MB FINANCIAL INC /MD Form 8-K February 27, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

FORM 8-K

CURRENT REPORT

CURRENT REPORT 3

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 27, 2006

MB FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

0-24566-01 (Commission File No.)

36-4460265 (IRS Employer Identification No.)

800 West Madison Street, Chicago, Illinois 60607 (Address of principal executive offices) (Zip Code)

Registrant s telephone number, including area code: (888) 422-6562

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure

Forward-Looking Statements

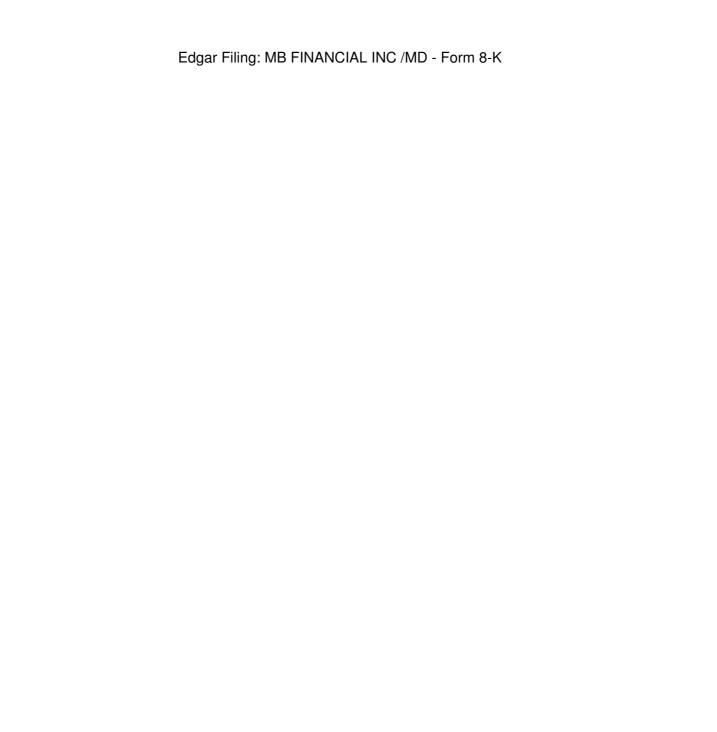
When used in this Current Report on Form 8-K and in other reports filed with or furnished to the Securities and Exchange Commission, in press releases or other public shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases believe, will likely result, are expected to, will continue, is anticipated, estimate, project, plans, or similar expressions are identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. These statements may relate to our future financial performance, strategic plans or objectives, revenues or earnings projections, or other financial items. By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Important factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: (1) expected cost savings and synergies from our merger and acquisition activities might not be realized within the expected time frames, and costs or difficulties related to integration matters might be greater than expected; (2) expenses associated with the expansion of our retail branch services and business hours as part of our enhanced deposit gathering strategy might be greater than expected, whether due to a possible need to hire more employees than anticipated or other costs incurred in excess of budgeted amounts; (3) the credit risks of lending activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; (4) competitive pressures among depository institutions; (5) interest rate movements and their impact on customer behavior and net interest margin; (6) the impact of repricing and competitors pricing initiatives on loan and deposit products; (7) the ability to adapt successfully to technological changes to meet customers needs and developments in the market place; (8) our ability to realize the residual values of our direct finance, leveraged, and operating leases; (9) our ability to access cost-effective funding; (10) changes in financial markets; (11) changes in economic conditions in general and in the Chicago metropolitan area in particular; (12) the costs, effects and outcomes of litigation; (13) new legislation or regulatory changes, including but not limited to changes in federal and/or state tax laws or interpretations thereof by taxing authorities; (14) changes in accounting principles, policies or guidelines; and (15) our future acquisitions of other depository institutions or lines of business.

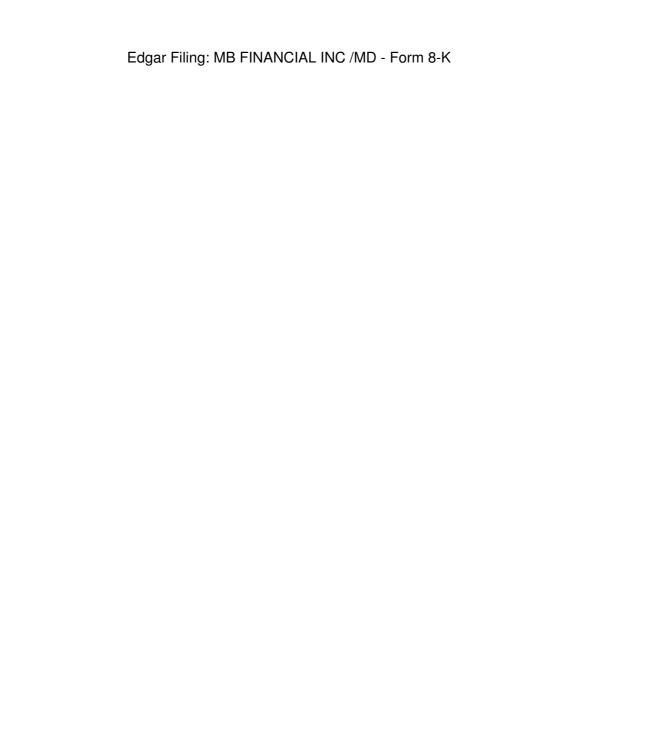
MB Financial does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

Set forth below are investor presentation materials.

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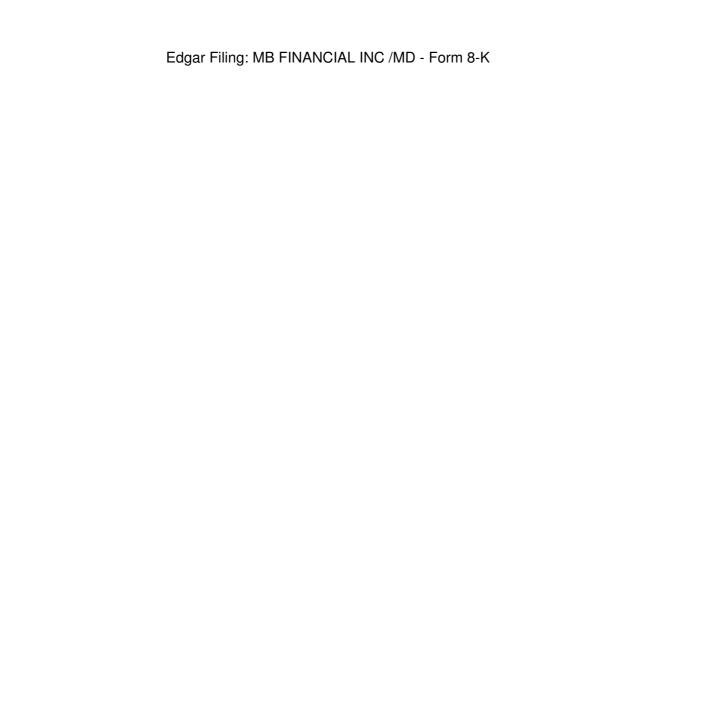


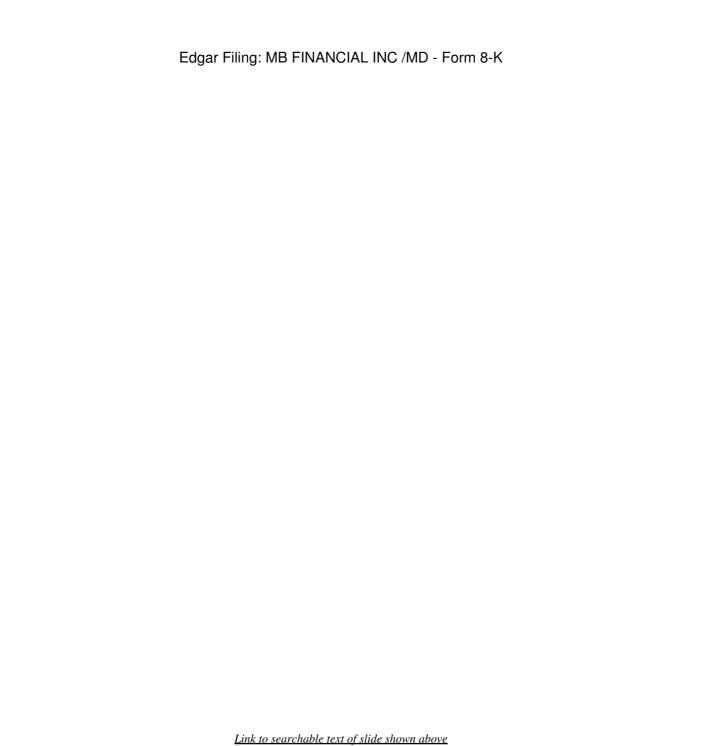




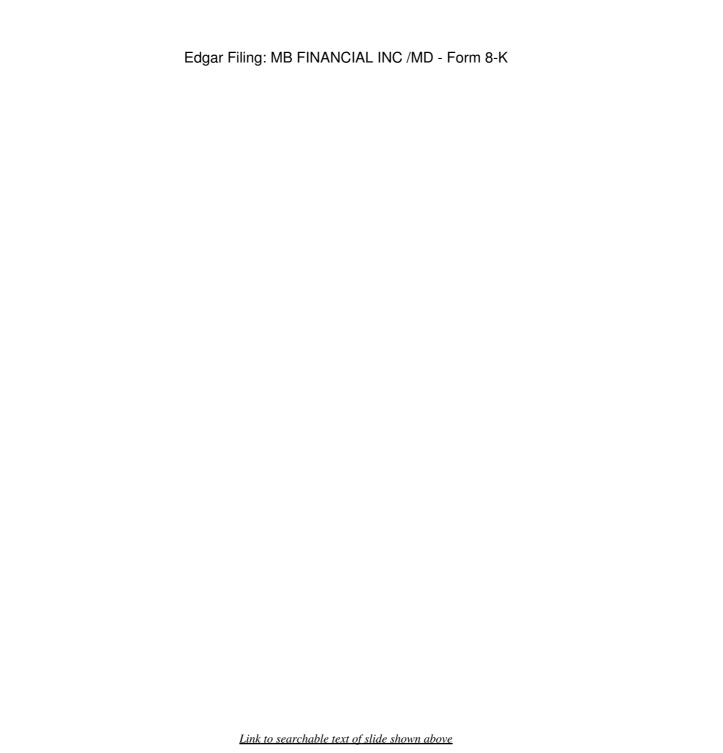


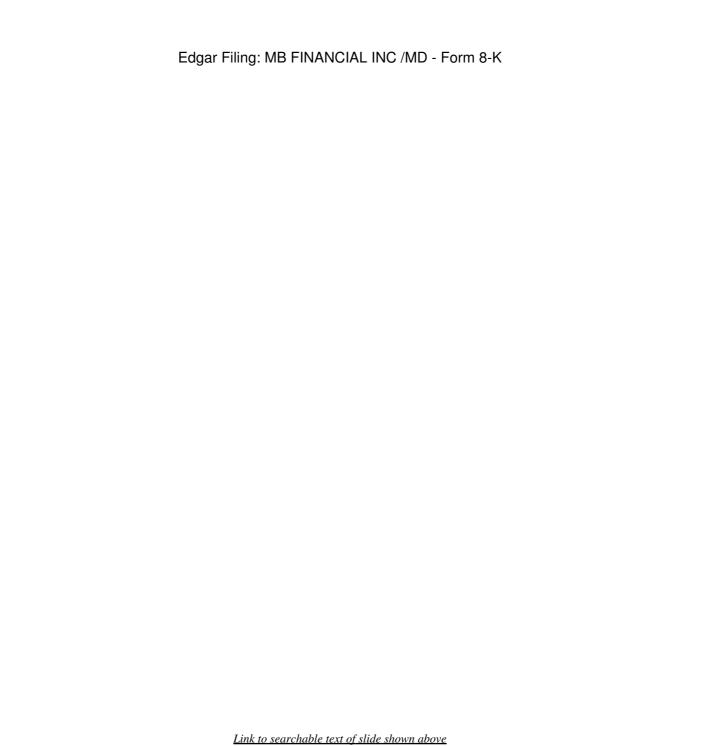


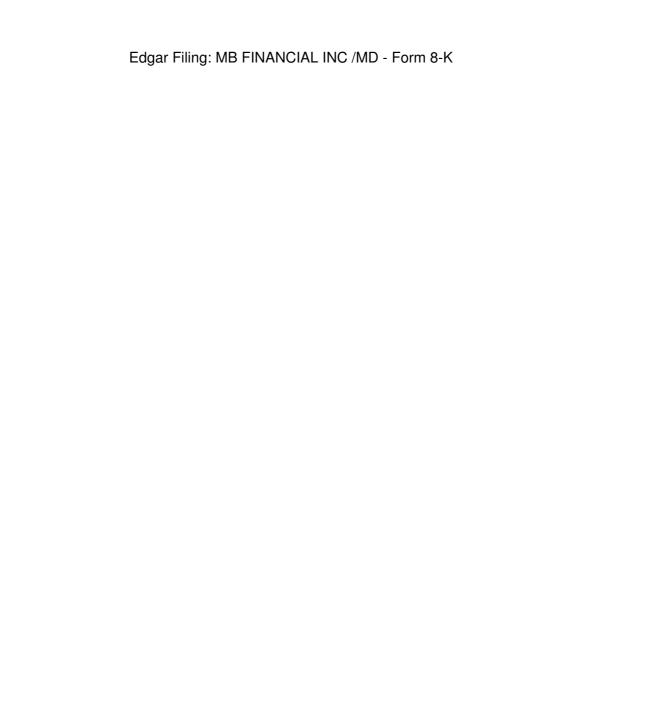


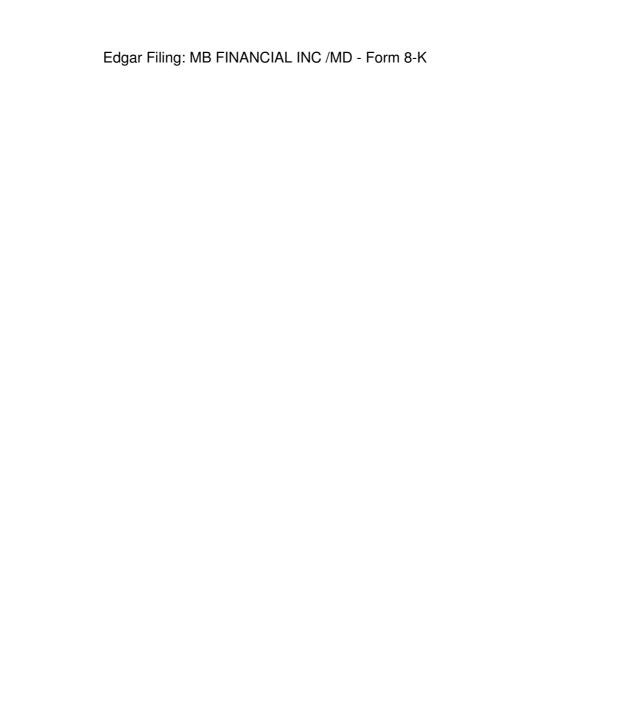




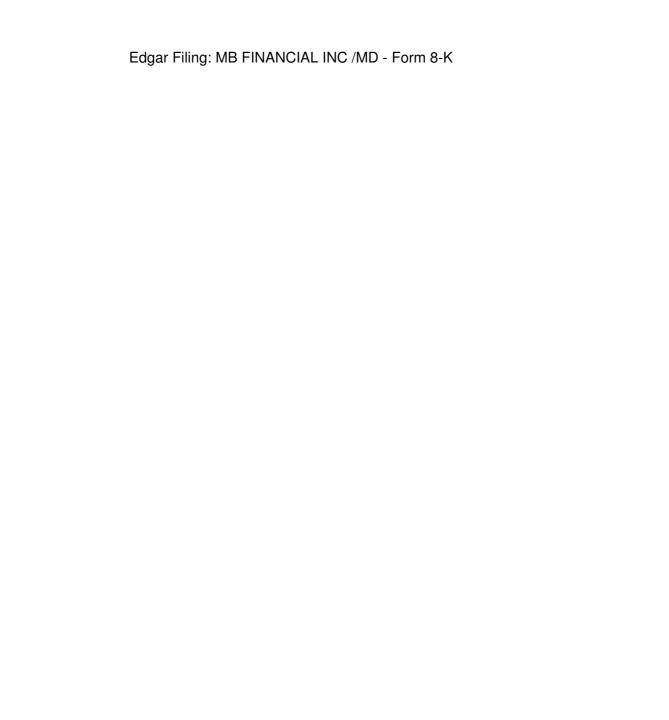




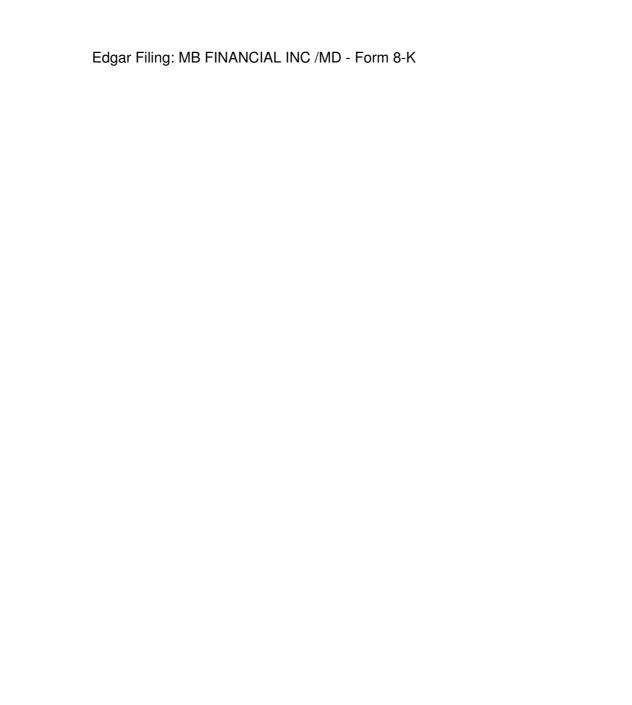






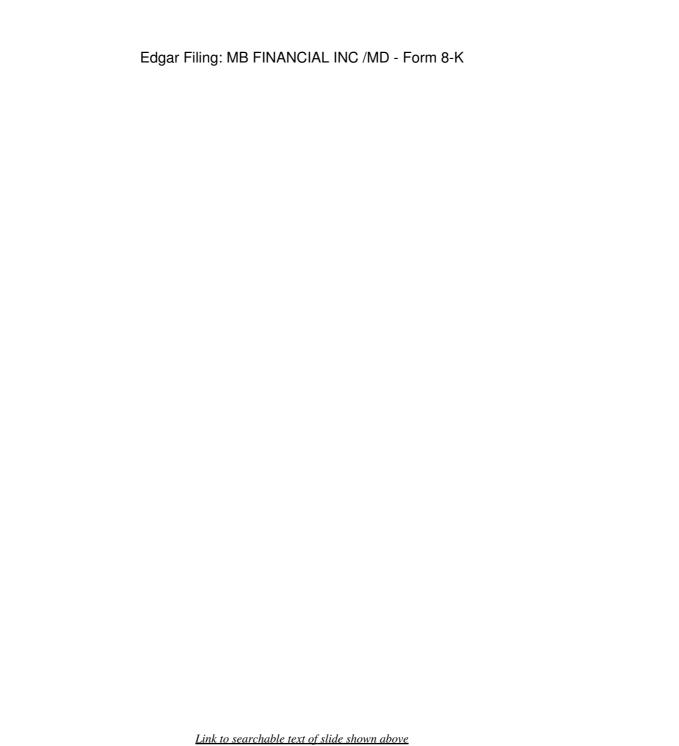


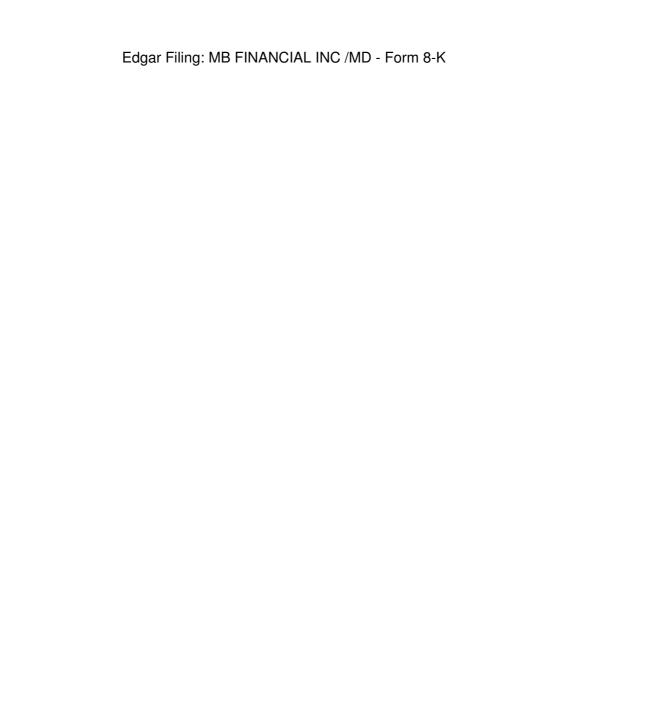












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Investor Presentation

Mitchell Feiger, President and Chief Executive Officer

Jill E. York, Vice President and Chief Financial Officer

February/March, 2006

NASDAQ: MBFI

Forward Looking Statements

When used in this presentation and in filings with the Securities and Exchange Commission, in other press releases or other public shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases believe, will likely result, are expected to, will continue, is anticipated, estimate, project, plans, or similar expressions are intended to identify forward-looking statements of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. These statements may relate to future financial performance, strategic plans or objectives, revenues or earnings projections, or other financial items. By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Important factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: (1) expected cost savings and synergies from our merger and acquisition activities might not be realized within the expected time frames, and costs or difficulties relating to integration matters might be greater than expected; (2) expenses associated with the expansion of our retail branch services and business hours as part of our enhanced deposit gathering strategy might be greater than expected, whether due to a possible need to hire more employees than anticipated or other costs incurred in excess of budgeted amounts; (3) the credit risks of lending activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; (4) competitive pressures among depository institutions; (5) interest rate movements and their impact on customer behavior and net interest margin; (6) the impact of repricing and competitors pricing initiatives on loan and deposit products; (7) the ability to adapt successfully to technological changes to meet customers needs and developments in the market place; (8) MB Financial s ability to realize the residual values of its direct finance, leveraged, and operating leases; (9) the ability to access cost-effective funding; (10) changes in financial markets; (11) changes in economic conditions in general and in the Chicago metropolitan area in particular; (12) the costs, effects and outcomes of litigation; (13) new legislation or regulatory changes, including but not limited to changes in federal and/or state tax laws or interpretations thereof by taxing authorities; (14) changes in accounting principles, policies or guidelines; and (15) future acquisitions by MB Financial of other depository institutions or lines of business.

MB Financial does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

Positioned for Superior Performance and Growth

	Unique, Attractive Chicago Presence
Tremendous business opportunity	
\$240bn deposits	
8,500 middle market businesses	
Fragmented and unconsolidated	
Top 3 control<40%	
Top 10 control<60%	
	High Growth / Strong Financial Performance
Track record of historical growth exceeds pe	ers
Earnings	
Balance Sheet	
Stable margin through interest rate cycles	
Disciplined acquisition track record	
Disciplined acquisition track record	
	Aggressive, New Retail Banking Strategy
	,
Better.	
Simpler.	
Easier.	

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Who Are We?

	Leading independent Chicago area bank(1)
	#1 with 35 branches
	#2 with \$3.5bn of deposits
	Financial profile(2):
	\$5.7bn in assets
	\$3.7bn in loans
	\$4.2bn in deposits
	\$66mm in net income
	Full offering of financial services
	Commercial banking
	Retail banking
	Wealth management
Chi	cago area data consists of Cook County. Source: SNL DataSource.
As	of or for the year ended December 31, 2005.
	Chicago Area
	[GRAPHIC]

MB Financial Snapshot

(Dollars amounts in millions, except per share data)

	2000	2005	Change
Assets	\$ 3,287 \$	5,714	+73.8%
Loans	\$ 2,019 \$	3,746	+85.5%
Deposits	\$ 2,639 \$	4,202	+59.2%
Net income	\$ 27.0 \$	66.4	+145.9%
Fully diluted EPS	\$ 1.02 \$	2.29	+124.5%
Return on equity	10.24%	13.56%	+3.32%
Cash return on tangible equity *	13.00%	18.77%	+5.77%
Net interest margin - FTE *	3.75%	3.74%	-0.01%
Efficiency ratio	64.80%	55.08%	-9.72%
Non-performing loan ratio	0.81%	0.56%	-0.25%

^{*} See Non-GAAP Disclosure Reconciliations on page 28.

Commercial Banking

Largest business unit Targeting middle-market companies with revenues ranging from \$5 to \$100mm Credit needs up to \$20mm Heavy investment in personnel over past 10 years Robust training program for recent college graduates Focused on: Middle-market business financing Treasury management Real estate investor, construction, developer financing Lease banking [GRAPHIC] 16% CAGR [CHART] 6

Divers	ified	Loan	Por	tfolia
171 7 51 5		LWAII	1 (/)	

	As of December 31, 2005	
	Loan Portfolio Composition	
	(\$3.7 bn)	
	[CHART]	
	Commercial Loans by Industry Type	
	(\$3.1 bn)	
	[CHART]	
* Includes Lease Loans.		
	7	

Credit Quality

Excellent, stable, predictable

Improving non-performing loan ratios

Loans are granular typical size is \$3 to \$6 million; approximately 90% of credits are under \$15 million

Extensive due diligence prior to acquisitions

Net Charge-offs to Average Loans

[CHART]

Allowance vs. NPL to Total Loans

[CHART]

Retail Banking
(\$ in millions)
Consumer and small business clients
Deposit and credit services
10% annual deposit growth over past five years
Cost efficient lending platform
15 and 30 year mortgages sold/securitized to manage interest rate risk/capital requirements
Aggressive, new retail banking strategy Betsimpsier!
Improve deposit mix
Improve deposit growth
Reduce funding costs
[GRAPHIC]
4%CAGR
[CHART]
[GRAPHIC]
10%CAGR

Wealth Management

Expanding business and capabilities
Private Banking
Staff are deep generalists
Asset Management and Trust
Open architecture
Objective advice
Superior returns
Vision Investment Services
Brokerage services through MB and other banks
Works closely with MB Retail Banking
Opportunities
Growth within MB s customer base
Adding additional staff/investment management depth
Continue transition from custody assets to managed assets
Balance Sheet Assets
Asset Management and Trust Assets Under Management
Brokerage Assets Under Management

Positioned for Superior Performance and Growth **Unique, Attractive Chicago Presence** Tremendous business opportunity \$240bn deposits 8,500 middle market businesses Fragmented and unconsolidated Top 3 control<40% Top 10 control<60% **High Growth / Strong Financial Performance** Track record of historical growth exceeds peers **Earnings Balance Sheet** Stable margin through interest rate cycles

Disciplined acquisition track record

Aggressive, New Retail Banking Strategy

Better.		
Simpler.		
Easier.		
Betsimpsier!		
7 days a week.		
Open early. Open late.		
[LOGO]		

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Chicago s Attractive Market Opportunity

[CHART]

								Kansas		
	Chicago	Detroit	Cleveland	Minneapolis	St. Louis	Milwaukee	Cincinnati	City	Columbus	Indianapolis
Total # banks/thrifts	265	53	42	159	132	58	83	144	57	56
Avg. deposits per										
bank/thrift (\$mm)	904	1,453	1,536	354	365	694	446	226	505	445
# banks/thrifts										
> 1% share	18	9	14	8	16	17	14	20	13	16

Source: SNL DataSource. Deposit data for Midwestern MSAs as of June 30, 2005.

Chicago Deposit Market Share

As of June 30, 2005

Rank	Institution	Branch Count	Total Deposits in Market (mm)	Market Share	%of Total Deposits
1	JPMorgan Chase & Co. (NY)	184	\$ 30,258	18.5%	7.5%
2	ABN Amro (NV) (LaSalle Bank)	94	28,479	17.4	56.7
3	BMO Financial Group (Harris)	83	15,359	9.4	63.0
4	Northern Trust Corp. (IL)	9	7,291	4.5	48.6
5	Corus Bankshares Inc. (IL)	14	5,500	3.4	100.0
6	Royal Bank of Scotland Group (Charter One)	94	4,880	3.0	4.9
7	Citigroup Inc. (NY)	40	4,490	2.7	2.2
8	Fifth Third Bancorp (OH)	45	4,262	2.6	7.0
9	Bank of America (NC)	21	4,000	2.4	0.7
10	MB Financial Inc. (IL)	35	3,533	2.2	84.6
11	MAF Bancorp Inc. (IL)	35	3,486	2.1	50.4
12	Wintrust Financial Corp. (IL)	23	2,767	1.7	41.0
13	Taylor Capital Group Inc. (IL)	12	2,334	1.4	96.3
14	FBOP Corp. (IL)	23	2,246	1.4	21.4
15	Metropolitan Bank Group Inc. (IL)	66	2,053	1.3	100.0
	Total Chicago	1,520	163,973		

Source: SNL DataSource. Chicago data consists of Cook County.

Positioned for Superior Performance and Growth

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7 days a week.	
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[LOGO]	

Consistent Financial Performance

[CHART]

ROACE	10.2%	10.9%	14.6%	14.8%	14.9%	13.6%
Cash ROATCE	13.0	13.5	17.1	18.8	20.1	18.8
Efficiency Ratio	64.8	60.7	52.8	55.7	53.4	55.1
NCOs / Avg. Loans	0.15	0.42	0.33	0.37	0.23	0.22

^{*}Excludes merger charge.

^{**}See Non-GAAP Disclosure Reconciliations on page 28.

Consistent Financial Performance

Five years of strong results

Robust core business growth

Capitalized on M&A opportunities

	2000	2001*	Do	llars in millio 2002	ons, e	except per sh 2003	are a	mounts. 2004	2005	CAGR
Assets	\$ 3,287	\$ 3,466	\$	3,760	\$	4,355	\$	5,254	\$ 5,714	12%
Loans	2,019	2,312		2,505		2,826		3,346	3,746	13
Deposits	2,639	2,822		3,020		3,432		3,962	4,202	10
Net income	27.0	12.4		46.4		53.4		64.4	66.4	20
Diluted EPS	1.02	0.46		1.75		1.96		2.25	2.29	18

^{*} Includes \$19.2 million net merger expenses.

Historical Credit Spreads
Credit spreads have been tightening Impacting net interest margins
One Year Spreads*
[CHART]
* Bloomberg Industrial Composite one year rates to twelve month Libor.
17

Since 2001, MB Financial has achieved market leading balance sheet and P&L growth

Strong Balance Sheet Growth
Gross Loans
[CHART]
Total Deposits
[CHART]
Tangible Book Value
[CHART]
[GRAPHIC]
Leveraged to Produce Superior Income Growth
Total Revenue
[CHART]
Noninterest Income

[CHART]

Diluted	EPS*
---------	------

[CHART]

Note: Analysis compares financial data as of the twelve months ended December 31, 2005 to financial data as of the twelve months ended December 31, 2001.

Growth calculated on a per share basis.

MBFI Peers: ASBC, FMBI, MAFB, PRK, SKYF, WTFC, CBCF, CBSH, ONB, TCB, FMER.

Top 50 Banks: Includes 50 largest U.S. banks by market capitalization; excludes specialty banks, Citigroup and JP Morgan.

* MBFI Diluted EPS in 2001 excludes merger charge.

... without sacrificing credit quality or profitability NIM [CHART] NCOs / Avg. Loans [CHART] Fee Income Ratio [CHART] **Efficiency Ratio** [CHART] **ROAA** [CHART] **ROACE** [CHART]

Note: Analysis compares financial data as of the twelve months ended December 31, 2005.

Efficiency ratio excludes amortization expense. Fee income ratio excludes securities gains and non-recurring items.

MBFI Peers: ASBC, FMBI, MAFB, PRK, SKYF, WTFC, CBCF, CBSH, ONB, TCB, FMER.

Top 50 Banks: Includes 50 largest U.S. banks by market capitalization; excludes specialty banks, Citigroup and JP Morgan.

M&A Highlights

1990-2000	2001	2002	2003	2004
10 Acquisitions (\$1.9bn assets)	April FSL Holdings (\$222mm assets) November MOE of MidCity and MB Financial	April Lincolnwood (\$228mm assets) August LaSalle Leasing (\$92mm assets)	Feb South Holland (\$560mm assets) May Divest Abrams Centre (\$98mm assets	May First Security Fed (\$567mm assets)

Disciplined Pricing

	P	/E		
	Stated	Adjusted*	P/B	Prem/Dep
FSL Holdings	21.7x	9.7x	1.2x	4.3%
Lincolnwood	14.4	9.7	1.6	6.9
LaSalle Leasing	10.0	6.3	1.3	N/A
South Holland	18.1	10.3	1.2	4.4
First Security Fed	16.8	9.8	1.7	18.8

[GRAPHIC]

Attractive Financial Results

		1st Year
IRR		EPS Accretion
	27%	3.5%
	27	4.5
	22	3.4
	22	3.5
	21	3.5

^{*}P/E Adjusted is computed as (price excess equity) / (pre-acquisition core earnings + after-tax cost savings in year one after tax earnings on excess equity).

Positioned for Superior Performance and Growth

	Unique, Attractive Chicago Presence
Tremendous business opportunity	
\$240bn deposits	
8,500 middle market businesses	
Fragmented and unconsolidated	
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Betsimpsier Deposit Strategy Better. Simpler. Easier. Goals Improve deposit mix Improve deposit growth Reduce funding costs Implementation activities Extended hours Simplified transaction processes Consistent customer experience More ATMs Increased marketing and advertising Better. Simpler. Easier. Betsimpsier! 7 days a week.

[LOGO]

Open early. Open late

Better. Simpler. Easier. Betsimpsier!
[LOGO]
7 Days A Week. Open Early. Open Late.
Better. Simpler. Easier.
Additional expenses to support strategy
Personnel
65 FTEs added in second half of 2005
2006 staffing has been trimmed as transaction volumes have shifted
Marketing majority of our second half 2005 marketing efforts were focused on Betsimpsier introduction
Achieved high awareness in Chicago area amongst both customers and non-customers
2006 marketing expenses will return to 2004 levels as the awareness phase has been completed
Progress to date
Initial rollout was completed in the third quarter
Current customers have responded favorably
Early results show a pick up in DDA account addition rate
23

Key Investment Considerations

Strategy		Implementation
Build Chicago market share	[GRAPHIC]	Continue to build Commercial market share Continue to execute Betsimpsier strategy Opportunistic acquisitions De novo expansion
Diversify revenue streams	[GRAPHIC]	Opportunistic acquisitions
Enhance financial performance	[GRAPHIC]	Grow core deposits and loans Maintain credit quality and cost efficiency Maintain net interest margin
18% EPS growth 17% average cash ROATCE	Results since 2000	3.81% average NIM 29bps average charge-off ratio
	24	

MBFI Share Price Performance Since MOE (11/7/01)

[CHART]

^{*}MBFI Peers: ASBC, FMBI, MAFB, PRK, SKYF, WTFC, CBCF, CBSH, ONB, TCB, FMER.

^{**}Top 50 Banks: Includes 50 largest U.S. banks by market capitalization; excludes specialty banks, Citigroup and JP Morgan.

	MB	Financial	Valuation	History	Since	MOE	(11/7/01
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Price / NTM EPS

[CHART]

PEG Ratio

[CHART]

^{*}MBFI Peers: ASBC, FMBI, MAFB, PRK, SKYF, WTFC, CBCF, CBSH, ONB, TCB, FMER.

^{**}Top 50 Banks: Includes 50 largest U.S. banks by market capitalization; excludes specialty banks, Citigroup and JP Morgan.

Non-GAAP Disclosure Reconciliations

These materials contain certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America (GAAP). Such measures include cash return on tangible equity and net interest margin on a fully tax equivalent basis.

Cash return on tangible equity is determined by dividing cash earnings by average tangible stockholders equity. The most directly comparable GAAP measure, return on equity, is determined by dividing net income by average stockholders equity. Cash earnings excludes from net income the effect of amortization expense for intangible assets other than goodwill (which is not amortized but tested for impairment annually), and average tangible stockholders equity excludes from average stockholders equity acquisition-related goodwill and other intangible assets, net of tax benefit. We believe that the presentation of cash return on tangible equity is helpful in understanding our financial results, as it provides a method to assess our success in utilizing our tangible capital.

Net interest margin on a fully tax equivalent basis is determined by dividing net interest income on a fully tax equivalent basis by average interest-earning assets. The most directly comparable GAAP measure, net interest margin, is determined by dividing net interest income by average interest-earning assets. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 35% tax rate. We believe that it is a standard practice in the banking industry to present net interest margin on a fully tax equivalent basis, and accordingly believe that providing this measure may be useful for peer comparison purposes.

The following tables reconcile cash earnings to net income, average tangible stockholders equity to average stockholders equity and net interest margin on a fully tax equivalent basis to net interest margin for the periods presented: (dollars in thousands)

Non-GAAP Disclosure Reconciliations

	2000		2001		2002		2003		2004		2005
Net income, as reported	\$ 26,961	\$	31,538	\$	46,370	\$	53,392	\$	64,429	\$	66,368
Plus: Intangible amortization, net of tax											
benefit	3,022		3,212		631		754		660		645
Cash earnings	\$ 29,983	\$	34,750	\$	47,001	\$	54,146	\$	65,089	\$	67,013
Average stockholders equity	\$ 263,311	\$	289,291	\$	317,693	\$	360,210	\$	432,992	\$	489,395
Less: Goodwill	27,634		30,439		40,773		67,391		101,314		123,879
Less: Other intangible assets, net of tax											
benefit	5,049		2,082		1,914		4,692		7,453		8,496
Average tangible stockholders equity	\$ 230,628	\$	256,770	\$	275,006	\$	288,127	\$	324,225	\$	357,020
Cash Return on Tangible Equity -											
Annualized	13.00%	6	13.539	6	17.099	6	18.79%	6	20.08%	6	18.77%
		2000	20	01	2002	2	2003		2004		2005
Net interest margin		3	.66%	3.63	5%	3.97%	6 3.	72%	3.69	9%	3.63%
Plus: Tax equivalent effect		0	.09%	0.0	8%	0.06%	6 0.0	08%	0.10)%	0.11%
Net interest margin, fully tax equivalent -											
Annualized		3	.75%	3.73	3%	4.03%	% 3.º	80%	3.79	%	3.74%

[LOGO]

Investor Presentation

Mitchell Feiger, President and Chief Executive Officer

Jill E. York, Vice President and Chief Financial Officer

February/March, 2006

NASDAQ: MBFI

SIGNATURES

SIGNATURES 80

Pursuant to the requirements of the Securities Exchange Act of 1934, MB Financial, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 27th day of February, 2006.

MB FINANCIAL, INC.

By: /s/ Jill E. York

Jill E. York

Vice President and Chief Financial Officer

(Principal Financial and Principal Accounting Officer)