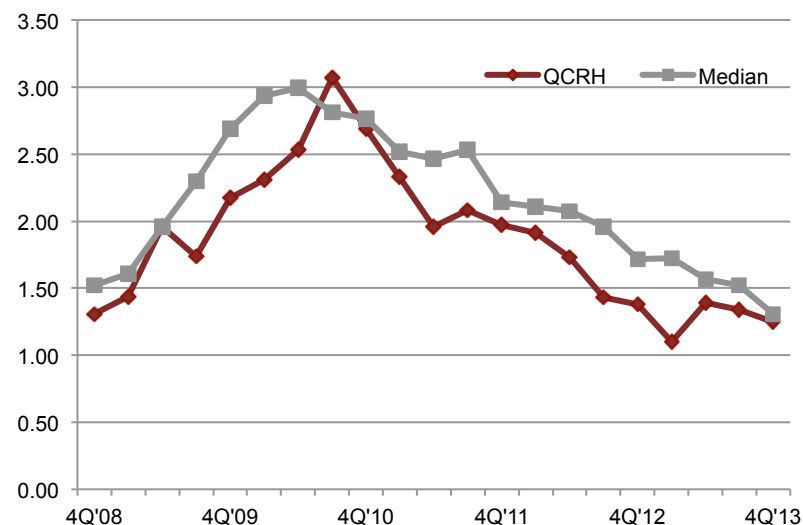


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## Peer Credit Analysis Non-Performing Assets / Assets

INSTITUTION	TICKER	NPA's / ASSETS %
<b>Peer Group:</b>		
Heartland Financial USA, Inc.	HTLF	1.50
Great Southern Bancorp, Inc.	GSBC	3.87
First Busey Corporation	BUSE	0.93
Enterprise Financial Services Corp	EFSC	1.39
First Financial Corporation	THFF	1.58
Lakeland Financial Corporation	LKFN	1.31
MainSource Financial Group, Inc.	MSFG	1.05
CoBiz Financial Inc.	COBZ	1.78
S.Y. Bancorp, Inc.	SYBT	1.18
Hills Bancorporation*	HBIA	1.19
West Suburban Bancorp, Inc.*	WNRP	3.82
German American Bancorp, Inc.	GABC	0.55
Bank of Kentucky Financial Corporation	BKYF	1.59
MidWestOne Financial Group, Inc.	MOFG	1.08
Horizon Bancorp	HBNC	1.27
First Mid-Illinois Bancshares, Inc.	FMBH	0.67
Macatawa Bank Corporation	MCBC	7.01
West Bancorporation, Inc.	WTBA	0.73
Mercantile Bank Corporation	MBWM	2.79
First Business Financial Services, Inc.	FBIZ	1.31
<b>AVERAGE:</b>	-	<b>1.83</b>
<b>MEDIAN:</b>	-	<b>1.31</b>
<b>QCR HOLDINGS, INC.</b>	<b>QCRH</b>	<b>1.25</b>

NPA's / TOTAL ASSETS





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## Charge-Off Analysis

### Charge-off Analysis - Cumulative Effect During Credit Cycle

	NCOs 2008-2013 Q4 (\$000)	Gross Loans 12.31.07 (\$000)	NCOs / Loans 12.31.07 (%)	"Peak" Loans 2007-2013 Q4 (\$000)	NCOs / "Peak" Loans (%)
<b>QCR HOLDINGS, INC. AND SUBSIDIARIES:</b>					
QCR Holdings, Inc.	40,446	1,100,392	3.68%	1,458,921	2.77%
Quad City Bank and Trust Company	18,830	636,711	2.96%	684,536	2.75%
Cedar Rapids Bank and Trust Company	10,951	289,139	3.79%	524,640	2.09%
Rockford Bank and Trust Company	10,366	127,179	8.15%	251,401	4.12%
<b>PROXY PEER GROUP:</b>					
Heartland Financial USA, Inc.	139,709	2,276,582	6.14%	3,502,701	3.99%
Great Southern Bancorp, Inc.	205,558	1,838,854	11.18%	2,479,646	8.29%
First Busey Corporation	430,743	3,030,802	14.21%	3,243,375	13.28%
Enterprise Financial Services Corp	119,778	1,641,432	7.30%	2,307,157	5.19%
First Financial Corporation	49,225	1,440,690	3.42%	1,890,716	2.60%
Lakeland Financial Corporation	38,709	1,523,720	2.54%	2,535,098	1.53%
MainSource Financial Group, Inc.	126,954	1,693,678	7.50%	1,995,148	6.36%
CoBiz Financial Inc.	154,196	1,846,327	8.35%	2,084,359	7.40%
S.Y. Bancorp, Inc.	43,872	1,202,208	3.65%	1,721,394	2.55%
Hills Bancorporation	30,477	1,372,304	2.22%	1,826,798	1.67%
West Suburban Bancorp, Inc.	57,806	1,235,548	4.68%	1,247,411	4.63%
German American Bancorp, Inc.	15,987	867,721	1.84%	1,382,382	1.16%
Bank of Kentucky Financial Corporation	47,824	949,714	5.04%	1,249,645	3.83%
MidWestOne Financial Group, Inc.	33,114	401,554	8.25%	1,111,772	2.98%
Horizon Bancorp	37,250	888,852	4.19%	1,190,717	3.13%
First Mid-Illinois Bancshares, Inc.	11,700	746,187	1.57%	982,290	1.19%
Macatawa Bank Corporation	130,809	1,750,632	7.47%	1,774,063	7.37%
West Bancorporation, Inc.	42,619	983,565	4.33%	1,100,735	3.87%
Mercantile Bank Corporation	111,593	1,797,954	6.21%	1,855,768	6.01%
First Business Financial Services, Inc.	23,054	781,487	2.95%	980,951	2.35%
<b>Peer Median</b>	<b>48,525</b>	<b>1,406,497</b>	<b>4.86%</b>	<b>1,800,431</b>	<b>3.85%</b>
<b>Peer Average</b>	<b>92,549</b>	<b>1,413,491</b>	<b>5.65%</b>	<b>1,823,106</b>	<b>4.47%</b>

Source: SNL Financial. Data as of December 31, 2013



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## QCR Holdings, Inc. Consolidated Securities Portfolio

### Snapshot – As of 12.31.12

Par Value (000s)	584,456
Book Value (000s)	593,509
Market Value (000s)	601,285
Unrealized Gain/Loss (000s)	7,776
Aggregate Gains (000s)	8,361
Aggregate Losses (000s)	(585)
Gain/Loss as Percent of Book Value	1.3%
Yield (Projected Speeds)	2.45%
Yield (1 month CPR)	2.30%
Average life (Projected Speeds)	3.1
Percent in Amortizing Securities	27%
Duration	2.8
Percent AFS	88%

### Snapshot – As of 12.31.13

Par Value (000s)	709,608
Book Value (000s)	718,156
Market Value (000s)	689,583
Unrealized Gain/Loss (000s)	(28,573)
Aggregate Gains (000s)	2,260
Aggregate Losses (000s)	(30,833)
Gain/Loss as Percent of Book Value	-4.0%
Yield (Projected Speeds)	2.60%
Yield (1 month CPR)	2.62%
Average life (Projected Speeds)	5.3
Percent in Amortizing Securities	22%
Duration	4.7
Percent AFS	80%

### Sector Review – As of 12.31.12

	Book Value	% Total	Gain/Loss	Book Yield	Reprice Term
PROJECTED					
Agency (Fixed)	336,451	57%	2,038	1.72	1.5
CMO (Fixed)	46,946	8%	1,697	2.66	2.6
Corporate (Fixed)	856	0%	54	5.41	5.8
Corporate (Float)	241	0%	(23)	2.32	0.2
MBS (Fixed)	113,090	19%	1,869	2.65	4.3
Municipal – Tax Exempt	95,428	16%	2,095	4.65	6.7
Municipal – Taxable	498	0%	47	5.45	5.1
<b>TOTAL</b>	<b>593,509</b>	<b>100%</b>	<b>7,776</b>	<b>2.45</b>	<b>3.0</b>

### Sector Review – As of 12.31.13

	Book Value	% Total	Gain/Loss	Book Yield	Reprice Term
PROJECTED					
Agency (Fixed)	376,454	52%	(20,108)	1.73	4.2
CMO (Fixed)	28,206	4%	45	2.56	5.2
Corporate (Fixed)	1,170	0%	1	3.99	6.2
Corporate (Float)	242	0%	10	3.52	0.2
MBS (Fixed)	128,728	18%	(2,730)	2.29	5.9
MBS (Float)	1,900	0%	(15)	0.97	2.6
Municipal – Tax Exempt	171,743	24%	(5,462)	4.73	8.2
Municipal – Taxable	8,473	1%	(313)	3.33	7.2
SBA (fixed)	323	0%	(2)	1.90	2.5
SBA (Float)	916	0%	1	1.08	0.3
<b>TOTAL</b>	<b>718,156</b>	<b>100%</b>	<b>(28,573)</b>	<b>2.60</b>	<b>5.6</b>

Source: 12/31/12 and 12/31/13 FTN Financial Report





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## QCR Holdings, Inc. Consolidated Wholesale Funding

	December 31, 2013	December 31, 2012
	<i>(dollar amounts in thousands)</i>	
Brokered time deposits	\$ 61,930	\$ 45,320
Federal Home Loan Bank advances	231,350	202,350
Structured repurchase agreements	130,000	130,000
<b>Total Wholesale Funding</b>	<b>\$ 423,280</b>	<b>\$ 377,670</b>

	December 31, 2013		December 31, 2012	
	Amount Due	Weighted Average Interest Rate at Quarter-End	Amount Due	Weighted Average Interest Rate at Year-End
Maturity:				
Year ending December 31:	<i>(dollar amounts in thousands)</i>			
2013	\$ 0	0.00%	\$ 34,508	1.29%
2014	110,521	1.24	39,170	2.88
2015	41,000	2.00	66,000	2.59
2016	48,642	3.63	85,992	3.72
2017	43,075	3.43	46,000	3.70
2018	58,042	3.47	51,000	3.66
Thereafter	122,000	3.33	55,000	3.67
<b>Total Wholesale Funding</b>	<b>\$ 423,280</b>	<b>2.72</b>	<b>\$ 377,670</b>	<b>3.20</b>



**QCR Holdings, Inc. Executive Management Team**

## **LEFT TO RIGHT**

### **Back Row** *(standing)*

Rand Westlund  
 John McEvoy  
 Charlie Bullock  
 Larry Helling  
 Doug Hultquist  
 Tom Budd  
 Bill Tank  
 Todd Gipple  
 John Rodriguez

### **Front Row** *(seated)*

John Engelbrecht  
 Shawna Graham  
 John Anderson  
 Cathie Whiteside  
 Jill DeKeyser  
 Michael Wyffels

### **NOT PICTURED**

Stacey Bentley  
 Rich Couch

## **OUR MISSION:**

QCR Holdings, Inc. will be the premier provider of financial services to businesses and individuals for whom relationships matter, in markets where we can excel.



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## Executive Management Team

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### **DOUGLAS M. HULTQUIST, CPA**

President and Chief Executive Officer  
36 Years in Banking/Financial Services

### **TODD A. GIPPLE, CPA**

Executive Vice President,  
Chief Operating Officer and  
Chief Financial Officer  
28 Years in Banking/Financial Services

### **JOHN H. ANDERSON**

President and Chief Executive Officer,  
Quad City Bank and Trust Company  
Chief Deposit Officer, QCR Holdings, Inc.  
27 Years in Banking/Financial Services

### **STACEY J. BENTLEY**

President and Chief Executive Officer,  
Community Bank & Trust  
34 Years in Banking/Financial Services

### **THOMAS D. BUDD**

President and Chief Executive Officer,  
Rockford Bank and Trust Company  
27 Years in Banking/Financial Services

### **CHARLES S. BULLOCK**

Executive Vice President,  
Rockford Bank and Trust Company  
42 Years in Banking/Financial Services

### **RICH W. COUCH**

President and Chief Executive Officer  
m2 Lease Funds, LLC  
26 Years in Banking/Financial Services

### **JILL A. DEKEYSER**

Senior Vice President,  
Director of Human Resources  
10 Years in Banking/Financial Services

### **JOHN R. ENGELBRECHT, MBA**

President and Chief Executive Officer,  
m2 Lease Funds, LLC  
39 Years in Banking/Financial Services

### **SHAWNA M. GRAHAM, CBA, CIA, CISA, CRP, MBA, CCBCO**

Senior Vice President,  
Director of Risk Management  
25 Years in Banking/Financial Services

### **LARRY J. HELLING**

President and Chief Executive Officer, Cedar Rapids Bank  
and Trust Company Executive Vice President and Chief  
Lending Officer, QCR Holdings, Inc.  
34 Years in Banking/Financial Services

### **JOHN R. McEVOY, JR.**

Executive Vice President,  
Chief Operations Officer & Cashier  
Quad City Bank and Trust Company  
37 Years in Banking/Financial Services

### **JOHN A. RODRIGUEZ, CCM**

Executive Vice President,  
Deposit Operations/Information Services  
31 Years in Banking/Financial Services

### **WILLIAM M. TANK, MBA**

Executive Vice President,  
Chief Credit Officer  
35 Years in Banking/Financial Services

### **M. RANDOLPH WESTLUND, CFA**

Executive Vice President,  
Chief Investment Officer  
26 Years in Banking/Financial Services

### **CATHIE S. WHITESIDE, MBA**

Executive Vice President,  
Corporate Strategy, Human Resources  
and Branding  
6 Years in Banking/Financial Services

### **MICHAEL J. WYFFELS**

Senior Vice President,  
Chief Technology Officer  
24 Years in Banking/Financial Services