



PRIVATEBANCORP INC (PVTB) INCOME STATEMENT								
Fiscal year ends in December. In Millions	2010	2011	2012	2013	2014	2015	2016	2017
Revenue								
Interest income								
Loans and Leases	435	413	423	434	464			
Federal funds sold	2	1	1	1	1			
Securities	71	67	63	58				
Other assets					60			
Total interest income	508	481	487	492	524	571	640	729
<i>Interest Income Growth</i>		-5.3%	1.2%	1.0%	6.5%	9.0%	12.0%	14.0%
Interest expense								
Deposits	74	50	43	41	42			
Short-term borrowing	5	2	0	1	1			
Long-term debt	28	22	24	30	27			
Total interest expense	107	74	67	71	70	80.0	92.8	109.4
<i>Cost of Interest Revenue</i>	21.1%	15.4%	13.8%	14.4%	13.4%	14.0%	14.5%	15.0%
Net interest income	401	407	420	421	455	491.2	546.9	619.9
Provisions for credit losses	195	133	71	32	12	9	6	4
Net Interest Income after Provision								
Noninterest revenue								
Commissions and fees	20	66	72	92	89			
Equity investment income	14	19	26		18			
Lending and deposit-related fees					5			
Securities gains (losses)	12	6	0	1	1			
Other income	47	7	13	21	5			
Total noninterest revenue	93	98	111	114	118	123.9	132.0	141.2
<i>Noninterest Revenue Growth</i>		5.4%	13.3%	2.7%	3.5%	5.0%	6.5%	7.0%
Total net revenue (Row 9-15+24)	494	505	531	535	572	606.1	672.9	757.1
<i>Net Revenue Growth</i>		2.2%	5.1%	0.8%	6.9%	6.0%	11.0%	12.5%
Noninterest expenses								
Compensation and benefits	152	157	175	167	182			
Occupancy expense	30	30	31	30	31			
Tech, communication and equipment	57	50	39	28	29			
Professional and outside services	13	9	8	15	19			
Advertising and marketing	9	9	10	13	13			
Amortization of intangibles	2							
Other special charges			12	9	7			
Other expenses	37	47	52	42	31			
Total noninterest expenses	300	302	327	303	312	327.3	349.9	378.5
Operating Expenses/Net Revenue	60.7%	59.8%	61.6%	56.6%	54.5%	54.0%	52.0%	50.0%
Income (loss) from cont ops before taxes	0	70	132	200	248	278.8	323.0	378.5
Provision (benefit) for taxes	-2	26	55	77	95	105.9	122.7	143.8
Tax Rate		37%	42%	39%	38%	38%	38%	38%
Net income	2	44	78	123	153	172.9	200.3	234.7
Net income available to common shareholders	-12	31	65	123	153			
Earnings per share								
Diluted	-0.17	0.43	0.88	1.57	1.94	2.20	2.55	2.97
Weighted average shares outstanding								
Diluted	70	71	72	77	78	78.5	78.5	79
EBITDA	10	80	144	212	260			

PRIVATEBANCORP INC (PVTB) Statement of CASH FLOW									
Fiscal year ends in December. In Millions	2010	2011	2012	2013	2014	2015	2016	2017	
<b>Cash Flows From Operating Activities</b>									
Net income	2	44	78	123	153				
Provision for credit losses	195	133	71	32	12				
Depreciation & amortization	9	10	12	12	12	13.1	14.7	16.8	
<i>Depreciation/Amortization of overall revenue</i>	1.8%	2.1%	2.5%	2.4%	2.3%	2.3%	2.3%	2.3%	
Amortization of debt and issuance costs	8	13	18	18	15				
Deferred tax (benefit) expense	-17	2	16	15					
Investments (gains) losses	-12	-6	0	-1	-1				
Stock based compensation	18	16	21	13	16				
Receivable	2	-2	1	-2	-4				
Accrued liabilities	-4	0	2	-1	1				
Interest payable	-4	0	2	-1	1				
Other assets and liabilities	29	51	-30	-2	-29				
Other operating activities	-16	10	12	36	-81				
Net cash provided by operating activities	208	270	202	240	95				
<b>Cash Flows From Investing Activities</b>									
Sales/maturity of investments	856	702	571	608	442				
Purchases of investments	-1,179	-1,080	-590	-828	-683				
Changes in loans, net	-394	-91	-1,152	-497	-1,203				
Property, and equipments, net	-7	-6	-9	-9	-8	-8	-8	-8	
Other investing activities	220	70	-3	13	1				
Net cash used for investing activities	-504	-405	-1,182	-711	-1,450				
<b>Cash Flows From Financing Activities</b>									
Change in deposits	644	-143	1781	-160	1199				
Change in short-term borrowing	-3	-1		6	-2				
Long-term debt issued		171	125			0	0	0	
Long-term debt repayment	-211	-167			-75	0	0	0	
Excess tax benefit from stock based compensation			0	1	4				
Redemption of preferred stock			-244						
Repurchases of treasury stock	-2	-1	-4	-3	-5				
Cash dividends paid	-15	-15	-13	-3	-3	-3	-3	-3	
Other financing activities	-2	-1	-85	128	224				
Net cash provided by (used for) financing activities	411	-158	1560	-31	1340				
Net change in cash	115	-292	580	-501	-16				
Cash at beginning of period	539	654	362	941	440				
Cash at end of period	654	362	941	440	425				



The Private Bank Discount Model						Forecast				
	2010	2011	2012	2013	2014	2015	2016	2017		
EPS	\$ (0.17)	\$ 0.43	\$ 0.88	\$ 1.57	\$ 1.94	\$ 2.20	\$ 2.55	\$ 2.97		
% Growth		-352.9%	104.7%	78.4%	23.6%	13.5%	15.8%	16.5%		
Dividends	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04		
Payout Ratio	-23.53%	9.30%	4.55%	2.55%	2.06%	1.82%	1.57%	1.35%		
<b>PV of Dividends</b>						<b>0.037</b>	<b>0.034</b>	<b>0.032</b>		
<b>Terminal Value</b>								<b>\$ 0.51</b>		

Value Drivers	
Dividend Growth Rate	0.0%
Dividend Payout	\$0.04
WACC	7.9%
Current P/E	18.374

P/E Multiple	
Justified Ratio	22.50
Terminal Value	\$ 66.84
PV of TV	\$ 53.21
Sum of PV of Divs	\$ 0.10
Target Price	\$ 53.31
Current Price	\$ 39.32
Upside/Downside	36%

P/B Multiple	
Justified Ratio	1.95
Terminal Value	\$ 52.02
PV of TV	\$ 41.41
Sum of PV of Divs	0.10
Target Price	\$ 41.51
Current Price	\$ 39.32
Upside/Downside	6%

	TV P/E Multiple	TV P/B Multiple	Average Share Price	Upside
Bull	23.5	2.2	\$ 49.29	25%
Base	22.5	2.08	\$ 47.41	21%
Bear	21	1.9	\$ 41.70	6%

PVTB Comparison 10/14/15 (Sources: Google Finance & Yahoo Finance)

	HQ	Mkt Cap \$b	P/E	P/S	P/B	1-Year	5-Year	Div
<b>1st Source (SRCE)</b>	South Bend, IN	0.89	13.78	3.68	1.41	5%	65%	2%
<b>Commerce Bank (CBSH)</b>	Kansas City, MO	4.29	16.36	4.09	1.99	6%	40%	2%
<b>First Merchants (FRME)</b>	Muncie, IN	0.98	14.61	3.88	1.31	27%	225%	2%
<b>First Midwest Bank (FMBI)</b>	Itasca, IL	1.39	17.6	3.38	1.23	12%	40%	2%
<b>Flagstar Bank (FBC)</b>	Troy, MI	1.21	36.88	1.73	1.02	29%	-18%	0%
<b>Horizon Bank (HBNC)</b>	Michigan City, IN	0.23	12.08	2.58	1.24	11%	329%	2%
<b>Huntington (HBAN)</b>	Columbus, OH	8.34	13.4	3.06	1.41	11%	80%	2%
<b>Lakeland Financial (LKFN)</b>	Warsaw, IN	0.74	16.28	5.47	1.96	17%	127%	2%
<b>MB Financial (MBFI)</b>	Chicago, IL	2.44	21.22	3.33	1.24	17%	89%	2%
<b>Mercantile Bank (MBWM)</b>	Grand Rapids, MI	0.35	13.61	2.99	1.06	7%	376%	3%
<b>Northern Trust (NTRS)</b>	Chicago, IL	15.95	17.52	3.46	1.91	5%	40%	2%
<b>TFS Financial (TFSL)</b>	Columbus, OH	5.18	78.22	17.88	2.9	24%	90%	2%
<b>UMB Financial (UMBF)</b>	Kansas City, MO	2.57	18.24	3.06	1.38	-6%	40%	2%
<b>Wintrust Financial (WTFC)</b>	Rosemont, IL	2.63	16.72	3.12	1.29	20%	63%	1%
<b>Peer Industry Average</b>		<b>3.4</b>	<b>21.9</b>	<b>4.41</b>	<b>1.53</b>	<b>13.21%</b>	<b>113.40%</b>	<b>1.94%</b>
<b>The Private Bank</b>	<b>Chicago, IL</b>	<b>3.2</b>	<b>18.83</b>	<b>5.4</b>	<b>2.02</b>	<b>41%</b>	<b>232%</b>	<b>0%</b>

Retail Locations	Commercial Banking Centers
2 in Michigan	Colorado
2 in Missouri	Conneticut
1 in Wisconson	Georgia
	Iowa
	Michigan
	Minnesota
	Missouri
	Ohio

	Q Ending 12/15	FY 2015	FY 2016	FY 2017
<b>Yahoo Finance</b>	0.56	2.2	2.41	
<b>NASDAQ/Zacks</b>	0.56	2.2	2.42	2.81
<b>MarketWatch</b>	0.55	2.2	2.4	
<b>WSJ</b>	0.55	2.2	2.4	2.78
<b>Average Consensus</b>	0.555	2.200	2.408	2.795

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10/10/2015		Strong Buy	Buy	Outperform	Hold	Unperform	Sell
Yahoo Finance	Thompson/First Call	1	2		9	0	0
MarketWatch			3		10	0	0
NASDAQ	Zacks Investment	2	1		8	0	0
Reuters			1	2	10	0	0
WSJ			3	0	9	0	0
		Strong Buy, Buy, Outperform, Overweight Total			Hold	Unperform, Underweight, Sell Total	
		15			46	0	
		24.6%			75.4%	0.0%	

<b>TTM EPS (NASDAQ)</b>	
<b>Estimate</b>	\$2.07
<b>Actual</b>	\$2.14
<b>Surprise</b>	\$0.07
<b>Surprise</b>	3.38%



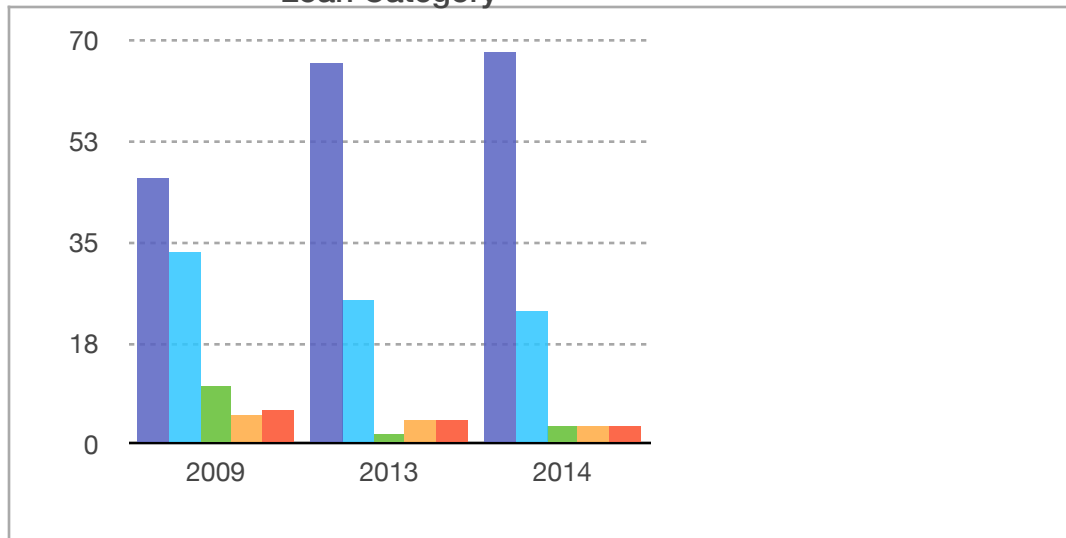
2012-12	2013-03	2013-06	2013-09	2013-12	2014-03	2014-06	2014-09	2014-12	2015-03	2015-06	2015-09
0.27	0.35	0.37	0.42	0.44	0.44	0.52	0.51	0.48	0.52	0.58	0.57
	29.63%	5.71%	13.51%	4.76%	0.00%	18.18%	-1.92%	-5.88%	8.33%	11.54%	-1.72%

(Dollars in thousands)	2010	2011	2012	2013	2014
<b>Credit Quality</b>					
Loans	9114357	9008561	10139982	10644021	11892219
Nonperforming loans	365880	259852	138780	94238	67544
Total nonperforming loans to total loans	4.01%	2.88%	1.37%	0.89%	0.57%
<b>Balance Sheet Highlights</b>					
Total assets	12465621	12416870	14057515	14085746	15603382
Average earning assets	11978364	11746032	12369945	13129470	14206113
<i>Earning Assets percentage of total assets</i>	96.1%	94.6%	88.0%	93.2%	91.0%
Allowance for loan losses	222821	191594	161417	143109	152498
Deposits, excluding deposits held-for-sale	10535429	10392854	12173634	12013641	13089968
Noninterest-bearing deposits	2253661	3244307	3690340	3172676	3516695
<b>Employee Information</b>					
Full-time equivalent employees	1,060	1,045	1,105	1,116	1,168
Earnings Before Tax	-\$12,118	\$64,429	\$132,622	\$198,769	\$247,677
<i>Earnings Before Tax Per Employee</i>	-\$11.43	\$61.65	\$120.02	\$178.11	\$212.05
Net Income	-\$10,381	\$38,769	\$78,101	\$121,775	\$152,549
<i>Net Income per Employee</i>	-\$9.79	\$37.10	\$70.68	\$109.12	\$130.61

	2009		2013		2014	
<i>Commercial</i>	4,032,551	46%	6,756,863	66%	7,592,012	68%
<i>Commercial Real Estate</i>	2,914,125	33%	2,530,863	25%	2,568,603	23%
<i>Construction</i>	889,226	10%	218,246	2%	360,711	3%
<i>Residential</i>	463,493	5%	380,676	4%	359,621	3%
<i>Personal &amp; Home Equity</i>	516,850	6%	371,567	4%	348,815	3%

<b>DESCRIPTION</b>	<b>2009</b>	<b>2013</b>	<b>2014</b>
<i>Commercial</i>	46	66	68
<i>Commercial Real Estate</i>	33	25	23
<i>Construction</i>	10	2	3
<i>Residential</i>	5	4	3
<i>Personal &amp; Home Equity</i>	6	4	3

Loan Category



- Commercial
- Commercial Real Estate
- Construction
- Residential
- Personal & Home Equity



<b>2014 Averages of Net Interest Margin</b>	
<b>Yield on interest-earning assets</b>	3.68%
<b>Cost on interest bearing liabilities</b>	0.71%
<b>Net interest spread</b>	2.97%
<b>Contribution of non-interest-bearing sources of funds</b>	0.22%
<b>Net Interest Margin</b>	3.19%

<b>Deposits (\$1,000's)</b>	<b>2014</b>	<b>% of Total</b>
<b>Noninterest-Bearing Deposits</b>	\$3,516,695	26.9%
<b>Interest-Bearing Deposits</b>	\$1,907,320	14.6%
<b>Savings Deposits</b>	\$319,100	2.4%
<b>Money Market Accounts</b>	\$4,851,925	37.1%
<b>Time Deposits</b>	\$2,494,928	19.1%
<b>Total Deposits</b>	\$13,089,968	

<b>Time Deposits (\$1,000's)</b>	<b>Due as of 3/31/15</b>	<b>% of Total</b>
<b>2015</b>	\$1,533,019	61.1%
<b>2016</b>	\$445,753	17.8%
<b>2017</b>	\$168,320	6.7%
<b>2018</b>	\$146,588	5.8%
<b>2019</b>	\$89,996	3.6%
<b>2020 &amp; After</b>	\$126,730	5.0%
<b>Total Deposits</b>	\$2,510,406	