

TAYLOR CAPITAL GROUP, INC. (NASDAQ: TAYC, Rosemont, IL) has completed its \$35 million common stock rights offering and \$37.5 million convertible preferred stock exchange

Sandler O'Neill + Partners, L.P. served as financial advisor to the Special Committee of the Board of Directors of Taylor Capital in both of these transactions

On December 31, 2011, Taylor Capital Group, Inc. completed the previously announced conversion of all shares of its 8% Non-Cumulative, Convertible Perpetual Preferred Stock, Series C and Series E, into shares of its common stock or common stock equivalents. Each Series C preferred share converted into 2.7599 shares of common stock. Series E preferred stockholders received 2.7599 shares of the Series G preferred stock (a nonvoting common equivalent series of preferred stock, each share of which is convertible into one share of common stock under certain limited circumstances).

Additionally, on December 19, 2011 the Company announced that it had completed its previously disclosed \$35.0 million rights offering, which expired on December 14, 2011. The rights offering was fully subscribed. Rightsholders exercising their subscription rights purchased a total of 4,424,778 shares of the Company's common stock, which was the maximum number offered, at a price of \$7.91 per share. This price represented a slight premium to the closing price of \$7.84 per share for Taylor Capital common stock on December 14, 2011.

Total gross proceeds to the Company from the common stock rights offering were \$35.0 million. The Company intends to use the proceeds for general corporate purposes, particularly to provide additional liquidity to continue to act as a source of strength for Cole Taylor Bank, to better align its capital position with that of its peers and to support future growth plans.

To objectively evaluate possible capital restructuring and issuance alternatives and negotiate the terms thereof, Taylor Capital's Board of Directors created a Special Committee, comprised solely of independent and disinterested directors. This Special Committee, in turn, engaged Sandler O'Neill + Partners, L.P. to provide the Special Committee with financial advisory services with respect to the Special Committee's consideration of capital restructuring alternatives.

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