

MB FINANCIAL INC /MD
Form 8-K
July 24, 2002

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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) July 24, 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 60607 (Address of principal executive offices) (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 Company's merger and acquisition activities, including its recently completed

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acquisition of First Lincolnwood Corporation and its pending acquisition of LaSalle Systems Leasing and LaSalle Equipment Limited Partnership, might not be realized within the expected time frames; (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 realize the residual values of its operating leases; (10) the Company's ability to access cost-effective funding; (11) changes in financial markets; (12) changes in economic conditions in general and in the Chicago metropolitan area in particular; (13) new legislation or regulatory changes; and (14) 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.

**Keefe, Bruyette and Woods
Community Banking Investor Conference
July 24, 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 our merger and acquisition activities, including our recently completed acquisition of First Lincolnwood Corporation and our pending acquisition of LaSalle Systems Leasing and LaSalle Equipment Limited Partnership, might not be realized within the expected time frames; (2) the credit risks of lending activities, including changes in the level and direction of loan

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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 realize the residual values of its operating leases; (10) the Company's ability to access cost-effective funding; (11) changes in financial markets; (12) changes in economic conditions in general and in the Chicago metropolitan area in particular; (13) new legislation or regulatory changes; and (14) changes in accounting principles, policies or guidelines.

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MB Financial Summary Statistics

Offices	41
Bank subsidiaries	3
2002 N/I thru June	\$ 21.9 million
Assets	\$ 3.7 billion
Loans	\$ 2.5 billion
Deposits	\$ 3.1 billion

MB Financial Summary Statistics

Earnings per share Q1 2002	\$ 0.58 (+42%)
Earnings per share Q2 2002	\$ 0.64 (+52%)
Stock price	\$ 32.00
P/E (TTM)	14.9
P/E forward (2003)*	11.7

* P/E forward based on 2003 IBES EPS estimate.

**M & A Highlights
1999 to 2002**

	<u>Assets</u>
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 merge November 2001	MOE
Acquired First Lincolnwood Corp. April 2002	\$228 million

Assets

Announced Acquisition of LaSalle Leasing
July 2002

\$92 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	9.7	1.2	4.3%
Lincolnwood	14.4	9.7	1.6	6.9%
LaSalle Leasing	10.0	6.3	1.3	N/A

*

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

Recent Acquisition Pricing

Transaction	IRR	1st Yr EPS	Cost Saves
FSL	27%	+3.5%	42%
Lincolnwood	27%	+4.5%	50%

Transaction	IRR	1st Yr EPS	Cost Saves
LaSalle Leasing	22%	+3.4%	0%

LaSalle Leasing Transaction

Company founded 22 years ago

Originates leases of high-technology equipment

Mid-market and larger strong credit lessees

\$39.7 million purchase price, with \$4 million contingent on residual performance

Gives us the capability to originate our own leases

Commercial Banking

Mid-market business financing

Cash management

Real estate investor, construction, developer financing

Long-term health care financing

Korean banking

**Commercial, CRE and
Lease Loans Outstanding**

Lease Banking

Discounted lease lending

Bridge and working capital loans

Equity investments in lease residuals

Cash management needs

Lease Loans Outstanding

Lease Financing Revenue

Wealth Management

Trust/Asset Management

Brokerage

Wealth Management Revenue

* 6 month data annualized

Retail Banking

Consumer and small business

Deposit and credit services

**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

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As of June 30, 2001

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
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

**
Excluding merger charge
**
Consensus estimate

Fully Diluted Earnings Per Share

**
Excluding merger charge
**
Consensus estimate

Fully Diluted Earnings Per Share

**First Half Review
Net Interest Income**

**Net Interest Income Sensitivity
Varying Rate Scenarios
One Year Horizon - 6/30/02**

**First Half Review
Non-Interest Income**

**First Half Review
Non-Interest Expense**

**First Half Review
Efficiency Ratio**

MBFI Stock Price

**MBFI Stock Price
Compared to Various 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

**Keefe, Bruyette and Woods
Community Banking Investor Conference
July 24, 2002**

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: July 24, 2002

By: /s/ JILL E. YORK

Jill E. York, Vice President
and Chief Financial Officer

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SIGNATURES