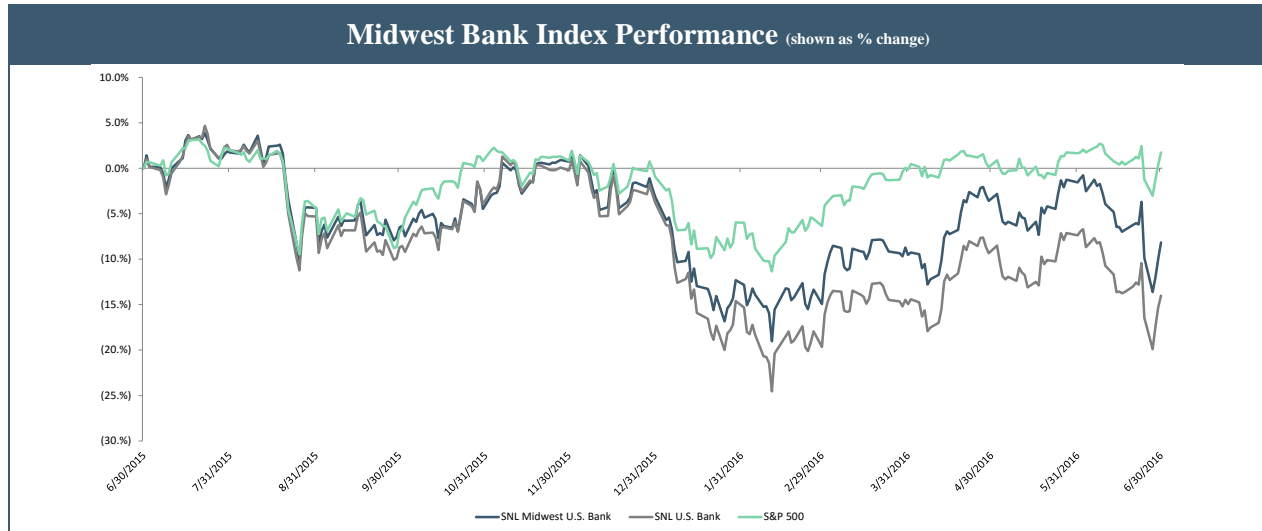


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Indices Performance (% change)					
	<u>June 2016</u>	<u>LTM</u>		<u>June 2016</u>	<u>LTM</u>
S&P 500	(0.0%)	1.7%	SNL U.S. Bank	(7.6%)	(14.0%)
Dow Jones	0.8%	1.8%	SNL Midwest U.S. Bank	(7.1%)	(8.2%)
NASDAQ	(2.2%)	(2.9%)			

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 June)					
Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
Suffolk Bancorp (SCNB)	\$31.31	24.0%	Hunting Bancshares (HBAN)	\$8.94	(14.9%)
Ames National Corp. (ATLO)	\$26.82	7.0%	State Street Corporation (STT)	\$53.92	(14.4%)
Cass Information Systems (CASS)	\$51.70	6.3%	Regions Financial (RF)	\$8.51	(14.3%)
Guaranty Bancorp (GBNK)	\$16.70	5.7%	KeyCorp (KEY)	\$11.05	(14.3%)
National Bankshares (NKSH)	\$34.92	5.6%	Western Alliance (WAL)	\$32.65	(14.3%)

Note: Price per share as of June 30, 2016. 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 6/30/2016)

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 (%)
Wells Fargo & Company	WFC	CA	240,296.7	1,849,182,000	1.48	2.90	59.91	14.91	9.26	136.9	166.8
JPMorgan Chase & Co.	JPM	NY	227,224.8	2,423,808,000	0.63	2.28	60.31	15.10	8.63	101.4	129.2
Bank of America Corporation	BAC	NC	136,308.3	2,185,498,000	0.87	2.04	75.35	13.45	8.71	57.4	82.6
Citigroup Inc.	C	NY	124,411.6	1,800,967,000	0.79	2.96	61.00	16.66	10.32	59.3	67.3
U.S. Bancorp	USB	MN	69,625.8	428,638,000	1.03	3.05	53.71	13.12	9.34	169.3	224.8
Bank of New York Mellon Corporation	BK	NY	41,844.7	372,870,000	0.10	1.00	69.26	12.26	5.93	116.5	288.1
PNC Financial Services Group, Inc.	PNC	PA	40,640.0	360,985,000	1.04	2.76	61.60	14.42	10.18	97.4	126.0
BB&T Corporation	BBT	NC	27,860.5	212,405,000	0.73	3.42	58.37	14.60	10.08	110.8	174.9
State Street Corporation	STT	MA	21,349.1	243,685,000	0.00	1.14	75.16	17.10	6.93	113.5	188.6
SunTrust Banks, Inc.	STI	GA	20,586.3	194,158,000	1.85	3.03	62.22	12.39	9.50	91.4	126.8
Minimum			20,586	194,158,000	0.0	1.0	53.7	12.3	5.9	57.4	67.3
Mean			95,015	1,007,219,600	0.9	2.5	63.7	14.4	8.9	105.4	157.5
Median			55,735	400,754,000	0.8	2.8	61.3	14.5	9.3	106.1	148.0
Maximum			240,297	2,423,808,000	1.9	3.4	75.3	17.1	10.3	169.3	288.1

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	15,118.1	117,798,800	0.18	1.20	69.13	12.84	7.41	179.0	192.0
Fifth Third Bancorp	FTIB	OH	13,504.2	142,430,000	1.53	2.89	64.00	14.66	9.57	90.4	107.9
KeyCorp	KEY	OH	9,308.2	98,402,000	0.84	2.88	65.96	13.12	10.73	86.4	96.0
Huntington Bancshares Incorporated	HBAN	OH	7,141.9	72,644,967	1.90	3.09	64.21	13.17	9.29	111.5	125.9
Commerce Bancshares, Inc.	CBSH	MO	4,624.6	24,506,952	0.34	2.94	61.69	13.27	9.11	201.6	215.1
Private Bancorp, Inc.	PVTB	IL	3,498.5	17,667,372	0.58	3.34	51.43	12.56	10.50	197.5	209.0
FirstMerit Corporation	FMER	OH	3,374.8	26,062,649	0.81	3.30	61.98	13.83	8.62	115.9	160.1
MB Financial, Inc.	MBFI	IL	2,672.8	15,575,653	1.02	3.77	62.99	12.65	10.38	133.2	215.8
Wintrust Financial Corporation	WTRF	IL	2,631.7	23,488,168	0.65	3.30	64.21	12.06	8.71	114.2	149.1
Associated Banc-Corp	ASB	WI	2,574.8	28,178,867	1.38	2.80	66.71	12.35	7.55	90.5	138.2
First National of Nebraska, Inc.	FINN	NE	2,073.0	18,509,333	0.98	5.88	62.24	13.57	10.90	106.4	116.3
First Midwest Bancorp, Inc.	FMBI	IL	1,429.2	10,728,922	0.59	3.64	64.31	10.64	9.56	116.6	167.1
Minimum			1,429	10,728,922	0.2	1.2	51.4	10.6	7.4	86.4	96.0
Mean			5,663	49,666,140	0.9	3.3	63.2	12.9	9.4	128.6	157.7
Median			3,437	25,284,801	0.8	3.2	64.1	13.0	9.4	115.0	154.6
Maximum			15,118	142,430,000	1.9	5.9	69.1	14.7	10.9	201.6	215.8

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	HBNC	IN	316.5	2,627,918	0.72	3.40	67.41	13.57	9.32	115.2	147.2
First Mid-Illinois Bancshares, Inc.	FMBH	IL	245.4	2,119,644	0.22	3.36	64.13	14.19	9.35	114.5	156.5
First Business Financial Services, Inc.	FBIZ	WI	204.2	1,790,132	1.18	3.59	63.00	11.24	8.44	131.6	141.5
West Suburban Bancorp, Inc.	WNRP	IL	190.9	2,210,909	3.35	2.90	72.07	15.82	9.23	91.8	92.1
STAR Financial Group, Inc.	SFIGA	IN	154.3	1,796,994	0.79	3.47	71.93	13.74	10.49	79.0	81.4
First Community Financial Partners, Inc.	FCFP	IL	151.2	1,060,862	0.90	3.36	65.14	14.99	9.72	141.5	141.5
Marquette National Corporation	MNAT	IL	101.3	1,576,487	2.22	3.59	92.11	14.23	7.04	75.7	102.9
Minimum			101	1,060,862	0.2	2.9	63.0	11.2	7.0	75.7	81.4
Mean			195	1,883,278	1.3	3.4	70.8	14.0	9.1	107.0	123.3
Median			191	1,796,994	0.9	3.4	67.4	14.2	9.3	114.5	141.5
Maximum			317	2,627,918	3.3	3.6	92.1	15.8	10.5	141.5	156.5



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Valuation Summary (as of 6/30/2016)

Asset Size Index – Nationwide				Geographic Index			
	<u>Price/Book (%)</u>	<u>Price/Tangible Book (%)</u>		<u>Price/Book (%)</u>	<u>Price/Tangible Book (%)</u>		
\$5B-\$10B	154.7	206.2	Mid-Atlantic	95.1	132.0		
\$1B-\$5B	136.0	155.9	Midwest	147.8	184.7		
\$500M-\$1B	110.5	116.7	New England	102.2	159.1		
\$250M-\$500M	129.4	130.7	Southeast	85.4	119.4		
< \$250M	NA	NA	Southwest	119.6	152.1		
			Western	141.1	171.7		

Interest Rate Scorecard

Financial Yields	June 30, 2016	1 Month	3 Month	6 Month	1 Year
		Prior	Prior	Prior	Prior
2 Year T Note	0.58	0.90	0.76	1.08	0.27
5 Year T Note	1.01	1.39	1.26	1.80	0.82
10 Year T Note	1.49	1.85	1.83	2.31	1.95
30 Year TBond	2.30	2.65	2.65	3.04	3.12
Prime Rate	3.50	NA	3.50	3.50	3.25
3 Month LIBOR	0.65	NA	0.63	0.61	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

❖ Indiana-based Horizon Bancorp Completes Acquisition of Kosciusko Financial

June 1, 2016 – Michigan City, IN-based Horizon Bancorp, the parent of Horizon Bank NA, completed the acquisition of Mentone, IN-based Kosciusko Financial Inc. and its unit Farmers State Bank. Pursuant to the merger agreement, Kosciusko Financial and Farmers State Bank were merged into Horizon Bancorp and Horizon Bank, respectively. As of March 31, Farmers State Bank had total assets of about \$147.1 million, while Horizon Bank had total assets of \$2.62 billion. As part of the transaction, Horizon Bank added five branches to its network, expanding to a total of 50 locations throughout northern and central Indiana and southern Michigan.

❖ In Illinois, Hometown Community Bancorp Completes Acquisition of Trivoli Bancorp

June 7, 2016 – Morton, IL-based Hometown Community Bancorp Inc. (\$3.09 billion), the parent of Morton Community Bank, completed the acquisition of Trivoli, IL-based Trivoli Bancorp Inc., also known as Heritage Bank of Central Illinois. The six branches of Heritage Bank of Central Illinois (\$252.7 million) officially opened as divisions of Morton Community Bank during the first week of June.

❖ Following Acquisition by Investor Group, Landmark Community Bank NA Selling to Minnesota Bank

June 8, 2016 – Wayzata, MN-based Flagship Bank Minnesota (\$101.3 million) is acquiring Landmark Community Bank NA (\$82.4 million). The transaction comes about a year after Landmark Bank was acquired by Landmark Investor Group Inc. Terms of the transaction were not disclosed. The transaction is set to close during the fourth quarter. The combined company is estimated to have \$185 million in assets with five locations.

❖ Chicago-based Bank Buying Ridgestone Financial Services in Wisconsin

June 8, 2016 – Chicago-based Byline Bancorp Inc. is purchasing Brookfield, WI-based Ridgestone Financial Services Inc. for approximately \$105 million. Ridgestone shareholders can choose to receive cash or Byline common shares in the transaction; 65% of the aggregate merger consideration must be paid in shares and 35% will be paid in cash. Byline Bancorp is the holding company for Byline Bank, which had \$2.56 billion in assets at March 31. Ridgestone Financial is the parent of Ridgestone Bank, which had \$433.2 million in assets. The combined bank will have \$3.0 billion in assets, \$1.8 billion in loans and \$2.6 billion in deposits. The pro forma bank will have 69 branches, mostly across the Chicago area including one in Brookfield.

❖ Michigan-based Commercial National Financial to Acquire Capital Directions

June 16, 2016 – Ithaca, MN-based Commercial National Financial Corp. is buying Mason, MN-based Capital Directions Inc. in a cash-and-stock transaction. The transaction is valued at about \$14.0 million, or \$36.07 per share, based on a Commercial National Financial stock price of \$9.75 per share. Capital Directions' shareholders will have the option of receiving cash or Commercial National Financial common stock, subject to 50% of the Capital Directions common shares being exchanged for cash. The purchase price equates to 150.9% of book value, on an aggregate basis and 16.53% of deposits and 12.22% of assets. It has one-day and one-month discounts of 24.14% each, based on Capital Directions' closing price of \$47.55 on both June 15 and May 16.

❖ Monticello Bankshares, Banco Harlan Strike Cash-and-Stock Transaction

June 23, 2016 – Monticello, KY-based Monticello Bankshares Inc. is acquiring Harlan, KY-based Banco Harlan Inc. in a cash-and-stock transaction. Banco Harlan shareholders will get roughly \$8.6 million in cash and 284,002 shares of Monticello Bankshares. Monticello Bankshares is the parent of Monticello Banking Co., which had about \$568 million in assets and \$506 million in deposits as of March 31. The bank has 13 offices throughout the Kentucky counties of Barren, Casey, Clinton, Pulaski, Russell, Warren and Wayne. Banco Harlan unit Bank of Harlan, which had approximately \$140 million in assets and \$122 million in deposits at March 31, operates three offices in Harlan County.

❖ Bank M&A Deal Tracker

June 24, 2016 – Bank M&A activity and pricing have declined through mid-June compared to year-ago levels. As of June 15, there have been 113 transaction announcements during 2016 in the banking sector, with an aggregate disclosed transaction value of \$8.36 billion and a median price-to-tangible book ratio of 129.25%.



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❖ American National Bank's Division to Buy Minneapolis-based Stonebridge Bank

June 28, 2016 – American National Bank division Western Bank is buying Minneapolis-based Stonebridge Bank (\$209.0 million) for an undisclosed amount. Slated for completion in September, the transaction is expected to result in a combined bank with seven branches and assets of more than \$700 million.

❖ First Midwest Bancorp Buying Illinois-based Standard Bancshares for \$365M

June 28, 2016 – In Illinois, Itasca-based First Midwest Bancorp Inc. (\$10.73 billion), the parent of First Midwest Bank, agreed to acquire Hickory Hills-based Standard Bancshares Inc. (\$2.45 billion) in an all-stock transaction. The merger agreement provides for a fixed exchange ratio of 0.4350 of a share of First Midwest common stock for each share of Standard Bancshares common stock. The transaction, slated to close later this year or early in 2017, would push Itasca, IL-based First Midwest deeper into the south Chicago metro and further into northwest Indiana, suburban areas within which the buyer has been working to expand.

Based on First Midwest's June 28 closing price of \$16.11 per share, the transaction is valued at about \$365 million. The purchase price equates to 145.0% of book, 145.3% of tangible book and is 18.4x earnings, on an aggregate basis. The purchase price is also 16.89% of deposits and 14.87% of assets and the tangible book premium-to-core deposits ratio is 6.01%. The purchase price equates to 145.3% of tangible book. First Midwest estimated tangible book value per share dilution of 5.1%, and, using the "crossover" method, it estimated the earnback period would be 3.75 years.

❖ CIBC Acquires PrivateBancorp in \$3.8B Transaction

June 29, 2016 – Canadian Imperial Bank of Commerce (\$381.72 billion, all numbers listed in U.S. dollars) will buy Chicago-based PrivateBancorp Inc. (\$17.67 billion) and subsidiary PrivateBank and Trust Co. for about \$3.8 billion. The value is based on CIBC's June 28 closing price on the NYSE of \$77.11. Under the transaction's terms, each PrivateBancorp share will be exchanged for US\$18.80 in cash and 0.3657 of a CIBC share, totaling US\$1.5 billion in cash and 29.5 million issued CIBC shares in a 60% stock-and-40% cash transaction.

The purchase price equates to 210.9% of book, 223.1% of tangible book and 19.4x last-12-months earnings, on a per-share basis. The purchase price also equates to 26.30% of deposits and 21.53% of assets. The tangible book premium-to-core deposits ratio is 16.93%. The one-day premium on the transaction is 30.81%, based on PrivateBancorp's closing price of \$35.93 on June 28. The one-month premium is 5.97%, based on the target's closing price of \$44.35 on May 31.

Select Industry News

❖ Banks Continue to Deal with HELOC 'Hangover' in Q1 2016

June 3, 2016 – Home equity loans and lines of credit at large banks declined again during the first quarter of 2016, as both borrowers and lenders continue to rethink the post-crisis HELOC product. The first three months of 2016 marked the 29th consecutive quarter of declines in home equity loans and lines of credit in the banking industry.

The aggregate balance among U.S. banks and thrifts dropped 1.81% to \$523.68 billion as of March 31. The four largest U.S. banks and many superregional banks top the list again of institutions with the largest declines in the first quarter of 2016 because of the large portfolios of HELOCs that they accumulated when the product was a key part of their consumer lending business.

❖ C&I Delinquencies Jump 50% in Q1 2016

June 3, 2016 – Aggregate commercial and industrial loans increased for the 23rd quarter in a row at U.S. banks and thrifts, hitting \$1.913 trillion at the end of March, a 3.86% increase quarter over quarter. The delinquency ratio on C&I loans increased for the fifth quarter in a row, this time jumping 48 basis points to 1.51% as of March 31, a four-year high. C&I delinquencies were still far below the 4.51% mark reached in the third quarter of 2009. Delinquent C&I loans rose to \$28.83 billion at March 31, from \$18.96 billion a quarter ago and \$13.58 billion a year earlier.



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❖ Credit Unions Outpacing Banks in Loan, Deposit Growth

June 7, 2016 – U.S. credit unions continue to grow loans and take in deposits at a stronger pace than their banking counterparts. Credit unions grew total loans to \$809.05 billion at March 31. That marked a 1.58% increase from the linked quarter and a 10.75% rise year-over-year. The growth was mainly driven by vehicle loans and closed-end first-lien one- to four-family loans, which saw increases of \$33.63 billion and \$31.23 billion over the year, respectively. At the same time, aggregate loans rose 1.13% quarter over quarter and 6.90% year over year among U.S. banks and thrifts to a total of \$8.939 trillion at March 31. Loan growth was spread across many sectors, including \$215.05 billion in real estate, \$164.32 billion in C&I and \$90.31 billion in consumer.

❖ Banks Continue to Pile on Multifamily Loans in Q1 2016

June 9, 2016 – U.S. banks and thrifts added \$8 billion in multifamily loans in the first quarter of 2016, marking the 20th consecutive quarterly increase. Total multifamily loans hit \$352.06 billion at March 31, a 15.32% increase from the year-ago period. Meanwhile, delinquencies keep dropping; only 0.38% of multifamily loans were past due or in nonaccrual status at the end of March, down from 0.59% in the year-ago quarter.

❖ Undercapitalized Banks Increase for the 1st Time since 2013

June 15, 2016 – The number of undercapitalized banking institutions ticked up in the first quarter of 2016, reversing a two-year trend. Seventeen banks and thrifts reported common equity Tier 1 ratios below 4.50% as of March 31, 2016, up from 16 in the previous quarter but down from 22 a year earlier. Three banks joined the undercapitalized ranks in the first quarter: Loris, South Carolina-based Horry County State Bank, Cottonwood Heights, Utah-based Proficio Bank and Chicago-based Illinois-Service Federal Savings and Loan Association.

❖ CRE Concentration at Banks Continues Upward Trend in Q1 2016

June 15, 2016 – The number of banks concentrated in commercial real estate loans increased in the first quarter, as uncertainty around regulatory scrutiny heightens. The number of institutions exceeding recommended thresholds of certain riskier loan types as a percent of risk-based capital rose to 501 as of March 31, 2016, compared to 488 as of December 31, 2015, and 420 as of March 31, 2015. The total 30-day delinquency rate for the loans that make up CRE has fallen in recent quarters. The delinquency rate fell to 0.38% of total CRE loans at the end of the first quarter of 2016, compared to 0.41% at the end of the fourth quarter of 2015.

❖ U.S. Banks Continue to Consolidate Branches in May

June 21, 2016 – U.S. banks and thrifts continue to cut branches in May, closing 57 more branches than they opened. A total of 121 branches were closed during the month, with 64 openings.

❖ C&I Troubled Debt Restructured Loans Rise Again in Q1 2016

June 22, 2016 – Total troubled debt restructured loans (TDRs) have been falling for the past 13 quarters at U.S. banks and thrifts, but commercial and industrial TDRs have been bucking that trend. As of March 31, total TDRs were down \$48.04 billion, or 29.17%, from the \$164.72 billion grand total reported at March 31, 2014. C&I TDRs have increased by 69.18% over the last year, reaching \$10.38 billion at the end of the 2016 first quarter. As a result, C&I TDRs now account for 8.90% of all TDRs, compared to 4.18% in the first quarter of 2014.

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