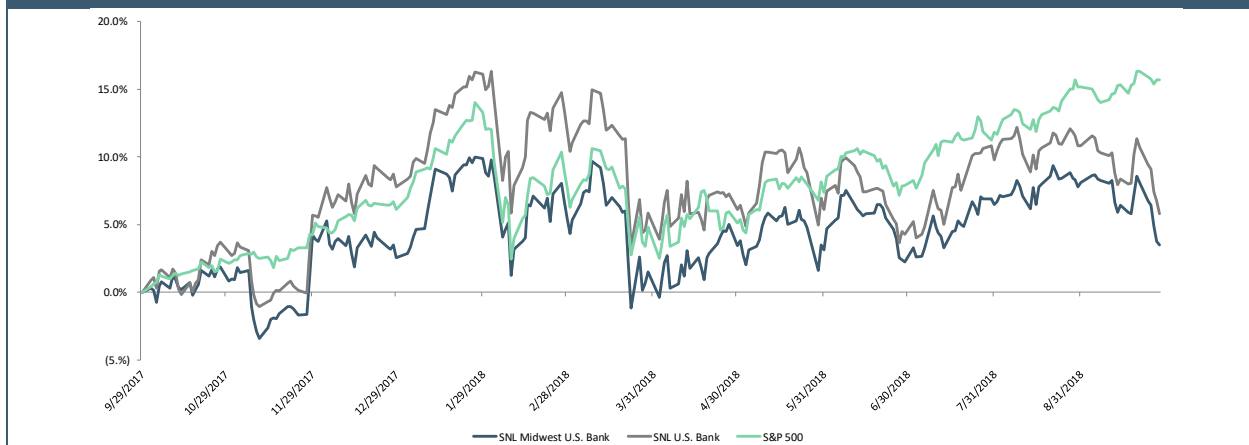


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Midwest Bank Index Performance (shown as % change)



Indices Performance (% change)

	September 2018	LTM		September 2018	LTM
S&P 500	0.4%	15.7%	SNL U.S. Bank	(4.5%)	5.8%
Dow Jones	1.9%	18.1%	SNL Midwest U.S. Bank	(4.3%)	3.5%
NASDAQ	(0.8%)	23.9%			

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 September)

Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
Old Point Financial Corp. (OPOF)	\$29.90	12.4%	RBB Bancorp (RBB)	\$24.50	(14.5%)
First Business Financial (FBIZ)	\$23.18	4.6%	Ohio Valley Banc Corp. (OVBC)	\$36.65	(13.0%)
First BanCorp. (FBP)	\$9.10	4.0%	Renasant Corporation (RNST)	\$41.21	(11.7%)
ACNB Corporation (ACNB)	\$37.20	3.9%	Live Oak Bancshares (LOB)	\$26.80	(11.4%)
MBT Financial Corp. (MBTF)	\$11.30	3.2%	FB Financial Corp. (FBK)	\$39.18	(10.9%)

Note: Price per share as of September 30, 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 9/30/2018)

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	379,188.8	2,590,050,000	0.44	2.46	57.26	15.46	8.20	163.9	207.1
Bank of America Corp.	BAC	NC	294,182.6	2,291,670,000	0.55	2.38	58.36	14.75	8.35	122.4	173.5
Wells Fargo & Company	WFC	CA	253,136.2	1,879,700,000	1.00	2.93	65.19	16.93	9.51	140.5	166.3
Citigroup Inc.	C	NY	180,540.9	1,912,334,000	0.45	2.76	58.83	16.31	8.63	99.7	115.6
U.S. Bancorp	USB	MN	86,029.9	461,329,000	0.71	3.13	54.09	12.59	8.91	195.4	252.5
PNC Financial Services Group, Inc.	PNC	PA	63,233.3	380,711,000	0.75	2.98	58.82	12.60	9.36	147.6	189.6
Bank of New York Mellon Corporation	BK	NY	50,987.2	352,928,000	0.04	1.26	65.12	13.83	6.70	134.3	295.8
BB&T Corporation	BBT	NC	37,591.7	222,681,000	NA	3.44	57.21	13.90	10.03	140.7	228.3
State Street Corporation	STT	MA	31,787.4	248,308,000	0.00	1.45	69.56	15.09	7.10	158.2	257.5
SunTrust Banks, Inc.	STI	GA	30,772.2	207,505,000	1.55	3.27	59.54	12.67	9.82	140.0	196.1
Minimum			30,772	207,505,000	0.0	1.3	54.1	12.6	6.7	99.7	115.6
Mean			140,745	1,054,721,600	0.6	2.6	60.4	14.4	8.7	144.3	208.2
Median			74,632	421,020,000	0.6	2.8	58.8	14.3	8.8	140.6	201.6
Maximum			379,189	2,590,050,000	1.6	3.4	69.6	16.9	10.0	195.4	295.8

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	22,803.8	135,106,200	0.12	1.48	65.36	15.59	7.68	240.7	263.5
KeyCorp	KEY	OH	20,925.0	137,792,000	0.53	3.20	62.84	12.83	9.87	149.6	187.8
Fifth Third Bancorp	FTB	OH	18,604.2	140,695,000	0.77	3.20	57.15	15.21	10.24	127.1	152.6
Huntington Bancshares Incorporated	HBAN	OH	16,475.1	105,358,000	1.19	3.28	57.41	13.97	9.65	160.4	207.1
Commerce Bancshares, Inc.	CBSH	MO	7,038.8	25,062,392	NA	3.55	55.23	NA	NA	268.8	284.1
Wintrust Financial Corporation	WTFC	IL	4,787.6	29,464,588	0.58	3.62	61.17	12.05	9.39	160.5	195.3
Associated Banc-Corp	ASB	WI	4,434.0	33,652,647	0.90	3.02	61.94	13.36	8.32	124.9	190.9
MB Financial, Inc.	MBFI	IL	3,882.5	19,966,557	0.51	3.76	65.89	13.75	9.74	141.0	228.0
First Midwest Bancorp, Inc.	FMBI	IL	2,743.0	14,818,076	0.46	3.90	58.57	12.07	8.95	145.5	242.4
First National of Nebraska, Inc.	FINN	NE	2,273.3	20,246,834	1.00	6.49	60.13	14.07	10.88	111.2	121.0
Minimum			2,273	14,818,076	0.1	1.5	55.2	12.1	7.7	111.2	121.0
Mean			10,397	66,216,229	0.7	3.5	60.6	13.7	9.4	163.0	207.3
Median			5,913	31,558,618	0.6	3.4	60.7	13.8	9.7	147.6	201.2
Maximum			22,804	140,695,000	1.2	6.5	65.9	15.6	10.9	268.8	284.1

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 (%)
Byline Bancorp, Inc.	BY	IL	822.2	4,805,280	0.55	4.42	61.44	12.92	10.57	135.7	186.3
Horizon Bancorp, Inc.	HBNC	IN	757.7	4,076,611	0.45	3.72	57.38	13.07	9.94	161.0	223.3
First Mid-Illinois Bancshares, Inc.	FMBH	IL	616.8	3,369,473	0.81	3.79	54.34	13.97	10.99	149.9	198.9
West Suburban Bancorp, Inc.	WNRP	IL	295.3	2,255,630	2.20	3.21	68.86	15.88	9.83	136.1	136.5
STAR Financial Group, Inc.	FIGA	IN	240.9	1,937,352	1.45	3.78	66.22	13.91	10.37	114.8	117.9
First Business Financial Services, Inc.	FBIZ	WI	203.1	1,899,787	1.73	3.77	69.12	11.87	9.25	116.9	124.7
Marquette National Corporation	MNAT	IL	150.7	1,591,517	1.33	3.52	77.25	16.29	9.31	100.7	131.8
Minimum			151	1,591,517	0.5	3.2	54.3	11.9	9.3	100.7	117.9
Mean			441	2,847,950	1.2	3.7	64.9	14.0	10.0	130.7	159.9
Median			295	2,255,630	1.3	3.8	66.2	13.9	9.9	135.7	136.5
Maximum			822	4,805,280	2.2	4.4	77.3	16.3	11.0	161.0	223.3





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Valuation Summary (as of 9/30/2018)

Asset Size Index – Nationwide			Geographic Index		
	Price/Book (%)	Price/Tangible Book (%)		Price/Book (%)	Price/Tangible Book (%)
\$5B-\$10B	197.1	247.6	Mid-Atlantic	143.0	188.9
\$1B-\$5B	169.2	199.3	Midwest	179.8	226.6
\$500M-\$1B	174.6	182.3	New England	144.6	218.9
\$250M-\$500M	180.0	183.3	Southeast	128.9	185.0
< \$250M	NA	NA	Southwest	181.8	223.1
			Western	161.6	191.6

Interest Rate Scorecard

Financial Yields	September 30, 2018	1 Month	3 Month	6 Month	1 Year
		Prior	Prior	Prior	Prior
2 Year T Note	2.81	2.64	2.52	2.27	0.27
5 Year T Note	2.94	2.75	2.73	2.56	0.82
10 Year T Note	3.05	2.86	2.85	2.74	1.95
30 Year T Bond	3.19	3.00	2.98	2.97	3.12
Prime Rate	5.25	5.00	5.00	4.75	3.25
3 Month LIBOR	2.40	2.32	2.34	NA	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

❖ Providence Bank & Trust Buying Chicago-based Urban Partnership Bank

September 6, 2018 – South Holland, Ill.-based Providence Bank & Trust is acquiring Chicago-based Urban Partnership Bank. The terms of the deal were not disclosed. Urban Partnership Bank, a community development financial institution and minority depository institution, has about \$450 million in assets. After the completion of the deal, it will operate under the Providence Bank & Trust name, a bank with 12 current locations throughout the Chicago area and Northwest Indiana.

❖ Park National to Acquire CAB Financial in \$141.8M Cash-and-Stock Transaction, Approach \$10B in Assets

September 13, 2018 – Newark, Ohio-based Park National Corp. agreed to acquire Spartanburg, S.C.-based CAB Financial Corp. in a transaction valued at approximately \$141.8 million. Park National will issue approximately 1.03 million shares and \$28.4 million in cash to acquire CAB. For each share held, CAB shareholders will have the right to receive 0.1378 of a Park common share and \$3.80 in cash, with total consideration to consist of approximately 80% stock and 20% cash. On a per-share basis, the purchase price equates to 171.1% of book, 182.6% of tangible book, and 28.0x earnings. The purchase price also equates to 19.07% of assets, 23.24% of deposits and has a tangible book premium to core deposits ratio of 12.75%. The transaction has a one-day premium of 54.34%, based on CAB's closing price of \$12.15 as of July 16, and a one-month premium of 52.46%, based on CAB's closing price of \$12.30 as of June 18. The transaction is expected to result in one-time charges of \$12.7 million, with estimated cost savings of 32.0%. Also, the transaction is seen as accretive to earnings per share by around 3.0% in the first full year. Tangible book value dilution is 88 cents per share, with an earnback period of approximately 3.5 years. As of June 30, Carolina Alliance Bank had \$730 million in assets and Park National Corp. had \$7.5 billion in total assets.

❖ MB Financial Shareholders OK Transaction with Fifth Third; Preferred Holders Deny Direct Merger, Accept Alternative

September 18, 2018 – In a special meeting of shareholders held September 18, Chicago-based MB Financial Inc.'s shareholders approved the company's pending merger with Cincinnati-based Fifth Third Bancorp. The transaction is still subject to regulatory approvals and other customary closing conditions. The preferred stockholders of MB Financial did not return enough votes to reach the two-thirds majority to approve MB Financial's merger into one of Fifth Third's subsidiaries. As a result, MB Financial will become a Fifth Third subsidiary and MB Financial's preferred shares will remain outstanding as MB Financial preferred stock. As a result, the transaction would be completed through the merger of a newly formed subsidiary of Fifth Third into MB Financial, with MB Financial being the surviving entity. The transaction is expected to close in the first quarter of 2019.

❖ Two Kansas Banks Strike a Transaction

September 27, 2018 – Citizens Bank of Kansas and Verus Bank have agreed to merge, The Wichita (Kan.) Eagle reported. The terms of the transaction were not disclosed in the report. The combined organization will have about \$380 million in assets by the time the transaction is completed. Verus will keep its brand for a couple of years, during which it will be known as Verus Bank, a branch of Citizens Bank of Kansas. Verus President Kyle Russell will become president after the completion of the deal in early 2019. Citizens President Dennis Knackstedt plans to retire in 2018. Citizens Chairman Jane Deterding and her sister and brother-in-law, Amy and Mark Keeny, will remain majority shareholders. Mark Keeny is the CEO of Citizens. The Chase family, the owner of Verus, will also have ownership. Kingman, Kansas-based Citizens is a unit of King Bancshares Inc., while Derby, Kansas-based Verus is a unit of First Team Resources Corp.

❖ Iowa-Nebraska State Bank to Merge with Norfolk, Nebraska-based BankFirst

September 27, 2018 – South Sioux City, Nebraska-based Iowa-Nebraska State Bank is merging with Norfolk, Nebraska-based BankFirst. Terms of the transaction were not disclosed. BankFirst currently operates in Norfolk, Columbus Wayne, West Point, O'Neill and Ord in Nebraska. Upon closing of the transaction, BankFirst will start operating in Wakefield and South Sioux City in Nebraska, and Onawa and Sioux City in Iowa. BankFirst's total assets after deal completion will reach \$700 million, with about \$500 million in deposits and another \$500 million in loans. The transaction is expected to close in the fourth quarter.



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Select Industry News

❖ C&I Loans Continued to Rise as Credit Quality Improved in Q2

September 4, 2018 – Aggregate commercial and industrial loans at U.S. banks and thrifts hit \$2.077 trillion at the end of the second quarter, a 1.2% increase from the previous quarter and a 4.8% increase from the year-ago period. Credit quality improved slightly during the period as well. Delinquent C&I loans accounted for 1.09% of total C&I loans as of June 30, down from 1.14% at the end of March and 1.35% in the year-ago quarter. Bank of America Corp., the nation's largest C&I bank lender, reported \$274.09 billion in C&I loans at the end of the second quarter, a 1.3% increase quarter over quarter and a 5.2% increase year over year. Approximately, 0.75% of Bank of America's C&I loans were delinquent or in nonaccrual status as of June 30, higher than 0.69% in the previous quarter but down from 0.85% in the year-ago quarter.

❖ For US Banks, CDs Jump as the Funding Strategy Comes Back in Vogue

September 10, 2018 – The U.S. banking industry has increasingly relied on certificates of deposit to get ahead of rising interest rates, meet funding needs and satisfy growing customer demands. CDs rose to 13.50% of deposits in the second quarter, up from 12.66% in the first quarter and the recent trough of 12.54% of deposits at year-end 2016. CDs tend to carry higher rates than other deposit products, but they also allow banks to lock up funds for a certain amount of time. That makes the funding attractive to a number of institutions at this point in the interest rate cycle given that deposit prices are steadily increasing as the Federal Reserve continues to raise interest rates. Short-term rate increases have pushed the industry's cost of interest-bearing deposits to 0.68% through the first six months of 2018 from 0.49% in 2017. Deposit betas, or the percentage of changes in the federal funds rate that banks pass on to their customers, rose to 36.6% in the 12-month period ended June 30, 2018, compared to 30% in the prior 12-month period. As deposit costs rose at a quicker pace, a number of large regional banks saw their CDs balance rise considerably in the second quarter. In the period, banks with assets between \$50 billion and \$250 billion grew CDs the most, increasing the funding source 26.9% from year-ago levels.

❖ Noninterest Mortgage Income at US Banks Grew Modestly in Q2'18

September 11, 2018 – Noninterest mortgage income was almost flat in the second quarter of 2018. U.S. banks and thrifts reported \$4.35 billion in noninterest income from the sale, servicing and securitizing of one- to four-family mortgages in the second quarter. This was higher than the \$4.31 billion posted in the first quarter of 2018 and the \$3.74 billion in the year-ago quarter. Mortgage servicing assets in the bank and thrift industry reached \$43.93 billion as of June 30, up from \$43.05 billion in the previous quarter and \$39.14 billion a year ago. Wells Fargo & Co.'s mortgage servicing assets grew 2.2% quarter over quarter to \$16.82 billion, which was higher than the aggregate for the next six banks on the list.

❖ US Banks and Thrifts Closed a Net 92 Branches in August

September 14, 2018 – U.S. banks and thrifts continued to scale back branch networks across the country in August, shuttering 163 branches while opening just 71. Over the last 12 months, U.S. banks and thrifts have closed 2,665 branches while opening 942. As of August 31, there were 87,935 active bank and thrift branches in the U.S. Virginia, New York and Wisconsin led the country with 12, 10 and 10 net closures, respectively. Texas had the most net openings with four during the month. Nine other states had one net opening. By region, the Midwest and Southeast each lost a net 25 branches in August, more than any other region. No region had net openings. Wells Fargo & Co. and Regions Financial Corp. shuttered 22 net branches in August, by far the most of any bank, followed by Bank of America Corp. at 15.

❖ BofA Takes Back Top Spot in National Deposits

September 14, 2018 – Bank of America Corp. is once again the top bank by total deposits, according to the Federal Deposit Insurance Corp.'s Summary of Deposits survey. The Charlotte, North Carolina-based bank had slipped to No. 2 in 2017, behind JPMorgan Chase & Co. But BofA regained its top market-share position in the U.S. with 2.9% deposit growth, compared with JPMorgan's 0.4%. However, all five of the largest banks by deposits — including Wells Fargo & Co., Citigroup Inc. and U.S. Bancorp — saw their share of the national deposit market decrease.



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❖ Three US Banks Crossed the \$10B Mark in Q2'18

September 20, 2018 – Three U.S. banks — Cincinnati-based First Financial Bancorp., Moultrie, Georgia-based Ameris Bancorp and McKinney, Texas-based Independent Bank Group Inc. — crossed \$10 billion in assets for the first time during the second quarter thanks to newly completed M&A transactions. The \$10 billion mark remains a key threshold for banking institutions. After breaching \$10 billion in assets, debit card interchange income can drop by half due to restrictions imposed by the Durbin amendment, part of the landmark Dodd-Frank Act. Most institutions try to clear \$10 billion by a wide margin to offset the lost revenue. In May, Independent Bank Group announced that it would acquire Denver-based Guaranty Bancorp, which would vault the company to close to \$14 billion in assets by the end of 2018, up from \$10.01 billion at the end of June. So far in the third quarter, two California-based banks — Pacific Premier Bancorp Inc. and CVB Financial Corp. — have closed M&A transactions that will push them above \$10 billion in assets at the end of September. On Aug. 8, Wilmington, Del.-based WSFS Financial Corp. announced that it would acquire Philadelphia-based Beneficial Bancorp Inc., which would push its assets from roughly \$7 billion to almost \$13 billion.

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