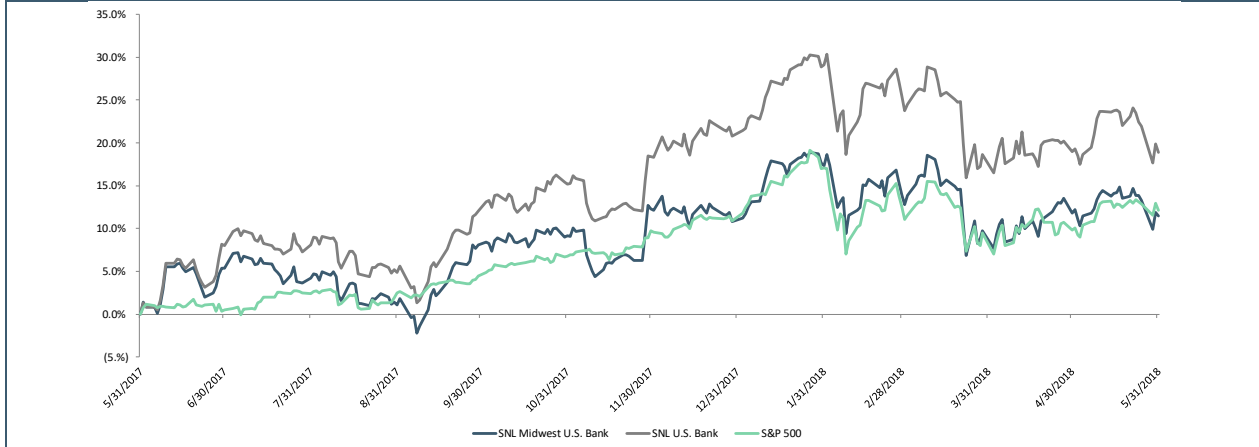


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Midwest Bank Index Performance (shown as % change)



Indices Performance (% change)

	May 2018	LTM		May 2018	LTM
S&P 500	1.9%	12.2%	SNL U.S. Bank	(0.3%)	18.9%
Dow Jones	1.3%	16.2%	SNL Midwest U.S. Bank	(0.6%)	11.5%
NASDAQ	4.4%	20.1%			

Note: U.S. Bank index includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ). Midwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI.

Movers and Losers (largest % changes in the month of May)

Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
Guaranty Bancorp (GBNK)	\$33.70	17.2%	Fifth Third Bancorp (FITB)	\$30.58	(8.3%)
MB Financial (MBFI)	\$49.39	15.1%	Farmers & Merchants (FMAO)	\$41.35	(7.9%)
Macatawa Bank Corp. (MCBC)	\$12.09	14.9%	M&T Bank Corp. (MTB)	\$172.08	(5.9%)
Seacoast Bank Corp. of FL (SE)	\$31.18	13.5%	MidSouth Bancorp (MSL)	\$13.90	(5.1%)
People's Utah Bancorp (PUB)	\$36.45	13.4%	United Security (UBFO)	\$10.70	(4.9%)

Note: Price per share as of May 31, 2018. Consists of public banks listed on the NYSE and NASDAQ with a market capitalization greater than \$150 million.

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Select Public Trading Statistics (as of 5/31/2018)

Large U.S. National Banks:

Institution Name	Ticker	State	Market		NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Tangible	
			Capitalization (\$ in millions)	Total Assets (\$ in thousands)						Book (%)	Book (%)
JPMorgan Chase & Co.	JPM	NY	364,294.9	2,609,785,000	0.48	2.45	57.70	15.35	8.24	158.3	200.4
Bank of America Corp.	BAC	NC	294,446.9	2,328,478,000	0.56	2.38	59.72	14.77	8.41	122.3	173.2
Wells Fargo & Company	WFC	CA	263,086.5	1,915,388,000	1.02	2.82	67.27	16.86	9.32	145.3	172.3
Citigroup Inc.	C	NY	170,055.1	1,922,104,000	0.49	2.69	59.63	16.01	8.78	93.0	108.2
U.S. Bancorp	USB	MN	82,106.6	460,119,000	0.73	3.11	55.20	12.50	8.78	188.3	244.5
PNC Financial Services Group, Inc.	PNC	PA	67,330.8	379,161,000	0.81	2.90	60.49	12.84	9.37	156.8	201.5
Bank of New York Mellon Corporation	BK	NY	55,334.5	373,597,000	0.03	1.22	63.50	13.40	6.45	144.9	321.3
BB&T Corporation	BBT	NC	40,811.4	220,729,000	NA	3.41	57.19	13.98	9.91	154.1	251.7
State Street Corporation	STT	MA	35,119.4	250,286,000	0.00	1.41	72.52	14.64	6.90	182.9	303.9
SunTrust Banks, Inc.	STI	GA	31,380.7	204,885,000	1.59	3.20	62.35	12.90	9.75	143.2	200.7
Minimum			31,381	204,885,000	0.0	1.2	55.2	12.5	6.5	93.0	108.2
Mean			140,397	1,066,453,200	0.6	2.6	61.6	14.3	8.6	148.9	217.8
Median			74,719	419,640,000	0.6	2.8	60.1	14.3	8.8	149.7	201.1
Maximum			364,295	2,609,785,000	1.6	3.4	72.5	16.9	9.9	188.3	321.3

Large Midwest Banks:

Institution Name	Ticker	State	Market		NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Tangible	
			Capitalization (\$ in millions)	Total Assets (\$ in thousands)						Book (%)	Book (%)
Northern Trust Corporation	NTRS	IL	23,066.1	129,672,200	0.12	1.36	66.45	15.54	7.57	246.9	269.1
Fifth Third Bancorp	FTIB	OH	20,962.5	141,500,000	0.87	3.13	68.35	15.25	10.11	141.0	169.4
KeyCorp	KEY	OH	20,638.7	137,049,000	0.52	3.13	64.84	12.73	9.76	148.7	187.9
Huntington Bancshares Incorporated	HBAN	OH	16,383.7	104,246,000	1.23	3.26	56.55	13.99	9.58	162.1	210.6
Commerce Bancshares, Inc.	CBSH	MO	6,884.1	24,611,242	0.43	3.32	57.57	14.87	10.83	269.6	285.4
Wintrust Financial Corporation	WTFC	IL	5,184.2	28,456,772	0.55	3.51	60.98	12.03	9.35	178.3	218.4
Associated Banc-Corp	ASB	WI	4,713.8	33,366,505	0.93	2.91	62.56	13.45	8.48	133.8	204.8
MB Financial, Inc.	MBFI	IL	4,152.6	20,167,523	0.50	3.67	66.26	13.57	9.73	151.5	246.6
First Midwest Bancorp, Inc.	FMBI	IL	2,708.0	14,379,971	0.65	3.75	59.79	12.07	9.07	144.9	243.0
First National of Nebraska, Inc.	FINN	NE	2,534.1	19,950,623	1.01	6.48	56.32	14.08	10.70	117.9	128.5
Minimum			2,534	14,379,971	0.1	1.4	56.3	12.0	7.6	117.9	128.5
Mean			10,723	65,339,984	0.7	3.5	62.0	13.8	9.5	169.5	216.4
Median			6,034	30,911,639	0.6	3.3	61.8	13.8	9.7	150.1	214.5
Maximum			23,066	141,500,000	1.2	6.5	68.3	15.5	10.8	269.6	285.4

Small Midwest Banks:

Institution Name	Ticker	State	Market		NPAs/ Assets (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Risk-based Capital Ratio (%)	Leverage Ratio (%)	Price/ Tangible	
			Capitalization (\$ in millions)	Total Assets (\$ in thousands)						Book (%)	Book (%)
Horizon Bancorp, Inc.	HBNC	IN	801.7	3,969,750	0.40	3.89	58.57	13.08	9.82	174.1	243.9
Byline Bancorp, Inc.	BY	IL	781.8	3,462,372	0.83	4.39	68.77	16.05	12.14	140.5	166.4
First Mid-Illinois Bancshares, Inc.	FMBH	IL	537.0	2,837,346	0.70	3.60	56.32	13.07	10.06	152.9	197.0
West Suburban Bancorp, Inc.	WNRP	IL	276.9	2,270,951	2.50	3.36	65.22	15.80	9.68	128.8	129.3
STAR Financial Group, Inc.	SFIGA	IN	248.4	1,957,067	1.59	3.83	65.44	13.58	10.73	120.3	123.6
First Business Financial Services, Inc.	FBIZ	WI	226.8	1,878,217	1.16	3.65	66.58	11.78	9.26	132.3	141.2
Marquette National Corporation	MNAT	IL	142.9	1,586,089	1.38	3.46	77.53	16.36	9.00	97.7	128.8
Minimum			143	1,586,089	0.4	3.4	56.3	11.8	9.0	97.7	123.6
Mean			431	2,565,970	1.2	3.7	65.5	14.2	10.1	135.2	161.5
Median			277	2,270,951	1.2	3.7	65.4	13.6	9.8	132.3	141.2
Maximum			802	3,969,750	2.5	4.4	77.5	16.4	12.1	174.1	243.9



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Valuation Summary (as of 5/31/2018)

Asset Size Index – Nationwide			Geographic Index		
	Price/Book (%)	Price/Tangible Book (%)		Price/Book (%)	Price/Tangible Book (%)
\$5B-\$10B	203.8	262.5	Mid-Atlantic	141.9	190.0
\$1B-\$5B	183.0	214.0	Midwest	182.0	228.2
\$500M-\$1B	165.0	173.6	New England	160.9	248.1
\$250M-\$500M	172.6	175.1	Southeast	133.9	192.1
< \$250M	NA	NA	Southwest	191.0	234.9
			Western	168.8	200.7

Interest Rate Scorecard

Financial Yields	May 31, 2018	1 Month Prior	3 Month Prior	6 Month Prior	1 Year Prior
2 Year T Note	2.40	2.49	2.25	1.78	0.27
5 Year T Note	2.68	2.79	2.65	2.14	0.82
10 Year T Note	2.83	2.95	2.87	2.42	1.95
30 Year T Bond	3.00	3.11	3.13	2.83	3.12
Prime Rate	4.75	4.75	4.50	4.25	3.25
3 Month LIBOR	2.32	2.36	2.02	1.49	0.47

Note:

Mid-Atlantic region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in DE, DC, MD, NJ, NY, PA, PR.

Midwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI.

New England region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in CT, ME, MA, NH, RI, VT.

Southeast region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in AL, AR, FL, GA, MS, NC, SC, TN, VA, WV.

Southwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in CO, LA, NM, OK, TX, UT.

Western region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in AZ, AK, CA, HI, ID, MT, NV, OR, WA, WY.





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Select Mergers and Acquisitions & Capital Raising News

❖ In Illinois, Wintrust Financial to Buy Chicago Shore for \$34M

May 2, 2018 – Rosemont, Illinois-based Wintrust Financial Corp. is acquiring in-state peer Chicago Shore Corp. in a transaction valued at about \$34 million. Under the transaction, shares held by Chicago Shore shareholders will be converted into the right to receive cash merger consideration. Wintrust Financial Corp. had \$28.46 billion in assets as of March 31. Chicago Shore unit Delaware Place Bank had approximately \$245 million in assets, about \$165 million in loans and about \$215 million in deposits.

❖ Fifth Third to Buy MB Financial in \$4.7B Transaction

May 21, 2018 – Cincinnati-based Fifth Third Bancorp agreed to buy Chicago-based MB Financial Inc. in a transaction valued at \$4.7 billion. Approximately 90% of the consideration will be in stock with the rest in cash. MB Financial shareholders will receive \$54.20 of total consideration, consisting of 1.45 Fifth Third shares and \$5.54 in cash, for each share held. The total consideration implies a premium of approximately 24% to MB Financial's May 18 closing price. On a per-share basis, the purchase price equates to 166.3% of book, 270.7% of tangible book and 14.8x earnings. The purchase price also equates to 22.76% of assets, 30.66% of deposits and the tangible book premium-to-deposits ratio is 19.42%. Two MB Financial directors are expected to join Fifth Third's board once the transaction closes, expanding Fifth Third's board size to 14 members. Also, MB Financial President and CEO Mitch Feiger will serve as chairman and CEO of Fifth Third's Chicago region. Other key members of MB Financial's leadership team are also expected to join Fifth Third. As of March 31, Fifth Third had \$142 billion in assets and 1,153 full-service banking centers. MB Financial, the parent company of MB Financial Bank NA, has approximately \$20 billion in assets, \$15 billion in deposits and 91 locations. Fifth Third Chairman, President and CEO Greg Carmichael said that the combined company will have a total Chicago deposit market share of 6.5%, ranking fourth in total deposits and second in estimated retail deposits among the nearly 200 banks in the marketplace. The transaction is expected to reduce Fifth Third's regulatory common equity Tier 1 ratio by approximately 45 basis points, and the pro forma tangible common equity to tangible assets ratio of the combined entity is projected to be 8.2% at closing. Carmichael added that aside from the merger's strategic importance, it is expected to drive significant financial benefits. Fifth Third expects the transaction to generate an internal rate of return of approximately 18.5%. The transaction is also projected to be accretive to operating EPS by 2% in 2019 and nearly 7% in 2020 once cost savings are fully realized. The transaction is subject to regulatory approvals as well as the approval of MB Financial shareholders.

❖ First Security to Merge into German American Bancorp in \$101M Transaction

May 22, 2018 – Owensboro, Kentucky-based First Security Inc. has agreed to merge into Jasper, Indiana-based German American Bancorp Inc. in a cash-and-stock transaction valued at about \$101.0 million. The total merger consideration will be split between stock and cash on roughly a 70-to-30 basis. The transaction has a value of \$40.00 per First Security common share based on the 20-day volume weighted average price of German American's common shares ending May 18 of \$35.08 per share. German American expects to issue about 2.0 million common shares and pay about \$31 million in cash for all the issued and outstanding common shares and outstanding options of First Security. First Security common shareholders will receive a fixed exchange ratio of 0.7982 of a German American common share for each First Security share in a tax-free exchange and a cash payment of \$12.00 per First Security share. On a per-share basis, the purchase price equates to 153.5% of book value and 165.1% of tangible book. Also, the purchase price equates to 17.92% of assets, 22.95% of deposits and the tangible book premium-to-deposits ratio is 9.04%. The transaction has a one-day premium of 49.04% and a one-month premium of 49.60%.

❖ In Illinois, Western Illinois Bancshares to Acquire Andalusia Community Bank

May 30, 2018 – Monmouth, Illinois-based Western Illinois Bancshares Inc., the holding company of Midwest Bank, is acquiring Andalusia, Illinois-based Andalusia Community Bank. The terms of the transaction were not disclosed. Upon completion of the transaction, Andalusia Community Bank will merge into Midwest Bank, with Midwest Bank becoming the surviving institution. The consolidated bank will have a total asset size of about \$500 million. The transaction is anticipated to close during the third quarter. As of March 31, Midwest Bank had \$443.8 million in assets, while Andalusia Community Bank had total assets of \$39.6 million.

❖ Byline Bancorp Closes Acquisition of First Evanston

May 31, 2018 – Chicago-based Byline Bancorp Inc. closed the acquisition of Evanston, Illinois-based First Evanston Bancorp Inc. With the transaction completion, First Bank & Trust, a subsidiary of First Evanston, has merged into Byline Bank, a unit of Byline Bancorp. The transaction has brought Byline Bancorp's total assets to about \$4.4 billion.



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Select Industry News

❖ Community Banks Report Strong Margins and Profitability in Q1'18

May 3, 2018 – Community banks under \$10 billion in assets posted strong first-quarter results midway through earnings season as margins and profitability expanded. As a group, the 253 institutions that reported through the week ended April 27 have posted improved margins and efficiency ratios both year over year and quarter over quarter. The median net interest margin was 3.61% in the first quarter, up 9 basis points from the year-ago quarter. Meanwhile, the median return on average assets increased to 1.07% from 0.90% and the median efficiency ratio dropped to 62.86% from 63.71%. The largest banks in the analysis, those between \$5 billion and \$10 billion in assets, reported a median net interest margin of 3.64%, up from 3.48% in the first quarter of 2017. Median ROAA jumped 13 basis points to 1.14%, and the median efficiency ratio improved to 56.80% from 58.92%. Thirty-six of the 47 banks reported higher ROAA year over year and only 16 reported lower net interest margin.

❖ Community Banks Report Double-Digit Operating Revenue Growth in Q1

May 11, 2018 – As community bank results continued to roll in last week, the companies showed double-digit growth in operating revenue, with banks above \$1 billion leading the way. Among the 283 major-exchange traded banks and thrifts with less than \$10 billion in assets that reported first-quarter earnings as of May 4, median operating revenue growth was 10.9% year over year, compared to 8.0% in the year-ago quarter. Only 17 companies reported a year-over-year decrease in operating revenue. In addition, the median efficiency ratio fell 71 basis points year over year to 63.02% in the first quarter.

❖ Net Charge-offs Rise Again Year-Over-Year for U.S. Banking Industry

May 17, 2018 – While several metrics pointed to continued improvements in credit quality for the U.S. banking industry during the first quarter, net charge-off levels again rose year over year. Net charge-offs climbed to \$12.06 billion among U.S. banks and thrifts as of March 31, compared to \$11.52 billion a year earlier. NCO levels have climbed steadily year over year since the beginning of 2016, but remain well below the peak 2009 levels. At the same time, the industry reported a linked-quarter drop in NCOs, and net charge-offs as a percentage of average loans fell 5 basis points on a quarterly basis with no material change from the year-ago quarter. The percentage of delinquent loans fell to 1.80% of total loans as of March 31, a 9-basis-point decrease from the prior quarter. Aggregate delinquent loans and leases decreased by 4.6% during the first quarter to \$175.63 billion, driven primarily by a \$6.79 billion decline in the one- to four-family sector and a \$3.94 billion drop-off in consumer loans.

❖ PNC Financial Services Had Most U.S. Bank Branch Closures in April

May 21, 2018 – U.S. banks and thrifts continued to close branches through April, shuttering 111 offices and opening 78. As of April 30, there were 88,755 active bank and thrift offices in the U.S. During the last 12 months, U.S. banks and thrifts closed a net 1,893 branches, with the Midwest accounting for 26.48% of total net closures and the Southeast for 25.57%. In April, the mid-Atlantic region led the nation with 24 net closings, followed by the Midwest with nine. The Southeast saw net openings of seven branches with the West following close behind with three for the month. By state, New York led the country with 10 net closures, followed by Pennsylvania with eight in April. There were five net openings in Tennessee, the most of any U.S. state. Four banks bucked the broader industry move away from brick-and-mortar by opening more branches than they closed in April: BBVA Compass Bancshares Inc., a Houston-based subsidiary of Spain's Banco Bilbao Vizcaya Argentaria SA; Killeen, Texas-based First Community Bancshares Inc.; Renton, Wash.-based First Financial Northwest Inc.; and Piedmont Bancorp Inc. in Peachtree Corners, Ga. PNC Financial Services Group Inc. closed a net 16 branches during April, the most by any banking institution in the country. Over a third of those closures were in the Midwest. PNC closed four branches in Pennsylvania and three each in North Carolina and Ohio. JPMorgan Chase & Co. closed a net nine branches during April, followed by Capital One Financial Corp. with seven net closures.

❖ Q1'18 Marks Seven Years of Quarterly Multifamily Loan Growth at U.S. Banks

May 22, 2018 – U.S. banks and thrifts added another \$7.12 billion in total multifamily loans in the first quarter, notching growth of 1.8% and pushing the industry's aggregate balance to \$411.01 billion. It was the 28th consecutive quarter of multifamily loan growth for the industry. Delinquent multifamily loans dropped to 0.26% of total multifamily loans after rising slightly in the fourth quarter of 2017. As of March 31, multifamily loans accounted for 4.2% of total loans and leases, compared to 2.9% in 2011, when the quarterly growth streak began. The nation's largest multifamily lender, JPMorgan Chase & Co., added another \$322.0 million in loans during the quarter, taking its total balance to \$70.52 billion as of March 31. On the other hand, Wells Fargo & Co., the fourth-largest multifamily lender among U.S. banks and thrifts, posted a \$272 million drop in the first quarter. PNC Financial Services Group Inc. dropped to No. 11 from No. 9 in the fourth quarter of 2017 after its



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multifamily loan balance fell \$546.3 million to total \$5.33 billion as of March 31. Among the top 25 multifamily lenders, M&T Bank Corp. posted the highest delinquency ratio at 1.75%, up 144 basis points from the year-ago quarter.

❖ Chicago Transaction Will Make Fifth Third No.2 Bank in Illinois

May 22, 2018 – Fifth Third Bancorp's pending acquisition of MB Financial Inc. will make it one of the largest banks in Illinois, potentially giving the Cincinnati-based bank the heft and footprint to challenge Chicago's dominant banking presence: JPMorgan Chase & Co. At closing, Fifth Third will leap to the No. 2 bank in Illinois by deposit share with \$18.96 billion of deposits, behind only JPMorgan and ahead of Bank of Montreal and Bank of America Corp. In Chicago, Fifth Third will become the No. 4 bank after the transaction, behind JPMorgan, Bank of America and Citigroup Inc. During a May 21 transaction call, Fifth Third executives highlighted MB Financial's expertise in the smaller end of middle-market lending — an area management had previously identified as a gap in Fifth Third's offerings. JPMorgan has been the dominant player in both Chicago and Illinois since its acquisition of Chicago-based Bank One in 2004. The bank holds 25% of all deposits in Chicago and 16% of all deposits in Illinois, more than double the deposits Fifth Third will have even after its MB Financial acquisition closes. The gap appears smaller on the asset side of the balance sheet. Fifth Third will have 20% of the middle-market business in Chicago after the transaction, putting it in second place behind the 29% share for an unnamed bank in the No. 1 spot, according to an investor presentation. While the Chicago market presents opportunities as the nation's third-largest metro by population, competition for loans remains tight. There are 135 banks and thrifts headquartered in the Chicago metro area, 102 of which have less than \$1 billion of assets.

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