

First year experience: Illinois multibanks shop carefully

Sue F. Gregorash

Many independent bankers in Illinois thought that their worst fears were being realized when Governor James Thompson signed the multibank holding company bill (Public Act 82-1) into law on July 3, 1981. For years, these independent bankers had battled multibank banking proponents, even to the point of splintering one statewide banking trade group, to protect independent unit banking and avert the perceived threat of being swallowed up by the big Chicago banks. But, in the first year after the bill became effective on January 1, 1982, Illinois' bank holding companies (BHCs) did not deluge regulators with holding company applications. The changes in the Illinois banking industry have been, so far, orderly and evolutionary. The trade groups have mended their fences and reunited.

Provisions of the act

Illinois law imposes several restrictions, some of which are peculiar to the state, on prospective multibank holding companies. First of all, it is noteworthy that Illinois does not allow branch banking; the 1981 law did not change that fact, save for the additional limited "community service facility"¹ allowance. The law divided the state into five bank holding company regions (see box). Region I consists of Cook County, where the Chicago area's major banks are located. Region II includes the five counties surrounding Region I, appropriately called the "collar counties." Regions III, IV, and V group the counties of northern, central, and southern Illinois, respectively.

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¹Community service facilities offer fewer services than a full-service branch. They are limited to receiving deposits, cashing and issuing checks, drafts, and money orders, changing money, and receiving payments on existing indebtedness. Banks were permitted by previous law to establish a maximum of two facilities.

Holding companies are restricted to acquiring banks in their designated region and one *contiguous* region. For instance, BHCs located in Region IV can acquire banks in that region, as well as in Region III or Region V, but not both. "Designated region" is defined in the law to be the banking region of the holding company's largest subsidiary bank (in terms of total assets). Once a BHC has indicated a preference for a contiguous region via an acquisition, it is precluded from acquiring banks in any other contiguous region.

Region I has only one contiguous region, i.e., the collar counties around Cook County. (Region V is similar in this respect.) This design intentionally prevents the big Chicago banks from acquiring downstate Illinois banks and severely limits Chicago BHCs' geographic expansion capabilities within the state.

The new law also prohibits BHCs from acquiring a bank chartered after January 1, 1982, until the bank has been in business for at least ten years.² This provision was incorporated into the law to prevent the state's larger holding companies from saturating the state with *de novo* banks.

A BHC located outside of Illinois can acquire an Illinois bank only if it owned at least two banks in Illinois prior to the effective date. This section was added to the law to grandfather one particular preexisting holding company relationship and to limit entry into Illinois by out-of-state BHCs. The new law has no provision for reciprocal interstate bank holding company acquisitions.

Finally, the bill allows each bank to establish a third "community service facility." These facilities can be established either within the home county or within ten miles of the bank's home office location.

²An amendment to the law, effective June 23, 1982, exempts from the 10-year requirement failing banks and banks chartered solely as a vehicle for reorganization.

Banking in Illinois prior to the multibank act

At year-end 1981, Illinois, after Texas, was the state with the largest number of commercial

banks—more than 1,300. In fact, 8.8 percent of all commercial banks in the United States are in Illinois. This large number is due primarily to the absence of branch banking in the state.

With such a large number of commercial

Illinois' new bank marketplace

The major provisions of the Illinois multibank holding company act that was signed July 3, 1981 include:

- Multibank holding companies, effective January 1, 1982, are permissible in Illinois.

- The state is divided into 5 regions:

Region I: Cook County

Region II: McHenry, Lake, Kane,

DuPage and Will Counties

Region III: Northern Illinois

Region IV: Central Illinois

Region V: Southern Illinois

- Holding companies may be formed and may acquire banks in no more than two contiguous banking regions.

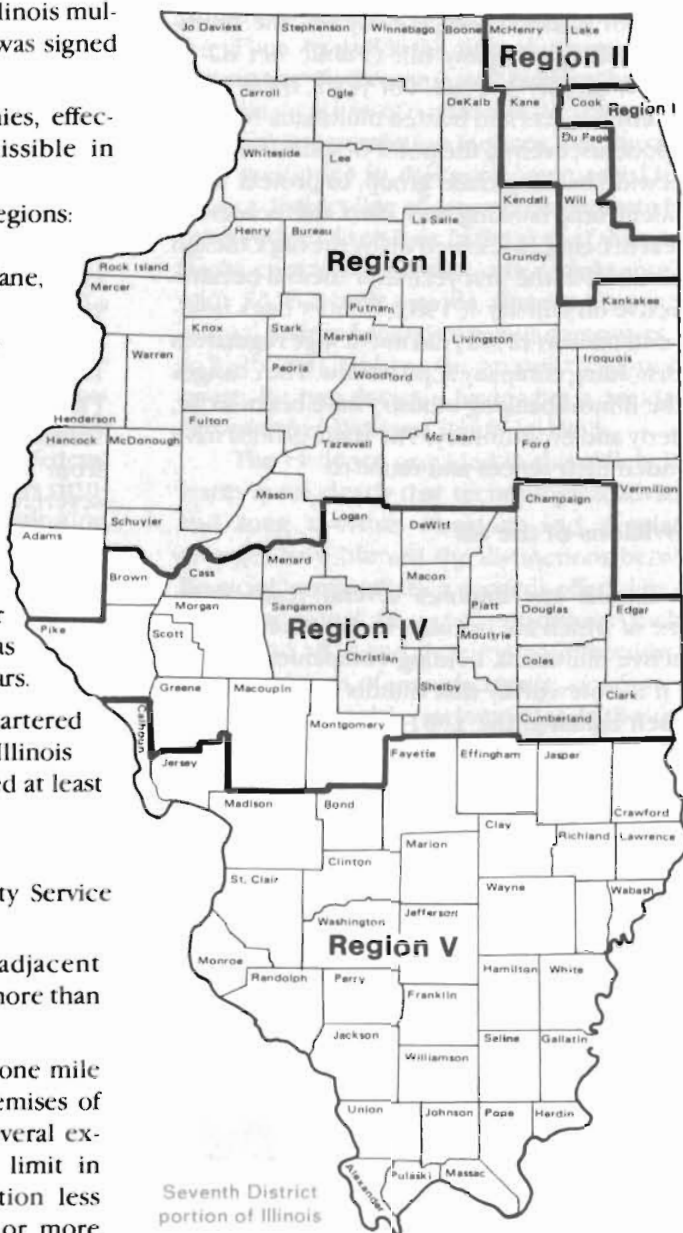
- No holding company may acquire a bank chartered after the effective date until the bank has been in business for at least 10 years.

- Holding companies headquartered outside of Illinois may acquire an Illinois bank *only* if the corporation owned at least two banks in Illinois *prior* to the effective date.

- Allows for one "Community Service facility"

Within home county or adjacent county (if in adjacent—not more than 10 miles from main bank).

Facility cannot be less than one mile from existing main bank premises of another bank—subject to several exemptions (e.g., a two-mile limit in municipalities with population less than 10,000 which have 3 or more banks).



banks there exists a large supply of potential candidates from which to form multibank holding company groups. Table 1 shows bank distribution and deposit size in each of the bank holding company regions. By far the largest concentration of deposits—65 percent of all domestic deposits held by banks in Illinois—is in Cook County. On the other hand, the data show a much more even distribution of banks throughout the remainder of the state, with the largest concentration—30.8 percent—located in Region III.

Multibank activity in 1982

During 1982, 33 multibank holding company applications were filed with the Federal Reserve Bank of Chicago. Twenty-four of these applications, involving 47 banks, were approved and consummated in the first year under the new act (see Table 2). The remaining nine applications were approved, but had not yet been consummated.

Most of the holding company activity occurred in the northern and northeastern portions of the state. Regions I and III were the most active in 1982, with 42 percent of the acquiring BHCs located in Region I, and 29 percent in Region III. Forty percent of the acquired banks are located in Region III, including the seven banks acquired by United Bancorporation, Inc., of Rockford, the largest holding company (in number of banks) formed in 1982.

Although more than fifty percent of the state's banks are located outside a standard metropolitan statistical area (SMSA), only 19 percent of those acquired in 1982 (9 banks) are located outside an SMSA, indicating a preference, at this stage, for banks in metropolitan areas.

Many of the early applications formalized what may be best considered *de facto* multibank arrangements. For example, three applications, encompassing 18 acquired banks, involved pre-existing chain banking relationships. Chain banking is defined as the control of two or more commercial banks by the same individual or group of individuals. Prior to the Illinois multibank act, chain banking had been the market's response to the prohibition against branching

Table 1
Illinois banks and deposits by region
December 31, 1981

	Commercial banks		Total deposits	
	Number	Percent	Amount (\$ billion)	Percent
Region I	313	23.8	\$59.3	64.9
Region II	161	12.2	7.1	7.8
Region III	408	30.8	11.9	13.0
Region IV	212	16.0	6.2	6.8
Region V	229	17.3	6.8	7.4
State totals	1,323	100.0	\$91.4	100.0

SOURCE: Reports of Condition, 12/31/81.

Note: Columns may not add to total due to rounding.

and multibank holding companies in Illinois.

In addition, eight of the 47 banks acquired had some other tie to the acquiring holding company. Some had previously been affiliated with the other banks in the holding company. Others had principals (officers or directors) in common; or the BHC held 5 percent or less of their stock. Four banks had a previous correspondent relationship with the lead bank of the acquiring holding company and two out-of-state banks were acquired under a grandfather provision in Florida's banking law. Only 15 out of the 47 banks acquired did not have a previous relationship with the acquiring BHC.³

First-year BHC activity in Illinois has been similar to, though somewhat more active than, early multibank experience in other states. Of these, the multibank state most structurally similar to Illinois is Texas. Like Illinois, Texas is a state with many commercial banks; they are prohibited by state law from branching; and several chain banking relationships had been established in the state.⁴ The 1970s was a decade of

³Five of these banks were acquired by either Continental Illinois Corporation, Harris Bankcorp, Inc., or Northern Trust Corporation and had previous correspondent relationships with the lead banks of these holding companies; however, the importance of these prior relationships may be discounted somewhat due to the great number of respondents serviced by these large correspondent banks.

⁴It should be noted, too, that structural differences exist between the two states in population and deposit growth, income levels, and geographic and institutional concentration of deposits.

BHC expansion in Texas. There were four multibank holding companies in existence in Texas at the beginning of 1971, increasing to nine by the year's end, holding 14 percent of statewide deposits.⁵ Illinois, by comparison, had 24 multibank holding companies after the first year, representing approximately 28 percent of statewide commercial bank domestic deposits. Thus, Illinois BHCs hold approximately twice the percentage of statewide commercial bank deposits than did Texas after its first year of active multibank expansion.

⁵John R. Stodden, "Multibank Holding Companies—Development in Texas Changes in Recent Years," *Business Review* (Federal Reserve Bank of Dallas, December 1974), p. 4.

Means of acquisition

Two basic forms of acquisitions—cash purchase and exchange of shares—are employed in bank holding company acquisitions. Sellers who receive cash or notes, under certain circumstances, are required to pay capital gains taxes. Thus, if cash and/or notes are received, installment reporting is frequently used and taxes are paid as the cash is received. On the other hand, exchanges of shares can be structured so that selling shareholders receive multibank holding company stock (either common or preferred) without having to recognize any economic gain. Such gains are postponed until the stock is sold. This form of acquisition is generally referred to

Shopping hints: bank value and price

Book values are used in Table 2 to compare acquisition prices because of ease of calculation and because they seem to be the common denominator used by bankers in discussing acquisitions. However, the limitations of using book value as a measure of value should be recognized. First, book value is based on historical figures and does not consider the "going concern" value of the firm. Second, book values are even more distorted during inflationary times when the market value of bank assets (in particular bonds and mortgages) are depressed. In addition, this effect complicates accounting for goodwill and the valuation reserves resulting from the purchase.

Financial theory suggests that a more appropriate means of calculating a bank's worth is to determine the present value of the future earnings of the bank. This may be done by projecting the bank's earnings per share into the future, determining the present value, and comparing this figure to the bank's current stock price. If the present value is greater than the current stock price, the acquisition is worthwhile. Traditionally, the discount rate

used is the cost of capital; however, others have suggested that the planned rate of return on common equity is more appropriate for bank acquisitions.⁶

None of the Illinois multibank applications received in 1982 indicated that they used the present value method to determine the offer premium. Nor do we have information to tell us whether or not the acquired banks evaluated their offers based on this method. Some are reluctant to use the present value method because of the conjectural nature of the projections, as well as lack of a current stock price or sufficient depth of market for small or closely-held institutions with inactively traded stocks. In fact, some bank stock analysts feel that shares of a bank that represent a control block are worth more than other shares of the same bank,⁷ further complicating the present value calculation.

⁶Jerome C. Darnell, "How Much is Your Bank Worth?" *Commercial West*, June 14, 1975, pp. 6-12.

⁷Larry G. Meeker and O. Maurice Joy, "Price Premiums for Controlling Shares of Closely Held Stock," *Journal of Business*, Vol. 53, no. 3, pt. 1 (July 1980), pp. 297-314.

Table 2
1982 Illinois multibank holding company formations and acquisitions
(Seventh District portion)

Holding Company Bank(s) Acquired	12-31-81 total deposits* (\$ million)	Illinois BHC Region	Located in SMSA (Yes - No)	Date of Consummation	12-31-81 ROA**	12-31-81 ROE**	Cash offer or exchange of shares	Ratio of price to book value† (1.0 = book value)
1. First Colonial Bankshares Corporation, Chicago	165.6	1	Yes					
All American Bank of Chicago (10% additional shares)	28.1	1	Yes	3-26-82	0.82	10.84	cash	1.46
2. Northern Trust Corporation, Chicago	3,200.2	1	Yes					
Security Trust Company of Sarasota, N.A., Sarasota, Florida	N/A	N/A	N/A	4-5-82	N/A	N/A	N/A	N/A
O'Hare International Bank, Chicago	129.9	1	Yes	5-17-82	1.05	13.46	cash	1.61
The First Bank, Naperville	14.2	2	Yes	10-1-82	0.66	9.04	cash	1.98
Northern Trust Bank of Florida, N.A., Miami, Florida	N/A	N/A	N/A	11-1-82	N/A	N/A	N/A	N/A
3. Madison Financial Corporation, Chicago	84.8	1	Yes					
First National Bank of Wheeling, Wheeling	16.0	1	Yes	4-19-82	1.00	23.62	exchange	1.30
Madison National Bank of Niles, Niles	107.8	1	Yes	4-19-82	-0.65	—	exchange	1.68
4. Commercial National Corporation, Peoria	321.0	3	Yes					
Prospect National Bank of Peoria, Peoria	45.8	3	Yes	4-20-82	0.92	11.16	exchange	0.60
University National Bank of Peoria, Peoria	43.4	3	Yes	4-20-82	0.39	5.10	exchange	0.52
5. First Freeport Corporation, Freeport	100.1	3	No					
The Polo National Bank, Polo	22.9	3	No	5-3-82	1.53	16.72	combination, primarily exchange	1.65 (exchange portion)
6. Gary-Wheaton Corporation, Wheaton	172.4	2	Yes					
Batavia Bank, Batavia	32.9	2	Yes	6-17-82	0.75	12.26	exchange	1.02
7. Steel City Bancorporation, Chicago	50.8	1	Yes					
Thornridge State Bank, South Holland	18.8	1	Yes	6-23-82	0.85	10.06	cash	1.46
8. Charleston Bancorp., Inc., Springfield	N/A	4	Yes					
The Bank of Charleston, Charleston	12.6	4	No	8-25-82	0.66	8.51	N/A	N/A
Farmers State Bank of Fulton County, Lewistown (Both acquired under emergency provisions)	28.3	3	No	6-25-82	0.59	7.57	N/A	N/A
9. North Shore Capital Corporation, Wilmette	154.5	1	Yes					
The Morton Grove Bank, Morton Grove	26.7	1	Yes	6-30-82	0.16	3.49	exchange	1.03
10. MPS Bancorp., Inc., Mount Prospect	249.4	1	Yes					
Tollway-Arlington National Bank of Arlington Heights, Arlington Heights	26.8	1	Yes	7-23-82	-0.23	-4.96	cash	1.41
11. Marine Bancorp., Inc., Springfield	451.2	4	Yes					
American National Bank of Champaign, Champaign	52.1	4	Yes	7-30-82	1.12	16.12	choice of cash or notes	0.44 (cash portion)
12. Harris Bankcorp., Inc., Chicago	3,499.5	1	Yes					
Argo State Bank, Summit	42.1	1	Yes	8-4-82	1.48	18.75	cash	1.00
Roselle State Bank and Trust Company, Roselle	111.7	2	Yes	10-1-82	0.59	9.90	cash	1.41

Table 2 (continued)

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(Seventh District portion)**

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	(\$ million)							
13. Continental Illinois Corp., Chicago	14,966.6	1	Yes					
Continental Bank of Buffalo Grove, N.A., Buffalo Grove	29.7	1	Yes	7-28-82	0.84	10.35	cash	2.62
Continental Bank of Oakbrook Terrace, Oakbrook Terrace	18.5	2	Yes	9-6-82	0.78	9.33	cash	1.65
14. Northwest Funding Co., Inc., Rockford	N/A	3	Yes					
Northwest Bank of Winnebago County, Rockford (de novo)	N/A	3	Yes	7-30-82	N/A	N/A	N/A	N/A
15. Suburban Bancorp., Inc., Palatine	N/A	1	Yes					
Palatine National Bank, Palatine	43.8	1	Yes	7-31-82	0.69	9.09	exchange	N/A, pre-existing chain
Suburban National Bank of Palatine, Palatine	11.5	1	Yes	7-31-82	1.17	11.99	exchange	
Suburban Bank of Cary-Grove, Cary	24.0	2	Yes	7-31-82	0.85	9.65	exchange	
Suburban Bank of Hoffman- Schaumburg, Schaumburg	16.1	1	Yes	7-31-82	-0.16	-1.55	exchange	
Suburban Bank of Rolling Meadows, Rolling Meadows	30.5	1	Yes	7-31-82	2.15	24.79	exchange	
Suburban National Bank of Elk Grove Village, Elk Grove Village	15.1	1	Yes	7-31-82	0.29	3.06	exchange	
Suburban National Bank of Woodfield, Schaumburg	10.6	1	Yes	7-31-82	1.06	11.97	exchange	
16. First Community Bancorp., Inc., Rockford	N/A	3	Yes					
First National Bank & Trust Company of Rockford, Rockford	222.8	3	Yes	8-2-82	0.70	6.81	exchange	N/A, pre-existing chain
North Towne National Bank of Rockford, Rockford	26.4	3	Yes	8-2-82	0.95	13.53	exchange	
First Bank of Roscoe, Roscoe	8.8	3	Yes	8-2-82	0.93	7.70	exchange	
First Bank of Loves Park, Loves Park	12.5	3	Yes	8-2-82	0.81	8.54	exchange	
17. Transworld Corp., Lake Forest	11.6	2	Yes					
Dempster Plaza State Bank, Niles (33%)	21.7	1	Yes	9-3-82	-1.52	—	cash	0.50
18. First Busey Corporation, Urbana	127.7	4	Yes					
Roberts State Bank, Roberts-	16.0	3	No	9-17-82	1.43	12.97	cash	1.24
19. Mt. Zion Bancorp., Inc., Mt. Zion	N/A	4	Yes					
The Hight State Bank, Dalton City	6.3	4	No	10-1-82	2.16	21.63	combination, primarily cash	1.61 (cash portion)
20. United Bancorporation, Inc., Rockford	N/A	3	Yes					
United Bank of Rochelle, Rochelle	8.9	3	No	10-31-82	0.84	5.86	exchange	N/A, pre-existing chain
United Bank of Rockford, Rockford	13.4	3	Yes	10-31-82	2.06	24.96	exchange	
United Bank of Ogle County N.A., Oregon	26.8	3	No	10-31-82	0.84	13.16	exchange	
United Bank of Loves Park, Loves Park	61.1	3	Yes	10-31-82	1.51	20.04	exchange	
United Bank of Southgate, Rockford	23.9	3	Yes	10-31-82	0.62	8.60	exchange	
United Bank of Belvidere, Belvidere	26.2	3	Yes	10-31-82	0.86	10.07	exchange	
United Bank of Illinois, N.A., Rockford	106.6	3	Yes	10-31-82	0.89	8.21	exchange	

Table 2 (continued)

**1982 Illinois multibank holding company formations and acquisitions
(Seventh District portion)**

Holding Company Bank(s) Acquired	12-31-81 total deposits* (\$ million)	Illinois BHC Region	Located in SMSA (Yes - No)	Date of Consummation	12-31-81 ROA**	12-31-81 ROE**	Cash offer or exchange of shares	Ratio of price to book value† (1.0 = book value)
21. McLean County Bancshares, Inc., Bloomington	N/A	3	Yes					
McLean County Bank, Bloomington	78.7	3	Yes	10-30-82	1.13	18.37	exchange	1.00
Stanford State Bank, Stanford	5.0	3	Yes	10-30-82	2.24	15.13	cash	1.24
22. Central of Illinois Inc., Sterling	N/A	3	Yes					
Citizens State Bank of Mount Morris, Mount Morris	19.4	3	No	12-1-82	2.25	20.08	cash	1.50
23. Mid-Central Bancshares Corporation, Charleston	N/A	4	No					
Ashmore State Bank, Ashmore	5.6	4	No	12-3-82	1.68	15.43	cash	1.50
24. Oak Park Bancorp., Inc., Oak Park	239.9	1	Yes					
The Dunham Bank, St. Charles	15.4	2	Yes	12-24-82	0.82	10.73	choice of cash, or combination	2.11 (cash portion)

*Deposit data from Reports of Condition, December 31, 1981.

**ROA and ROE data from Sheshunoff and Company, Inc., *The Banks of Illinois 1982*.

†A simple, unadjusted method was used here for calculating book value premiums. The bank's net worth, as provided in the financial statements of each application, was divided by total common shares outstanding. This value was compared with the cash offer, or in the case of an exchange of shares, with a similar net worth/outstanding shares ratio for the holding company, also taking into account the exchange ratio. Some agreements calculated an "adjusted book value," usually adjusted to reflect the current credit worthiness of the bank's loan portfolio. Therefore, book values and premiums calculated here may differ from those stated in the actual merger agreement.

as a tax-free reorganization. Because of the tax consequences, cash offers are usually higher (i.e., the premium over book value is greater) than those for share exchanges.

Approximately one third of the banks were acquired by means of a cash purchase. Cash offers ranged anywhere from a low of one-half of book value to a high of 2.62 times book, with the average being 1.46 times book. At least one holding company provided the option of either a lump sum or an annuity distribution.

The majority of bank acquisitions in Illinois in the first year were structured around an exchange of shares. Exchanges of bank shares for holding company shares averaged 1.11 times book, ranging from 60 percent of book to 1.68 times book value.⁶ All of the holding companies formed by chain banks involved exchanges of shares.

Most of the banks commanding high acquisition premiums were above average in profitability, and were not previously related or affiliated with the acquiring BHC except for, occasionally, a correspondent relationship with the BHC's lead bank. The majority of the premium-priced banks are located in Regions I and II in the

Chicago banking market.

There are various explanations why a bank would command a premium in a crowded market with so many alternatives. (The Chicago banking market, defined as Cook, DuPage, and Lake Counties, contained 370 banks at 12/31/81.)⁷ At least three are plausible. First, a suburban bank in an attractive high-income and fast growth area might be exceptionally attractive to a BHC.

Second, given Illinois' prohibition against branch banking, the BHC may be looking for location only—in essence de facto branches—

⁶These ratios are comparable to those presented for recent acquisitions in New Jersey, Pennsylvania, and Massachusetts, where typical offerings were 1.6 times book value for cash offers and 1.2 times book value for exchanges of shares. (See Paul S. Nadler, "Bank Acquisitions Seen From Both Sides," *Bankers Monthly Magazine*, September 15, 1982, p. 9.) Also, in the second quarter of 1982, the weighted average price to book value for BHC applications received by the Federal Reserve was 1.4 times. This figure is based on offers in the form of cash, notes, exchanges of stock, or combinations. (See "Merger, Acquisition Premiums Figured," *Banking Expansion Reporter*, Vol. 1, No. 19, October 18, 1982, p. 8.)

⁷See 67 *Federal Reserve Bulletin* 727 (September 1981).

and thus purchases one of the smallest banks available. Under this approach the acquiring holding company is less concerned with the acquired bank's overall contribution to earnings.⁸

A third reason cited by large BHCs for their interest in acquiring small banks is their concern over the Federal Reserve Board's reaction to possible anticompetitive effects of the acquisitions. In addition to the BHC's own financial and managerial considerations, the acquiring bank must take into account the BHC Act of 1956 which prohibits the Board from approving any acquisition or merger whose effect may be "substantially to lessen competition."

Future Trends

What implications does the Illinois multibank holding company act have for the future of bank structure in the state? One impact is increased commercial bank concentration, both statewide and in local banking markets. But, on a statewide basis the trend toward increased concentration did not develop in 1982. In fact, just the opposite occurred. The shares of commercial bank domestic deposits held by the state's fifteen largest banking organizations decreased from December 1981 to June 1982. At December 31, 1981, these fifteen organizations held 44.7 percent of statewide deposits, and by June 30, 1982, they held 44.2 percent. During this six month period three of these organizations became multibank holding companies. The decrease in concentration is due primarily to decreasing deposit levels in the state's five largest banking organizations in comparison with the rest of the state. With 1,323 commercial banks in Illinois at the end of 1981, it will be some time before statewide concentration levels begin to show significant increases.

Several applications in process at year-end 1982 are formalizations of pre-existing chain banking relationships, including the Midwest Associated Banks of America group,⁹ a chain of

20 commercial banks in Regions II and III, which became the largest multibank formation in the nation to date. Similar applications involving other chains will no doubt be submitted in the future.

Several of the multibank holding companies established during 1982 are continuing to expand. First Busey Corporation, Urbana; Commercial National Corporation, Peoria; and Northern Trust Corporation, Chicago, have had applications approved to acquire a total of five additional banks, but these were not consummated in 1982. In addition, First Community Bancorp, Rockford; Steel City Bancorporation, Chicago; First Freeport Corporation, Freeport; and Suburban Bancorp, Palatine, all had applications accepted for processing by the Federal Reserve Bank of Chicago during the latter part of 1982 that had not been acted upon by year-end.

Certain early acquisitions of suburban banks lead to the conclusion that, as has happened in other states, the multibank law is being used as a de facto branching strategy. A question remains as to whether the Illinois multibank holding company act is merely the wedge being used to liberalize the attitudes of Illinois bankers and the public, to be followed by a more liberal branching law proposal.

Bankers had, literally, years to prepare themselves for the eventual passage of the bill which was lobbied for (and against) so strongly. Why haven't more applications been filed? With the midwestern economy suffering from the worst economic downturn since the Depression, many bankers in Illinois were forced to postpone their acquisition plans. Some of the early acquisitions that involved high-priced offers caused other hopeful marriage partners to price themselves out of the market.

The net effect of the act, based on first year experience, appears to be minimal. However, with declining interest rates and the expanding familiarity with the Illinois law, multibank holding companies and their subsidiaries will become significant forces in Illinois in the future.

⁸Douglas H. Ginsberg, "Bank Holding Company Expansion Strategies: The Illinois Bank Holding Company Act," *Banking Law Journal*, Vol. 99, no. 7 (August 1982), pp. 600-601.

⁹See application by First Midwest Bancorp, Inc., Joliet, Illinois, to acquire 20 banks in Illinois, approved by the Board of Governors on February 28, 1983. Although the application involved 20 banks, the actual chain includes 26 banks.