



## Chemical Financial Corporation to Acquire Northwestern Bancorp, Inc.

### Chemical Financial Corporation

Chemical Financial Corporation (NASDAQ:CHFC) (“Chemical”), headquartered in Midland, Michigan, is the bank holding company for Chemical Bank. Chemical is the second largest banking company headquartered and operating branch offices in Michigan. Chemical has 156 banking offices across 38 counties in the lower peninsula of Michigan. As of December 31, 2013, Chemical had total assets of approximately \$6.2 billion.

### Northwestern Bancorp, Inc.

Northwestern Bancorp, Inc. (OTCQB: NWBM) (“Northwestern”) is a community bank holding company headquartered in Traverse City, Michigan. Northwestern's wholly-owned subsidiary, Northwestern Bank, offers banking, investment and trust services and employee benefit services through 25 office locations in northern Michigan. At December 31, 2013, Northwestern Bancorp, Inc. had \$845 million in total assets, \$502 million in total loans, \$758 million in total deposits and \$975 million in assets under management.

### The Transaction

On March 11, 2014, Chemical and Northwestern announced the execution of a definitive agreement, whereby Chemical will acquire Northwestern and its wholly-owned subsidiary, Northwestern Bank, in an all cash transaction. Under the terms of the merger agreement, the transaction is valued at approximately \$120 million.

The partnership with Northwestern and its 25 branches across 11 northwestern Michigan counties is expected to increase Chemical Bank's core deposit base by approximately \$760 million. Post-closing, it is anticipated that Chemical will have the largest retail branch delivery network (ranked by number of branch locations) outside of the Detroit MSA (Metropolitan Statistical Area) of any financial institution operating in Michigan. Also, it is anticipated that Chemical Bank will become the 8th largest institution in Michigan overall (ranked by deposit market share at June 30, 2013); the largest Michigan-based financial institution when excluding the Detroit MSA; and the 3rd largest institution in the Traverse City MSA. On a pro forma basis, as of December 31, 2013, the combined organization had approximately \$7 billion in assets, \$5.1 billion in loans and \$5.9 billion in deposits in 181 branches across 49 counties in southwestern, central and northern Michigan.

Under the terms of the definitive agreement, Chemical will acquire all of the outstanding shares of Northwestern's common stock in an all cash transaction. Pending satisfaction of normal regulatory approval requirements and other customary closing conditions, as well as approval of Northwestern shareholders, the transaction is anticipated to close in the third quarter of 2014. Upon closing of the transaction, Chemical intends to consolidate Northwestern's banking subsidiary, Northwestern Bank, into Chemical's banking subsidiary, Chemical Bank, and operate under the Chemical Bank name. Upon completion of the transaction, one independent member of Northwestern's board of directors will join Chemical's board of directors.

Donnelly Penman & Partners acted as a financial advisor to Chemical and assisted in the negotiations in connection with the transaction. Please contact [John Donnelly](#) at (313) 393-3054 or [Andrew Christians](#), CFA at (313) 393-3074 for further information.

Announced March 11, 2014



(Midland, MI)

has agreed to acquire

**Northwestern Bancorp, Inc.**

*holding company of*



(Traverse City, MI)

Buy Side Advisory

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**Donnelly Penman & Partners**

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a FINRA licensed broker dealer and member SIPC.

Donnelly Penman & Partners is owned by the employees of the firm, who have successfully completed more than 260 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.