



## Chemical Financial Corporation has acquired 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. Subsequent to the closing, Chemical had, on a pro forma basis as of September 30, 2014, \$7.4 billion in assets, \$5.5 billion in loans, and \$6.2 billion in deposits in 182 branches across 46 counties in southwestern, central and northern Michigan. Chemical also had, on a pro forma basis as of September 30, 2014, \$2.1 billion of mortgage loans sold and serviced for others, in addition to one of the state's largest wealth management businesses with approximately \$4.5 billion in assets under management.

### 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 June 30, 2014, Northwestern Bancorp, Inc. had \$855 million in total assets, \$498 million in total loans, and \$768 million in total deposits.

### The Transaction

On October 31, 2014, Chemical announced that it has completed its previously announced acquisition of Northwestern. Upon closing, Northwestern Bank was consolidated with and into Chemical Bank and all Northwestern Bank locations will now operate as Chemical Bank locations. In approving the merger, federal regulators did not require any branch divestitures; however, Chemical will be consolidating 4 branches in the Gaylord, Houghton Lake and Cadillac communities where Chemical and Northwestern have overlapping branches.

Chemical paid \$121 million for Northwestern and anticipates that the transaction, with cost savings fully phased in, will be accretive to earnings. Northwestern's data processing platform will be converted to the Chemical platform in early November, 2014. In addition to \$2.2 million in non-recurring transaction-related expenses already reported by Chemical through the end of the third quarter of 2014, the Company anticipates it will incur additional pre-tax transaction-related and integration expenses of approximately \$3.6 million during the fourth quarter of 2014.

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.

### 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 275 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.

October 2014

**CHEMICAL**  
FINANCIAL CORPORATION®  
(Midland, MI)

has acquired

**Northwestern Bancorp, Inc.**

*holding company of*

**Northwestern**  
**Bank**  
(Traverse City, MI)

**Buy Side Advisory**