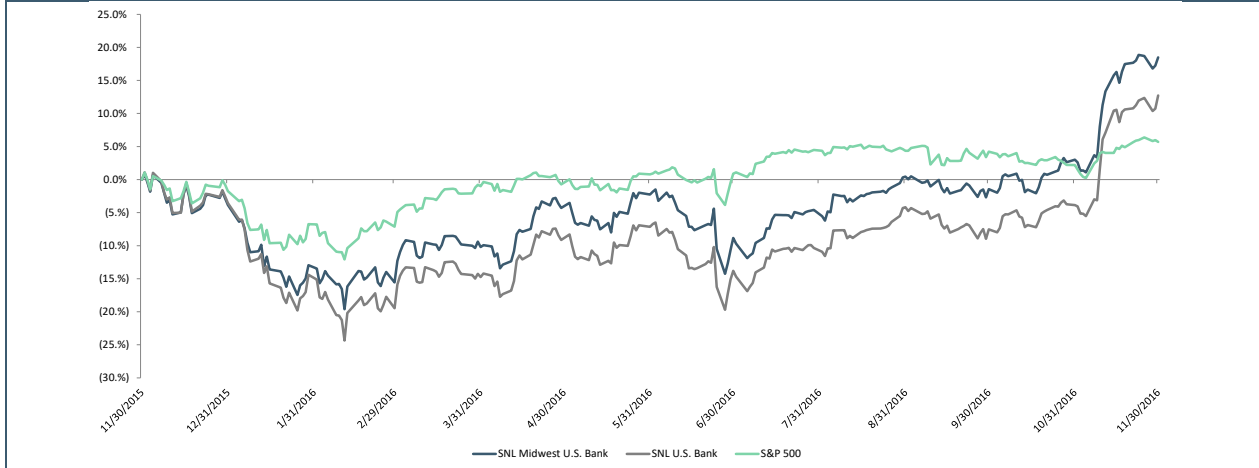


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Midwest Bank Index Performance (shown as % change)



Indices Performance (% change)

	<u>November 2016</u>	<u>LTM</u>		<u>November 2016</u>	<u>LTM</u>
S&P 500	4.1%	5.7%	SNL U.S. Bank	17.5%	12.7%
Dow Jones	6.0%	7.9%	SNL Midwest U.S. Bank	15.5%	18.5%
NASDAQ	3.3%	4.2%			

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 November)

Bank Name	Price/Share	Price Change	Bank Name	Price/Share	Price Change
Bank of the Ozarks (OZRK)	\$48.52	33.0%	None		
SVB Financial Group (SIVB)	\$158.03	31.3%			
Cass Information Systems (CASS)	\$70.00	30.9%			
TowneBank (TOWN)	\$32.25	30.8%			
Sierra Bancorp (BSRR)	\$22.85	29.5%			

Note: Price per share as of November 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 11/30/2016)

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 (%)
JPMorgan Chase & Co.	JPM	NY	286,869.4	2,521,029,000	0.59	2.25	58.91	15.14	8.50	125.7	159.3
Wells Fargo & Company	WFC	CA	265,780.3	1,942,124,000	1.30	2.83	59.33	15.40	9.11	147.8	177.8
Bank of America Corporation	BAC	NC	213,418.6	2,195,314,000	0.83	2.23	61.87	14.21	9.07	87.3	124.0
Citigroup Inc.	C	NY	160,696.3	1,818,117,000	0.71	2.96	59.12	17.27	10.25	75.7	86.3
U.S. Bancorp	USB	MN	84,337.9	454,134,000	0.95	2.99	53.66	13.30	9.22	200.2	263.2
PNC Financial Services Group, Inc.	PNC	PA	53,777.9	369,348,000	0.96	2.71	61.20	14.20	10.11	127.7	164.2
Bank of New York Mellon Corporation	BK	NY	50,138.9	374,114,000	0.05	1.06	65.80	12.64	6.58	138.7	333.5
BB&T Corporation	BBT	NC	36,716.9	222,622,000	0.68	3.40	58.10	14.03	9.81	136.0	222.8
State Street Corporation	STT	MA	30,395.9	256,140,000	0.00	1.15	70.99	17.61	6.81	160.3	271.4
SunTrust Banks, Inc.	STI	GA	25,496.9	205,091,000	1.73	2.97	63.22	12.57	9.28	111.4	153.5
Minimum			25,497	205,091,000	0.0	1.1	53.7	12.6	6.6	75.7	86.3
Mean			120,763	1,035,803,300	0.8	2.5	61.2	14.6	8.9	131.1	195.6
Median			69,058	414,124,000	0.8	2.8	60.3	14.2	9.2	131.8	171.0
Maximum			286,869	2,521,029,000	1.7	3.4	71.0	17.6	10.3	200.2	333.5

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 (%)
Fifth Third Bancorp	FTB	OH	19,661.1	143,279,000	1.24	2.90	54.89	14.88	9.80	127.3	151.0
KeyCorp	KEY	OH	18,707.1	135,805,000	0.67	2.85	66.15	12.63	10.22	135.4	170.6
Northern Trust Corporation	NTRS	IL	18,601.3	120,085,000	0.19	1.15	68.19	13.98	7.86	213.9	228.9
Huntington Bancshares Incorporated	HBAN	OH	13,516.4	100,765,412	1.25	3.19	59.18	12.56	9.89	145.1	196.4
Commerce Bancshares, Inc.	CSBS	MO	5,558.9	24,734,468	0.27	3.09	60.64	13.39	9.58	231.0	245.6
PrivateBancorp, Inc.	PVTB	IL	3,727.6	19,105,560	0.86	3.25	48.99	12.41	10.43	197.9	208.5
MB Financial, Inc.	MBFI	IL	3,616.4	19,341,882	0.59	3.70	64.17	11.65	9.29	147.8	260.6
Associated Banc-Corp	ASB	WI	3,438.2	29,152,764	1.32	2.78	61.94	12.49	7.64	117.7	177.3
Wintrust Financial Corporation	WTFC	IL	3,408.6	25,321,759	0.55	3.26	64.60	12.10	9.02	140.5	177.7
First National of Nebraska, Inc.	FINN	NE	2,127.4	18,695,571	0.98	5.95	49.26	13.72	11.08	103.8	113.0
First Midwest Bancorp, Inc.	FMBI	IL	1,974.6	11,578,197	0.64	3.61	60.18	12.25	8.90	155.6	219.1
Minimum			1,975	11,578,197	0.2	1.2	49.0	11.7	7.6	103.8	113.0
Mean			8,576	58,896,783	0.8	3.2	59.8	12.9	9.4	156.0	195.3
Median			3,728	25,321,759	0.7	3.2	60.6	12.6	9.6	145.1	196.4
Maximum			19,661	143,279,000	1.3	6.0	68.2	14.9	11.1	231.0	260.6

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	505.1	3,325,650	0.50	3.75	57.19	13.39	9.69	145.9	192.6
First Mid-Illinois Bancshares, Inc.	FMBH	IL	379.3	2,783,948	0.64	3.41	57.56	12.79	11.02	132.0	174.7
West Suburban Bancorp, Inc.	WNRP	IL	194.5	2,214,269	2.51	2.83	67.60	15.60	9.30	91.5	91.9
First Business Financial Services, Inc.	FBIZ	WI	191.1	1,772,438	1.58	3.50	65.61	11.44	8.75	119.6	128.4
First Community Financial Partners, Inc.	FCFP	IL	187.9	1,246,598	1.07	3.44	60.62	13.52	9.15	163.2	164.2
STAR Financial Group, Inc.	SFIGA	IN	149.6	1,863,111	0.94	3.45	74.01	13.20	10.38	77.1	79.5
Marquette National Corporation	MNAT	IL	115.6	1,570,769	1.54	3.52	76.01	13.86	7.15	84.8	114.5
Minimum			116	1,246,598	0.5	2.8	57.2	11.4	7.2	77.1	79.5
Mean			246	2,110,969	1.3	3.4	65.5	13.4	9.3	116.3	135.1
Median			191	1,863,111	1.1	3.5	65.6	13.4	9.3	119.6	128.4
Maximum			505	3,325,650	2.5	3.7	76.0	15.6	11.0	163.2	192.6





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Valuation Summary (as of 11/30/2016)

Asset Size Index – Nationwide			Geographic Index		
	Price/Book (%)	Price/Tangible Book (%)		Price/Book (%)	Price/Tangible Book (%)
\$5B-\$10B	198.9	261.7	Mid-Atlantic	117.9	160.9
\$1B-\$5B	168.0	193.6	Midwest	176.8	223.7
\$500M-\$1B	128.8	135.8	New England	141.8	222.4
\$250M-\$500M	153.7	162.1	Southeast	112.4	158.1
< \$250M	NA	NA	Southwest	160.0	199.1
			Western	158.7	191.7

Interest Rate Scorecard

Financial Yields	November 30, 2016	1 Month	3 Month	6 Month	1 Year
		Prior	Prior	Prior	Prior
2 Year T Note	1.11	0.86	0.80	0.90	0.27
5 Year T Note	1.83	1.33	1.18	1.39	0.82
10 Year T Note	2.37	1.86	1.57	1.85	1.95
30 Year T Bond	3.02	2.62	2.23	2.65	3.12
Prime Rate	3.50	3.50	3.50	NA	3.25
3 Month LIBOR	0.93	0.89	0.84	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

❖ Heartland Financial Doubles Down on California with Another Bank Transaction

November 1, 2016 – Heartland Financial USA Inc., an acquisitive banking company in the midst of a westward march from its home base in the Midwest, cinched its second acquisition in as many years in California, a prized market for the growing community lender. Dubuque, Iowa-based Heartland, which has more than \$8 billion in assets, will pay \$29.1 million in cash-and-stock to buy San Luis Obispo, California-based Founders Bancorp. The transaction follows Heartland's 2015 acquisition of Fresno, California-based Premier Valley Bank, which now has more than \$635 million in assets. The purchase price equates to 154.7% of tangible book value.

❖ North Shore Bank FSB Completes Acquisition of Layton Park Financial

November 1, 2016 – Brookfield, Wisconsin-based North Shore Bank FSB completed its acquisition of West Allis, Wisconsin-based Layton Park Financial Group Inc. and unit Layton State Bank. The combined institution now has \$1.8 billion in assets and 49 branches. North Shore Bank will add Layton State Bank's locations in West Allis, Greendale, New Berlin and Milwaukee, Wisconsin, to its own branch network, which now spans eastern Wisconsin and northern Illinois.

❖ Nicolet Bankshares to Acquire First Menasha Bancshares

November 4, 2016 – In Wisconsin, Green Bay-based Nicolet Bankshares Inc. agreed to acquire Neenah-based First Menasha Bancshares Inc. and unit First National Bank - Fox Valley in a cash-and-stock transaction valued at approximately \$76.6 million. The estimated transaction value is 1.65x First Menasha's tangible book value as of September 30. Nicolet estimates high single-digit EPS accretion in 2018 and an estimated tangible book earnback period of less than five years. The purchase price equates to 172.8% of book and tangible book and 20.6x last-12-months earnings, on a per-share basis. It is also 21.23% of deposits and 16.72% of assets. The combined company would have pro forma total assets of \$2.7 billion, deposits of \$2.3 billion and loans of \$1.9 billion.

❖ Credit Union Mergers Q3'16

November 16, 2016 – The National Credit Union Administration approved 149 credit union mergers in the first three quarters of 2016. The regulator cited "expanded services" as the reason behind 107 of the mergers and listed "poor financial condition" as the reason behind 21 mergers. For those 149 mergers year-to-date, the surviving credit unions' aggregate assets as of merger approval totaled \$145.86 billion, compared to an aggregate of \$3.07 billion in assets at the merging credit unions, a ratio of about 47 to 1.

❖ Wintrust Financial Closes First Community Financial Transaction

November 18, 2016 – Wintrust Financial Corp. completed its acquisition of First Community Financial Corp. At closing, First Community common outstanding shares were converted into the right to receive merger consideration in cash. The aggregate consideration was approximately \$33.5 million. Wintrust does not expect the transaction to materially affect its 2016 earnings per share. First Community Bank reported approximately \$172 million in total assets, \$81 million in total loans and \$147 million in total deposits as of September 30. Wintrust had total assets of approximately \$25.32 billion as of September 30.

❖ Illinois-based United Community to Pay \$36M for Liberty Bancshares Inc.

November 24, 2016 – United Community Bancorp Inc. is paying \$36 million, or \$20.88 per share, in cash for Alton, Illinois-based Liberty Bancshares Inc., the parent of Liberty Bank. In addition, United Community Bank Chairman Robert Narmont and President and CEO Todd Wise will join the Liberty Bank board.

❖ Bank M&A 2016 Deal Tracker

November 30, 2016 – Through November 15, there were 220 transaction announcements in the banking sector with an aggregate disclosed transaction value of \$22.45 billion and a median price-to-tangible book ratio of 132.32%. The prior-year period saw 246 transaction announcements with an aggregate disclosed transaction value of \$22.81 billion and a median price-to-tangible book ratio of 138.45%.



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Select Industry News

❖ Smaller Banks' Efficiency Ratios Reflect Cost of Compliance

November 3, 2016 – Many of the smallest banks saw their efficiency ratios rise in the third quarter, as they continue to feel the pinch of regulatory costs and low interest rates. Those with less than \$1 billion in assets had the highest efficiency ratios, with a median of 72.69%, up year over year from 70.98%. Their median net interest margin declined by 6 basis points to 3.59%. The midsize community banks, those with \$1 billion to \$5 billion in assets, saw a lower median third-quarter efficiency ratio year over year. The largest community banks, those with \$5 billion to \$10 billion in assets, had the best median third-quarter efficiency ratio among community banks, down year over year at 58.23%. However, they also saw a decline in net interest margin, with a median of 3.53%.

❖ Largest U.S. Banks Muster Mere 0.8% Median Loan Growth in Q3

November 10, 2016 – As the U.S. waded through a contentious presidential election this fall, many businesses put a pause on plans to borrow and invest in growth. The result: overall demand for credit proved generally light and banks collectively eked out only modest loan growth in the third quarter. U.S. commercial banks generated median loan growth of 1.1% during the third quarter. The 10 largest banking companies produced median lending expansion of 0.8%, led by JPMorgan Chase & Co.'s bank, which advanced lending by 1.8%. The New York-based banking giant posted solid growth on both the commercial real estate and commercial-and-industrial lending fronts, but it was an exception to the rule.

❖ Bank Margins Jump in Q3, Could Move Higher

November 22, 2016 – Commercial banks' net interest margins jumped in the third quarter and much of the Street seems hopeful that the key profitability figure will continue to move higher. Commercial banks' fully taxable-equivalent net interest margin jumped to 3.12% in the third quarter of 2016, up significantly from 3.02% in the second quarter and 3.03% a year earlier. The yield curve has steepened further since then, with the yield on the 10-year Treasury rising close to 30 more basis points. Banks could also receive another boost in a few weeks when the Federal Reserve is expected to raise short-term rates. The futures market assigned a 95.4% probability to the fed funds rate moving 25 basis points higher in December. The expected increases in short-term rates and the steepening of the yield curve should offer support for loan yields, which stabilized through the first nine months of 2016 following several years of pressure. Commercial banks' loan yield rose to 4.54%, up two basis points from 2015, but remained 20 basis points lower than what was witnessed during 2014.

❖ Delinquent Construction Loans Level Off in Q3'16

November 29, 2016 – Total construction loans at U.S. banks and thrifts have increased every quarter since hitting a low point in the first quarter of 2013, and they reached \$303.06 billion as of September 30. Meanwhile, the percentage of delinquent loans has continued to decline, hitting 1.12% of total construction loans at the end of September. Delinquent residential construction loans fell to only 0.93% of loans, down from 1.05% of total residential construction loans at the close of the second quarter. Delinquent nonresidential construction loans fell to 1.17% of total loans, down from 1.28%, over the same time period. Two large banks saw major increases in construction loans in the third quarter thanks at least partially to completed mergers. Bank of the Ozarks Inc.'s residential construction loans grew by 399.3% year over year to \$1.26 billion as of September 30, helped by its acquisitions of Community & Southern Holdings Inc. and C1 Financial Inc. and significant organic growth.

❖ C&I Loans Continue to Pile Up in Q3'16

November 30, 2016 – Commercial and industrial loans at U.S. banks and thrifts increased for the 25th consecutive quarter, hitting \$1.943 trillion as of September 30, up 0.6% from June 30 and 7.8% year over year. Delinquent C&I loans fell one basis point quarter over quarter to 1.58% of total C&I loans as of September 30. However, this was still a 66 basis-point increase compared to the year-ago quarter. C&I net charge-offs as a percentage of average C&I loans fell two basis points quarter over quarter to 0.43%, reversing a five-quarter uptrend. Nonetheless, C&I net charge-offs were still at the second-highest quarterly rate since the third quarter of 2012.

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