

MB FINANCIAL INC /MD
Form 8-K
June 13, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **June 13, 2002**

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.)

801 West Madison Street, Chicago, Illinois
(Address of principal executive offices)

60607
(Zip Code)

Registrant's telephone number, including area code: **(773) 645-7866**

N/A

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

Item 9. Regulation FD Disclosure

Forward-Looking Statements

When used in this Current Report on Form 8-K and in other filings by MB Financial, Inc. (the "Company") with 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 intended to 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 the Company's 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 the merger with MidCity Financial Corporation might not be realized within the expected time frame; (2) the credit risks of lending activities, including changes in the level and direction of loan delinquencies and write-offs; (3) changes in management's estimate of the adequacy of the allowance for loan losses; (4) changes in management's valuation of the Company's interest only receivables; (5) competitive pressures among depository institutions; (6) interest rate movements and their impact on customer behavior and the Company's net interest margin; (7) the impact of repricing and competitors' pricing initiatives on loan and deposit products; (8) the Company's ability to adapt successfully to technological changes to meet customers' needs and developments in the market place; (9) the Company's ability to access cost-effective funding; (10) changes in financial markets and general economic conditions; (11) new legislation or regulatory changes; and (12) changes in accounting principles, policies or guidelines.

The Company 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 is material prepared for presentation at an industry conference.

**Howe Barnes Investments, Inc.
7th Annual Community Bank Conference
June 13, 2002**

Mitchell Feiger, President & CEO
Jill E. York, Vice President & CFO

NASDAQ: MBFI

Mitchell Feiger
President and
Chief Executive Officer

Forward Looking Statements

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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 the recently completed merger of MB Financial and MidCity Financial with the Company might not be realized within the expected time frame; (2) the credit risks of lending activities, including changes in the level and direction of loan delinquencies and write-offs; (3) changes in management's estimate of the adequacy of the allowance for loan losses; (4) changes in management's valuation of the Company's interest only receivables; (5) competitive pressures among depository institutions; (6) interest rate movements and their impact on customer behavior and the Company's net interest margin; (7) the impact of repricing and competitors' pricing initiatives on loan and deposit products; (8) the Company's ability to adapt successfully to technological changes to meet customers' needs and developments in the market place; (9) the Company's ability to access cost-effective funding; (10) changes in financial markets and general economic conditions; (11) new legislation or regulatory changes; and (12) changes in accounting principles, policies or guidelines.

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One Year Ago

Last Year

| | |
|-------|----------------------------------|
| 13 | Offices |
| 1 | Bank subsidiaries |
| \$3.0 | 1 st Q N/I (millions) |
| \$1.5 | Assets (billions) |
| \$1.1 | Loans (billions) |
| \$1.1 | Deposits (billions) |

Source: March 31, 2001 and March 31, 2002 10-Qs.

Today

Last Year

Today

| | | |
|-------|----------------------------------|--------|
| 13 | Offices | 41 |
| 1 | Bank subsidiaries | 3 |
| \$3.0 | 1 st Q N/I (millions) | \$10.3 |
| \$1.5 | Assets (billions) | \$3.7 |
| \$1.1 | Loans (billions) | \$2.4 |
| \$1.1 | Deposits (billions) | \$3.0 |

Source: March 31, 2001 and March 31, 2002 10-Qs.

"Today" column includes acquisition of First National Bank of Lincolnwood which was completed April 6, 2002.

One Year Ago

Last Year

| | |
|---------|-------------------|
| \$0.41 | Earning per share |
| \$21.50 | Stock price |
| 12.8 | P/E (TTM) |
| 11.7 | P/E forward |

Today**Last Year**

| | |
|---------|-------------------|
| \$0.41 | Earning per share |
| \$21.50 | Stock price |
| 12.8 | P/E (TTM) |
| 11.7 | P/E forward |

Today

| |
|---------|
| \$0.58 |
| \$32.00 |
| 16.6* |
| 13.1 |

* Net income adjusted for merger charge.

P/E forward based on 2001 & 2002 IBES EPS estimate.

M & A Highlights 1999 to 2002

| | Assets |
|--|---------------|
| Acquired Avondale Financial Corp. February 1999 | \$484 million |
| Acquired Damen Financial Corp July 1999 | \$207 million |
| Acquired FSL Holdings, Inc. May 2001 | \$222 million |
| MB Financial and MidCity Financial Corporation merged November 2001 | MOE |
| Acquired Lincolnwood Financial Corp. April 2002 | \$240 million |

M & A Success Factors

We get deals done

Integration starts as soon as the deal is signed

Integration is completed as soon as possible (speed)

We deliver promised results

Financial modeling is realistic

Cost savings targets are met

Very experienced M&A management team with proven M&A performance

Disciplined acquisition pricing

Recent Acquisition Pricing

| Transaction | P/E | P/E Adj* | P/B | Prem/ Dep |
|--------------------|------------|---------------------|------------|----------------------|
| FSL | 21.7 | 12.6 | 1.2 | 4.3% |
| Lincolnwood | 14.4 | 8.9 | 1.6 | 6.9% |

* P/E Adj is computed as price / (pre-acquisition core earnings + after-tax cost savings in year one.)

Recent Acquisition Pricing

| Transaction | IRR | 1st Yr EPS | Cost Saves |
|--------------------|------------|----------------------------------|-----------------------|
| FSL | 27% | +3.5% | 42% |
| Lincolnwood | 27% | +3.8% | 50% |

Commercial Banking

Mid-market business financing

Cash management

Real estate investor, construction, developer financing

Long-term health care financing

Korean banking

Commercial and Commercial Real Estate Loans Outstanding

Commercial, CRE and Lease Loans Outstanding

Loan Mix

Distribution of Borrowers and Non-borrowers

Lease Banking

Discounted lease lending

Bridge and working capital loans

Equity investments in lease residuals

Cash management needs

Lease Loans Outstanding

Equipment Leases

Lease Financing Revenue

Wealth Management

Trust/Asset Management

Brokerage

Wealth Management Revenue

Wealth Management Revenue

Composition of Trust Assets

Equity Composite Performance
as of April 30, 2002

Retail Banking

Consumer and small business

Deposit and credit services

Chicago Area Map

Commercial Bank Holding Companies Cook County Deposit Market Share

As of June 30, 2001

| Rank | Institution | Branch Count | Deposits (\$000) | Market Share (%) |
|----------|----------------------------------|-----------------|---------------------|------------------------|
| 1 | Bank One Corp. (IL) | 149 | 29,459,185 | 21.40 |
| 2 | ABN AMRO North America Inc. (IL) | 129 | 23,122,409 | 16.80 |
| 3 | Bank of Montreal | 88 | 11,749,691 | 8.54 |
| 4 | Northern Trust Corp. (IL) | 10 | 8,129,114 | 5.91 |
| 5 | Citigroup Inc. (NY) | 44 | 6,616,199 | 4.81 |
| 6 | Charter One Financial (OH) | 70 | 5,062,990 | 3.68 |
| 7 | Fifth Third Bancorp (OH) | 33 | 2,971,746 | 2.16 |
| 8 | Bank of America Corp. (NC) | 2 | 2,585,777 | 1.88 |
| 9 | MB Financial Inc. (IL) | 34 | 2,574,281 | 1.87 |
| 10 | MAF Bancorp Inc. (IL) | 23 | 2,481,782 | 1.80 |
| 11 | Corus Bankshares Inc. (IL) | 14 | 2,242,604 | 1.63 |
| 12 | FBOP Corp. (IL) | 21 | 1,821,970 | 1.32 |
| 13 | Taylor Capital Group, Inc. (IL) | 13 | 1,737,297 | 1.26 |
| 14 | TCF Financial Corp. (MN) | 114 | 1,733,149 | 1.26 |
| 15 | U.S. Bancorp (MN) | 31 | 1,384,577 | 1.01 |
| 16 | First Midwest Bancorp Inc. (IL) | 18 | 1,178,829 | 0.86 |

| Rank | Institution | Branch Count | Deposits (\$000) | Market Share (%) |
|-------------|------------------------------------|-------------------------|-----------------------------|---------------------------------|
| 17 | Parkway Bancorp, Inc. (IL) | 15 | 1,110,173 | 0.81 |
| 18 | Hershenhorn Bancorp., Inc. (IL) | 2 | 1,095,991 | 0.80 |
| 19 | Popular Inc. (PR) | 20 | 1,066,624 | 0.77 |
| 20 | Metropolitan Bank Group, Inc. (IL) | 41 | 1,038,268 | 0.75 |

Source: SNL Datasource 4.0 as of June 4, 2002.

Includes acquisition of First Lincolnwood Corp.

Jill E. York
Vice President and
Chief Financial Officer

Fully Diluted Earnings Per Share

Fully Diluted Earnings Per Share

Fully Diluted Earnings Per Share

First Quarter Review
Net Interest Income

**Net Interest Income Sensitivity
Varying Rate Scenarios
One Year Horizon**

First Quarter Review
Non-Interest Income

**First Quarter Review
Non-Interest Expense**

**First Quarter Review
Efficiency Ratio**

MBFI Stock Price

**MBFI Stock Price
Compared to Nasdaq and Bank Indexes**

Investor Recap

Dual growth sources

Diversified revenue/profit streams

Experienced management team

Consistently delivers results

Valuable market position in highly desirable market

Significant ownership by directors and management

**Howe Barnes Investments, Inc.
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Mitchell Feiger, President & CEO
Jill E. York, Vice President & CFO

NASDAQ: MBFI

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

MB FINANCIAL, INC.

Date: June 13, 2002

By: /s/ JILL E. YORK

*Jill E. York, Vice President
and Chief Financial Officer*
