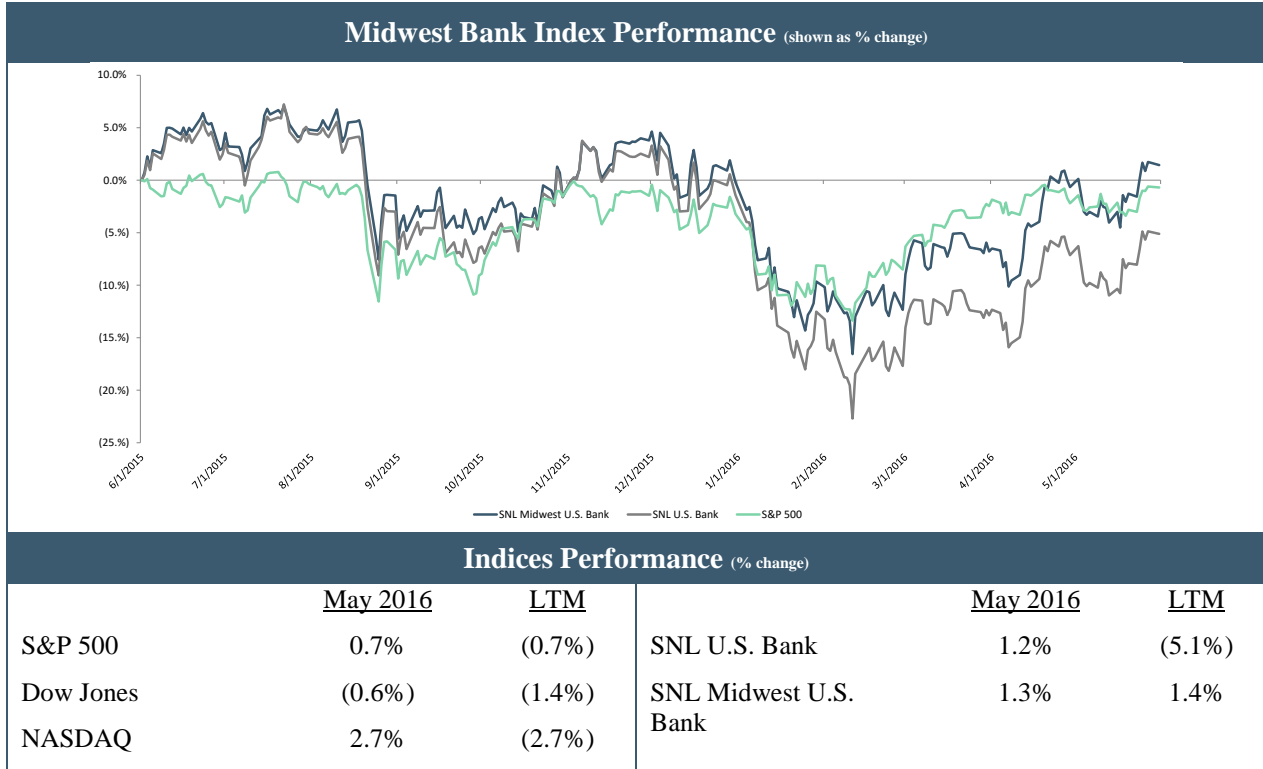


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Note: U.S. Bank index includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ). Midwest region includes banks which trade on all Major Exchanges (NYSE, NYSE Amex, NASDAQ) headquartered in IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH,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

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

Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
Bancorp, Inc. (TBBK)	\$6.75	19.0%	Center Bancorp (CNOB)	\$15.84	(8.0%)
Texas Capital Bancshares (TCBI)	\$51.24	11.8%	National Bankshares (NKSH)	\$33.35	(7.3%)
ViewPoint Financial (LTXB)	\$26.92	9.2%	Bank of the Ozarks (OZRK)	\$38.91	(5.8%)
First Busey Corporation (BUSE)	\$22.19	8.6%	BankUnited (BKU)	\$33.10	(4.1%)
S.Y. Bancorp (SYBT)	\$29.03	7.7%	Enterprise Bancorp (EBTC)	\$23.27	(3.6%)

Note: Price per share as of May 31, 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 5/31/2016)

### 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	257,507.9	1,849,182,000	1.48	2.90	59.91	14.91	9.26	146.7	178.7
JPMorgan Chase & Co.	JPM	NY	238,670.1	2,423,808,000	0.63	2.28	60.31	15.10	8.63	106.5	135.7
Bank of America Corporation	BAC	NC	151,921.6	2,185,498,000	0.87	2.04	75.35	13.45	8.71	64.0	92.0
Citigroup Inc.	C	NY	136,679.6	1,800,967,000	0.79	2.96	61.00	16.66	10.32	65.2	74.0
U.S. Bancorp	USB	MN	73,924.6	428,638,000	1.03	3.05	53.71	13.12	9.34	179.8	238.7
Bank of New York Mellon Corporation	BK	NY	45,302.1	372,870,000	0.10	1.00	69.26	12.26	5.93	126.2	312.0
PNC Financial Services Group, Inc.	PNC	PA	44,809.3	360,985,000	1.04	2.76	61.60	14.42	10.18	107.4	139.0
BB&T Corporation	BBT	NC	28,455.1	212,405,000	0.73	3.42	58.37	14.60	10.08	113.2	178.6
State Street Corporation	STT	MA	24,968.0	243,685,000	0.00	1.14	75.16	17.10	6.93	132.7	220.5
SunTrust Banks, Inc.	STI	GA	21,959.4	194,158,000	1.85	3.03	62.22	12.39	9.50	97.5	135.3
<b>Minimum</b>			<b>21,959</b>	<b>194,158,000</b>	<b>0.0</b>	<b>1.0</b>	<b>53.7</b>	<b>12.3</b>	<b>5.9</b>	<b>64.0</b>	<b>74.0</b>
<b>Mean</b>			<b>102,420</b>	<b>1,007,219,600</b>	<b>0.9</b>	<b>2.5</b>	<b>63.7</b>	<b>14.4</b>	<b>8.9</b>	<b>113.9</b>	<b>170.5</b>
<b>Median</b>			<b>59,613</b>	<b>400,754,000</b>	<b>0.8</b>	<b>2.8</b>	<b>61.3</b>	<b>14.5</b>	<b>9.3</b>	<b>110.3</b>	<b>158.8</b>
<b>Maximum</b>			<b>257,508</b>	<b>2,423,808,000</b>	<b>1.9</b>	<b>3.4</b>	<b>75.3</b>	<b>17.1</b>	<b>10.3</b>	<b>179.8</b>	<b>312.0</b>

### 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	16,906.9	117,798,800	0.18	1.20	69.13	12.84	7.41	200.2	214.7
Fifth Third Bancorp	FTIB	OH	14,486.8	142,430,000	1.53	2.89	64.00	14.66	9.57	97.0	115.7
KeyCorp	KEY	OH	10,799.2	98,402,000	0.84	2.88	65.96	13.12	10.73	100.2	111.3
Huntington Bancshares Incorporated	HBAN	OH	8,348.2	72,644,967	1.90	3.09	64.21	13.17	9.29	130.4	147.2
Commerce Bancshares, Inc.	CBSH	MO	4,724.1	24,506,952	0.34	2.94	61.69	13.27	9.11	206.0	219.7
FirstMerit Corporation	FMER	OH	3,776.0	26,062,649	0.81	3.30	62.14	13.83	8.62	129.7	179.2
PrivateBancorp, Inc.	PVTB	IL	3,520.7	17,667,372	0.58	3.34	51.43	12.56	10.50	199.0	210.5
Associated Banc-Corp	ASB	WI	2,806.0	28,178,867	1.38	2.80	66.71	12.35	7.55	98.6	150.7
MB Financial, Inc.	MBFI	IL	2,663.3	15,575,653	0.96	3.77	62.99	12.65	10.38	132.7	215.0
Wintrust Financial Corporation	WTFC	IL	2,586.8	23,488,168	0.65	3.30	64.21	12.10	8.70	119.3	155.8
First National of Nebraska, Inc.	FINN	NE	2,068.5	18,509,333	NA	5.82	62.40	13.50	10.83	106.1	116.0
First Midwest Bancorp, Inc.	FMBI	IL	1,520.8	10,728,922	0.59	3.64	64.31	10.64	9.56	124.1	177.9
<b>Minimum</b>			<b>1,521</b>	<b>10,728,922</b>	<b>0.2</b>	<b>1.2</b>	<b>51.4</b>	<b>10.6</b>	<b>7.4</b>	<b>97.0</b>	<b>111.3</b>
<b>Mean</b>			<b>6,184</b>	<b>49,666,140</b>	<b>0.9</b>	<b>3.2</b>	<b>63.3</b>	<b>12.9</b>	<b>9.4</b>	<b>136.9</b>	<b>167.8</b>
<b>Median</b>			<b>3,648</b>	<b>25,284,801</b>	<b>0.8</b>	<b>3.2</b>	<b>64.1</b>	<b>13.0</b>	<b>9.4</b>	<b>126.9</b>	<b>166.8</b>
<b>Maximum</b>			<b>16,907</b>	<b>142,430,000</b>	<b>1.9</b>	<b>5.8</b>	<b>69.1</b>	<b>14.7</b>	<b>10.8</b>	<b>206.0</b>	<b>219.7</b>

### 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	296.6	2,627,918	0.72	3.34	68.29	13.57	9.32	113.2	144.6
First Mid-Illinois Bancshares, Inc.	FMBH	IL	251.4	2,119,644	0.22	3.36	64.13	14.19	9.35	117.3	160.3
First Business Financial Services, Inc.	FBIZ	WI	215.2	1,790,132	1.18	3.59	63.00	11.24	8.44	138.6	149.1
West Suburban Bancorp, Inc.	WNRP	IL	178.4	2,172,276	3.51	2.99	84.07	15.22	9.33	88.3	88.7
First Community Financial Partners, Inc.	FCFP	IL	153.4	1,060,862	0.90	3.36	65.14	14.99	9.72	143.6	143.6
STAR Financial Group, Inc.	SFIGA	IN	148.3	1,864,984	0.73	3.32	76.68	13.75	10.47	77.5	79.9
Marquette National Corporation	MNAT	IL	103.3	1,576,487	2.22	3.59	92.11	14.23	7.04	77.2	104.9
<b>Minimum</b>			<b>103</b>	<b>1,060,862</b>	<b>0.2</b>	<b>3.0</b>	<b>63.0</b>	<b>11.2</b>	<b>7.0</b>	<b>77.2</b>	<b>79.9</b>
<b>Mean</b>			<b>192</b>	<b>1,887,472</b>	<b>1.4</b>	<b>3.4</b>	<b>73.3</b>	<b>13.9</b>	<b>9.1</b>	<b>108.0</b>	<b>124.4</b>
<b>Median</b>			<b>178</b>	<b>1,864,984</b>	<b>0.9</b>	<b>3.4</b>	<b>68.3</b>	<b>14.2</b>	<b>9.3</b>	<b>113.2</b>	<b>143.6</b>
<b>Maximum</b>			<b>297</b>	<b>2,627,918</b>	<b>3.5</b>	<b>3.6</b>	<b>92.1</b>	<b>15.2</b>	<b>10.5</b>	<b>143.6</b>	<b>160.3</b>



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## Valuation Summary (as of 5/31/2016)

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	162.1	216.4	Mid-Atlantic	100.8	140.2
\$1B-\$5B	139.0	159.3	Midwest	157.5	196.7
\$500M-\$1B	110.2	116.5	New England	115.6	181.4
\$250M-\$500M	145.2	146.2	Southeast	91.5	128.1
< \$250M	NA	NA	Southwest	124.8	157.9
			Western	151.1	183.8

## Interest Rate Scorecard

Financial Yields	May 31, 2016	1 Month	3 Month	6 Month	1 Year
		Prior	Prior	Prior	Prior
2 Year T Note	0.87	0.77	0.78	0.94	0.27
5 Year T Note	1.37	1.28	1.22	1.65	0.82
10 Year T Note	1.84	1.83	1.74	2.21	1.95
30 Year TBond	2.64	2.66	2.61	2.98	3.12
Prime Rate	3.50	3.50	3.50	3.25	3.25
3 Month LIBOR	0.69	0.64	0.63	0.42	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

### ❖ Nicolet-Baylake Merger Closes

May 2, 2016 – Nicolet Bankshares Inc. and Baylake Corp. completed their merger and saw Green Bay, WI-based Nicolet Bankshares, as the surviving institution, and Baylake Bank (\$1.06 billion) merge into Nicolet National Bank (\$1.23 billion). Nicolet also took over Baylake's obligations related to \$16.6 million of floating-rate junior subordinated notes due 2036.

### ❖ Royal Financial Closes Park Bancorp Transaction

May 2, 2016 – Chicago-based Royal Financial Inc. completed its acquisition of Park Bancorp Inc., also based in Chicago. The merger of federally chartered Park Federal Savings Bank into state-chartered Royal Savings Bank was also completed the same day. Royal Financial projects that the transaction will increase Royal Savings Bank to \$312 million in total assets, \$204 million in loans outstanding and \$269 million in deposits. Royal Savings Bank had total assets of about \$204.8 million as of March 31, while Park Federal had total assets of about \$140.3 million.

In conjunction with completing the acquisition, Royal Savings Bank also closed the sale of \$25.8 million of Park Federal's distressed assets, including other real estate owned, to a New York-based asset management firm which Royal Financial selected in a controlled auction of the assets. Upon the completion of all planned integration actions, Royal Savings Bank will have seven banking centers, with five branches located in Chicago. In addition, Royal Savings Bank continues with two business production offices.

### ❖ WesBanco, Your Community Bankshares Strike \$221 Million Cash-and-Stock Transaction

May 3, 2016 – Wheeling, WV-based WesBanco Inc. struck a transaction that will bring the \$8.57 billion bank to the brink of \$10 billion in assets. WesBanco plans to purchase New Albany, IN-based Your Community Bankshares Inc. in a cash-and-stock transaction valued at about \$39.05 per share, or \$221.0 million. The value is based on WesBanco's closing price of \$32.52 on May 2. The transaction values Your Community at a price-to-March 31 tangible book value per share of 173%, a price-to-last-12-months earnings per share of 14.5x and a price-to-mean analyst estimated 2016 earnings per share of 13.7x. The purchase price also equates to 17.85% of deposits and 14.25% of assets. In addition, the one-day premium is 15.94% based on Your Community's May 2 closing price of \$33.68 and the one-month premium is 22.03%, based on Your Community's April 4 closing price of \$32.00.

### ❖ QCR Holdings to Buy Iowa-based Community State Bank, Raises \$30 Million in Common Stock Sale

May 23, 2016 – Moline, IL-based QCR Holdings Inc. (\$2.64 billion) is buying Ankeny, IA-based Community State Bank (\$595.4 million) from Van Diest Investment Co. Under the agreement, QCR Holdings will pay \$80 million in cash for 100% of the outstanding common stock of Community State Bank. Transaction charges are estimated at \$2.1 million. On an aggregate basis, the purchase price equates to 123.9% of book, 133.6% of tangible book and 14.4x earnings. The purchase price also equates to 16.57% of deposits and 13.44% of assets. The transaction carries a tangible book premium-to-core deposits ratio of 4.36%.

To help finance the acquisition, QCR Holdings sold 1,215,000 common shares at a price of \$24.75 per share, for gross proceeds of about \$30 million. The shares were offered to institutional investors in a May 20 direct offering without an underwriter or placement agent. The offering closed May 23.

### ❖ Iroquois Farmers State Bank to Acquire Sumner National Bank of Sheldon

May 23, 2016 – In Illinois, Iroquois-based Iroquois Farmers State Bank (\$85.6 million) agreed to acquire Sheldon-based Sumner National Bank of Sheldon (\$18.4 million). Terms of the transaction were not disclosed. The acquisition is expected to close in the fall. Sumner National Bank of Sheldon has branches in Sheldon and Watseka, IL. Iroquois Farmers State Bank, a subsidiary of S & H Holdings Inc., has four Illinois branches. S & H Holdings Inc. will expand in Iroquois County, IL, by two branches.

### ❖ Bank M&A Deal Tracker

May 23, 2016 – As of May 15, there have been 95 transaction announcements during 2016 in the banking sector, with an aggregate disclosed transaction value of \$7.89 billion and a median price-to-tangible book ratio of 130.20%.



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## Select Industry News

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### ❖ Small Bank NIMs Reflect Reality of Low Rate Environment

May 8, 2016 – For most community banks, the first quarter of 2016 proved to be another tough one for margins. The analysis was based on banks with less than \$10 billion in assets that had reported earnings for the quarter ended March 31. Among banks with less than \$1 billion in assets the median net interest margin was 3.56%, up 1 basis point from a year earlier. For banks with \$1 billion to \$5 billion in assets, the median NIM was 3.52%, down 4 basis points year over year. The largest banks in the analysis, with between \$5 billion and \$10 billion in assets, reported median NIM of 3.59% and 1 basis point of margin compression compared to last year.

### ❖ Failed Banks, Class of 2016

May 10, 2016 – The Pennsylvania Department of Banking and Securities shuttered King of Prussia, PA-based First CornerStone Bank and appointed the FDIC as receiver. This was the second failure in two weeks, but only the third of 2016.

### ❖ For Big Banks, Modest Loan Growth Amid Choppy Q1 Environment

May 11, 2016 – The largest banks in the U.S. collectively eked out loan growth during the first quarter, with strength in commercial and industrial lending helping to offset the effects of seasonal weakness in other areas, broader economic sluggishness and energy sector doldrums.

Sequential first-quarter median loan growth for the top 10 commercial banks in the country was 0.43%, below the 1.25% median for all commercial banks in the country. On the commercial side, agriculture lending was off substantially, more than 10% from the previous quarter at the median, amid a drawn-out downturn in crop prices that has crimped loan demand from that sector.

### ❖ U.S. Banks Continue to Scale Back Branches

May 12, 2016 – U.S. banks and thrifts continued to downsize their branch networks in April, closing 125 branches while opening only forty-seven. The total U.S. bank and thrift branch count stood at 92,539 as of April 30. PNC Financial Services Group Inc. closed the most number of branches in April with 11 net closings. JPMorgan Chase & Co. was the only one among the nation's four biggest banks on the highest net closers list for April with three closed branches and no openings.

### ❖ To Curb Efficiency Ratios, Community Banks Continue Cost-Cutting

May 12, 2016 – With the first round of 2016 earnings releases over, community banks continue to manage their efficiency ratios with cost-saving efforts, for the quarter ended March 31 among banks with less than \$10 billion in assets. The analysis includes banks that reported earnings as of May 6.

The smallest banks in the analysis, those with less than \$1 billion in assets, reported the highest efficiency ratio on a median basis, 73.13%. Banks with between \$1 billion and \$5 billion in assets reported a median efficiency ratio of 64.75%. Among the largest community banks, those between \$5 billion and \$10 billion in assets, the median efficiency ratio was 59.89%. All three groups saw median efficiency ratios decline year over year.

### ❖ Banking Profits Down in Q1 as Loan Loss Provision Jumps

May 16, 2016 – Banking industry profits fell in the first quarter of 2016, as an increase in loans was not enough to offset a drop in noninterest income and a spike in the loan loss provision. Aggregate net income at U.S. banks and thrifts declined to \$39.04 billion, a 4.1% drop from \$40.72 billion in the fourth quarter of 2015 and a 1.9% decrease from the first quarter of 2015.

The decline in first-quarter profits was partly driven by the largest three banks by assets, JPMorgan Chase Bank NA, Wells Fargo Bank NA, and Bank of America NA, which all reported quarter-over-quarter and year-over-year declines in net income due to energy loan concerns and the effects of the first-quarter market volatility on investment banking revenue. Excluding these three companies, the industry's net income would have grown between the first quarter of 2015 and first quarter of 2016, though first-quarter net income still would have fallen compared to the fourth quarter of 2015.





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## ❖ Delinquent Loans Rise for 3<sup>rd</sup> Consecutive Quarter at US Banks and Thrifts

May 17, 2016 – Adjusted delinquent loans at U.S. banks and thrifts grew by 1.54% quarter over quarter to a total of \$146.85 billion as of March 31, 2016. The \$7.85 billion sequential increase in adjusted nonaccrual loans pushed up the industry aggregate despite the \$5.61 billion decline in adjusted past due loans that are still accruing interest. The increase in delinquencies resonated among the 25 largest U.S. banks and thrifts as well, with 16 banks reporting an increase in adjusted nonperforming assets and 90-plus-days past due loans as a percentage of assets. Additionally, 17 banks and thrifts experienced an increase in their ratio of net charge-offs to average loans.

Across the industry, the increase in loan loss reserves was less than the increase in adjusted nonperforming assets and 90-plus-days past due loans; the ratio for the first quarter of 2016 fell by 66 basis points compared to the fourth quarter of 2015. On a positive note, net charge-offs fell by 5.34% to \$10.11 billion, compared to the fourth quarter of 2015.

## ❖ Bank Reserves Increase for 1<sup>st</sup> Time Since Q1 2010

May 19, 2016 – Industry-wide reserves for loan losses increased in the first quarter for the first time since cash buffers reached a peak in the 2010 first quarter. After the housing crisis forced banks to elevate provisioning for years, the industry was able to provide a boost to earnings by safely releasing some of the reserves. Banks in areas with exposure to energy posted some of the largest first-quarter increases to reserves. Among the 20 biggest banks by assets, Comerica Inc. reported the highest quarter-over-quarter increase in its ratio of reserves to gross loans, coming in at 1.47%, an increase of roughly 17 basis points from the 2015 fourth quarter. The bank set aside \$148 million in provisioning for credit losses in the first quarter, and the bank's total allowance for loan losses increased by \$90 million from the linked quarter to \$724 million in the first quarter.

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