

The logo is a stylized, symmetrical emblem. It features a central vertical column with three thin, vertical rectangular bars. This column is flanked by two large, triangular shapes that point towards the center. The entire emblem is composed of a grid of squares, with some squares being solid white and others being white with a fine, dotted pattern. The emblem is centered on a solid blue background.

**First Midwest Bancorp**



# Safe Harbor Statement

**This presentation may contain forward-looking statements regarding financial performance, business prospects, growth and operating strategies. Actual results, performance or developments could differ materially from those expressed or implied by these forward-looking statements as a result of known and unknown risks, uncertainties and other factors, including those identified in First Midwest's Form 10-K and other Securities and Exchange Commission filings, copies of which will be made available upon request. With the exception of fiscal year end information previously included in First Midwest's Form 10-Ks, the information contained herein is unaudited. First Midwest undertakes no duty to update the contents of this presentation.**



First Midwest

# **First Midwest Bancorp**

## **2003 & Beyond**



# Markets



## ◆ Illinois (IL)

Population: 12.7 Million- 5<sup>th</sup> Largest

Deposits: \$283 Billion- 3<sup>rd</sup> Largest

## ◆ Chicago MSA

(Cook & 8 Surrounding Counties)

Population: 8.5 Million - 67% of IL; 2<sup>nd</sup> largest MSA

Deposits: \$211 Billion - 75% of IL

Dep. Concent: 40.8% - #87 MSA

## ◆ FMB Metro Chicago Footprint

(Lake, DuPage, Will and McHenry County  
Cook not included)

Population: 2.4 million

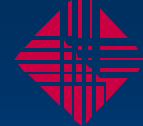
Deposits: \$51 billion

Dep. Concent: 26.8%



# Full Year 2002 Highlights

	<b>12/31/02</b>	<b>12/31/01</b>	<b>% Improvement</b>
<b>Net Income</b>	<b>\$ 90,150</b>	<b>\$ 82,138</b>	<b>9.75%</b>
<b>Diluted EPS</b>	<b>\$ 1.86</b>	<b>\$ 1.63</b>	<b>14.11%</b>
<b>Return on Average Assets</b>	<b>1.53%</b>	<b>1.43%</b>	<b>7.0%</b>
<b>Return on Average Equity</b>	<b>18.82%</b>	<b>17.89%</b>	<b>5.2%</b>
<b>Net Interest Margin</b>	<b>4.28%</b>	<b>4.10%</b>	<b>4.4%</b>
<b>Efficiency Ratio</b>	<b>48.20%</b>	<b>49.65%</b>	<b>- 2.9%</b>
<b>Non Performing Assets Ratio</b>	<b>.53%</b>	<b>.61%</b>	<b>- 13.1%</b>



# 1<sup>st</sup> Quarter 2003 Highlights

	3/31/03	3/31/02	% Change
Net Income	\$ 22,730	\$ 22,071	3.00%
Diluted EPS	\$ .48	\$ .45	6.67%
Return on Average Assets	1.53%	1.55%	- 1.3%
Return on Average Equity	18.39%	19.39%	- 5.2%
Net Interest Margin	4.06%	4.32%	- 6.0%
Efficiency Ratio	49.16%	47.26%	- 4.0%
Non Performing Assets Ratio	.51%	.58%	- 12.1%

# 2002 Performance In Context

## 1993-2002



First Midwestern

**Earnings Per Share**  
(\$ .75 to \$1.86)

**10% CAGR**

**Net Income**  
(\$42,300,000 to \$90,150,000)

**8% CAGR**

**Return on Assets**  
(1.08% to 1.53%)

**42% Improvement**

**Nonperforming Asset Ratio**  
(1.29% to .53%)<sup>(1)</sup>

**59% Improvement**

**Efficiency Ratio**  
(63.0% to 48.2%)<sup>(1)</sup>

**23% Improvement**

(1) Data referenced is for the period 1994-2002

# Shareholder Value





# Stock Highlights: 4/30/03

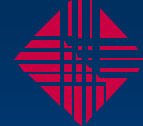
<b>Shares Outstanding</b>	<b>46.6 Mil</b>
<b>Avg. Daily Volume</b>	<b>65,500</b>
<b>Shareholders</b>	<b>7,500</b>

- Insider: 8%
- Institutional: 43%
- All Others: 49%

<b>Market Capitalization</b>	<b>\$ 1.3 Bil</b>
<b>Market Price</b>	<b>\$ 27.68</b>
<b>Price/Book<sup>(1)</sup></b>	<b>2.6x</b>
<b>Price/2002 Earnings</b>	<b>14.8x</b>
<b>Price/2003 Earnings<sup>(2)</sup></b>	<b>14.1x</b>

(1) Book Value as of 3/31/03

(2) Based on Consensus Estimate



# Shareholder Value Trends

## 1993-2002

**Market Cap (\$B)**  
(\$.590 to \$1.261)

**7.9% CAGR**

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**Dividends**  
(\$.26 to \$.70)

**10.6% CAGR**



# **What Accounts For The Trend?**

## **Six Significant Factors**

- I. Management Experience/Continuity**
- II. Mission Based Business Approach driven by Dedicated Strategic Planning Discipline**
- III. Mature Credit Control Culture**
- IV. Operational Control Tied To Continuous Business Process Improvement**
- V. Strength of Treasury Management**
- VI. Comprehensive Sales Process**



# **I. Management Experience/Continuity**

- **Core Group to Early 80's**
- **Industry/FMB Incumbency**
- **Equity Participation**
- **Common Incentives**
- **Desire To Compete**



## II. Mission Based Approach & Dedicated Strategic Planning Discipline

- **Mission\*** (First Adopted in 1991)
  - Client Faced
  - Needs Driven
  - Value Based
- **Strategic Planning** (Started Pre-formation: 1982)
  - Ten-Year Strategic Retrospective
  - Five-Year Forward Vision: 2007
  - Annual Update Synchronization
  - Linchpinned to Unit, Department, and Individual Plans

\* For reference, Mission Statement attached at end of presentation



# III. Mature Credit Control Culture

- Dedicated Loan Operations Center
- Parallel Approval Process
- Independent Loan Review
- Experienced Workout Group
- Diversified Portfolio
  - FMB Originated
  - Industry Risk Spread
  - Borrower Risk Spread



# **IV. Operational Control Tied To Continuous Business Process Improvement**

- **Centralized Support**
  - State of the Art Administrative Centers
  - Comprehensive Budget and Profitability Analysis Discipline
  - Mature Technology Applications
- **Continuous Business Process Improvement**
  - Aggressive Vendor Management
  - Focused Technology Integration
  - Electronic Process Mapping
  - Strategic Sourcing Analysis



# **V. Strength of Treasury Management**

- **Robust Simulation Process**
- **Extensive Scenario Building**
- **Comprehensive Sensitivity Analysis**
- **Balance Sheet Flexibility**
- **Experienced Portfolio Management**





## **VI. Comprehensive Sales Focus**

- **Retail Client Group: Mass Market**
- **Business Client Group: Custom Market**
- **Focused On Enormous Market Potential**



# Retail Client Group: Mass Market

- Omega Based Sales Management System
- Dedicated Product and Affinity Group Management
- Robust Channel Support
- Comprehensive Customer Relationship Management Approach
  - Eight Channels
  - 35 Million Client Touches
    - 53% Electronic
    - .5% Personal Bankers



# **Business Client Group: Custom Market**

- **Focused Middle Market Group**
- **Dedicated Specialty Lending Groups**
- **State of the Art Cash Management Group**
- **Dedicated Product Management**
- **Integrated Fiduciary Sales Management**
- **Unique Customer Sales Planning Process**
  - **Top 20% of Clients**
  - **Needs Based Interdisciplinary Planning**



# Focused On Enormous Market Potential

	<b>FMB Metro Chicago Footprint</b>	<b>Illinois</b>	<b>United States</b>
<b>2002-2007 Population Growth</b>	<b>11.8%</b>	<b>6.0%</b>	<b>5.2%</b>
<b>Average HH Income</b>	<b>\$88,159</b>	<b>\$63,140</b>	<b>\$58,330</b>
<b>% of Households with HH Income &gt;\$150,000</b>	<b>8.6%</b>	<b>5.2%</b>	<b>4.8%</b>
<b>Median Home Value</b>	<b>\$123,902</b>	<b>\$80,871</b>	<b>\$93,807</b>
<b>% Households Owning Home</b>	<b>76.4%</b>	<b>63.1%</b>	<b>60.1%</b>

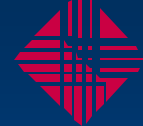
Note: FMB Metro Chicago Footprint defined as DuPage, Lake, Will, McHenry County (does not include Cook county and outer FMB markets) Source: Branchsource Online; 2000 Census Data

**These Six Major Factors**  
**Account For First Midwest's**  
**Consistent Performance**  
**Over the Past Ten Years**



## 2003 & Beyond: **The Opportunities**

- Within Our Client Base
- Within Our Immediate Market Footprint



# Retail: **Existing Client Opportunities**

	% Clients Using	% with FMB	% <b>Unmet</b>	<b>FMB Balance Opportunity</b>
<b>Deposit Services</b>	89%	51%	<b>38%</b>	<b>\$846 million</b>
<b>Loan Services</b>	43%	2%	<b>41%</b>	<b>\$8.5 billion</b>
<b>ATM/Debit Cards</b>	75%	26%	<b>49%</b>	<b>\$21 million/revenue</b>

Sources: 2001 Primary Research: Client Share of Wallet and Internal MCIF research. Based on 164,000 households and average account balances



# Retail **Market Potential** Within Three Miles of Our Branch Footprint

- **1 Million Households To The 164,000 Retail Relationships Today**
  - 16% share of households
  - 836,000 prospects within our footprint
- **Financial Services Consumed**
  - \$6 billion checking balances
  - \$24 billion savings balances
  - \$14 billion retail credit
  - \$47 billion mortgage balances
  - \$35 billion in income producing assets





# Commercial:

## Existing Client Opportunities

	% Clients Using	% with FMB	% Unmet	FMB Balance Opportunity
Transaction Services	79%	70%	9%	\$297 million
Credit Services	77%	71%	6%	\$848 million
Cash Management	50%	25%	25%	\$2.2 million/revenue

Sources: 1998 Federal Reserve Board National Survey of Small Business Finances; tier 4 and 5; extracted from Raddon Financial Group 2002 Presentation and internal MCIF applied to 11,000 relationships



# Commercial **Middle Market** Potential

- **30,000** businesses with **sales over \$1 million**
- **\$8.7 billion** Deposit Balance Potential
- **\$9.7 billion** Loan Balance Potential
- **\$38 billion** in Trust Asset Potential

Sources: Market Defined as Lake, DuPage, Champaign, Grundy, Knox, Lake, McHenry, Scott, Vermilion, Rock Island (Cook-not included) Branchsource Online (Deposit and Loan Potential calculation  $30,000 \times \% \text{ using } x \text{ average balances}$ ). Market potential from I-express; 1998 Federal Reserve Board Survey extracted from 2000 Raddon Financial Group Presentation



# New Business Opportunities

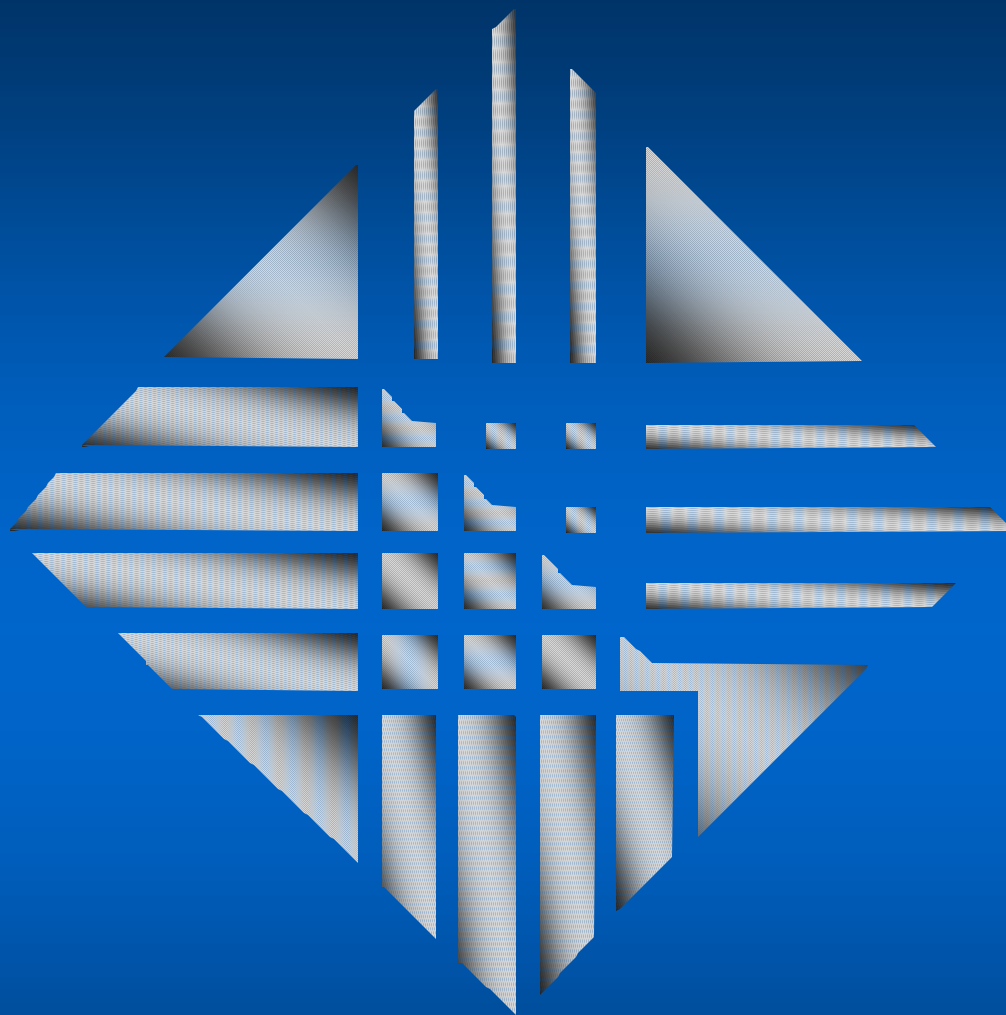
	<u>Client Opportunity</u>	<u>Market Opportunity</u>
Retail Deposits	\$850 million	\$30 billion
Retail Loans	\$8.5 billion	\$61 billion
Commercial Deposits	\$297 million	\$8.7 billion
Commercial Loans	\$848 million	\$9.7 billion
Trust Assets	\$8.0 billion	\$73 billion

Source: Primary and secondary client research, average account balances, Branchsource online, US Census



# In Conclusion

- We have carefully prepared ourselves for the competitive environment which we face
- There is enormous opportunity in both our client base and in the market place
- We have a comprehensive approach to retail and commercial markets
- Our confidence in our ability to execute in these markets is based upon our historical record of success





First Midwest

*Addendum*

*First Midwest Mission Statement*

# First Midwest Mission Statement



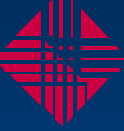
First Midwest

We are in the business of helping clients achieve financial success throughout their economic life. We do by focusing on the broad range of their **financial needs** and delivering **quality services** that truly fulfill those needs.

We believe that only if each of us, those dealing directly with clients as well as those who support client contact people, assumes **personal responsibility** for the financial success of every client we come in contact with, will their success be assured.

We further believe that in fulfilling clients' financial needs we are **creating significant value** for them while at the same time creating value for ourselves and the company.

The financial success of our clients, thusly, will define our success as well as the company.



First Midwestern

# *Selected Financial Information*



lected Financial Information  
(amounts in thousands, except per share data)

	2003	2002				
	1st Quarter	Dec. 31/YTD	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Period-End Balance Sheet</b>						
Total assets . . . . .	\$ 6,050,593	\$ 5,980,533	\$ 5,980,533	\$ 6,073,530	\$ 5,910,959	\$ 5,842,789
Securities HTM - amortized cost . . . . .	114,265	105,413	105,413	94,533	95,138	96,956
Securities HTM - fair market value . . . . .	114,731	105,568	105,568	94,686	95,272	97,088
Securities AFS - fair market value . . . . .	2,057,684	1,986,186	1,986,186	2,123,412	1,968,647	1,907,294
Mortgages held for sale . . . . .	18,160	18,521	18,521	15,670	9,919	10,306
<b>Loans:</b>						
Commercial . . . . .	936,436	897,845	897,845	914,531	897,603	854,039
Agricultural . . . . .	82,134	91,381	91,381	87,590	87,620	82,029
Real estate - commercial . . . . .	1,012,250	1,019,989	1,019,989	990,526	982,432	996,295
Real estate - construction . . . . .	376,715	344,509	344,509	317,136	323,525	323,754
Real estate - 1-4 family . . . . .	128,401	138,302	138,302	155,090	168,691	179,672
Direct consumer . . . . .	501,969	504,048	504,048	513,902	503,219	496,964
Indirect consumer . . . . .	401,376	410,772	410,772	419,618	429,391	440,989
Total loans . . . . .	3,439,281	3,406,846	3,406,846	3,398,393	3,392,481	3,373,742
<b>Other Assets:</b>						
Other earning assets . . . . .	875	11,745	11,745	5,036	4,610	9,344
Total earning assets . . . . .	5,630,265	5,528,711	5,528,711	5,637,044	5,470,795	5,397,642
Corporate owned life insurance . . . . .	142,658	141,362	141,362	139,902	138,287	136,819
<b>Intangibles:</b>						
Goodwill . . . . .	16,397	16,397	16,397	16,397	16,397	16,397
Mortgage servicing rights . . . . .	-	-	-	-	-	-
Other intangibles . . . . .	-	-	-	373	755	1,138
Total intangibles . . . . .	16,397	16,397	16,397	16,770	17,152	17,535
<b>Deposits:</b>						
Demand deposits . . . . .	805,142	789,392	789,392	803,499	776,471	733,217
Interest bearing deposits . . . . .	3,390,326	3,383,562	3,383,562	3,456,263	3,448,369	3,436,961
Total deposits . . . . .	4,195,468	4,172,954	4,172,954	4,259,762	4,224,840	4,170,178
Fund funds purchased and repurchase agreement . . . . .	752,895	662,408	662,408	663,846	770,351	849,370
Other borrowed funds . . . . .	525,000	575,000	575,000	575,000	375,000	325,000
Common equity . . . . .	\$ 492,822	\$ 491,953	\$ 491,953	\$ 497,336	\$ 477,162	\$ 446,823
<b>Average Balance Sheet</b>						
Total assets . . . . .	\$ 6,005,885	\$ 5,901,898	\$ 5,997,371	\$ 5,992,181	\$ 5,850,117	\$ 5,764,372
Securities - HTM taxable . . . . .	49,878	43,310	50,428	46,079	38,536	38,029
Securities - HTM tax-exempt . . . . .	59,266	54,900	44,179	59,110	61,959	54,418
Securities - AFS taxable . . . . .	1,403,335	1,463,643	1,502,245	1,513,220	1,433,349	1,404,135
Securities - AFS tax-exempt . . . . .	577,242	476,946	489,370	471,999	472,538	473,761
Total loans . . . . .	3,408,390	3,382,508	3,395,872	3,391,423	3,381,871	3,360,377
Other earning assets . . . . .	22,210	19,465	23,075	26,607	15,646	12,330
Total earning assets . . . . .	5,520,321	5,440,772	5,505,169	5,508,438	5,403,899	5,343,050

	1st Quarter	YTD/Dec. 31	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Income Statement</b>						
Interest income . . . . .	\$ 74,565	\$ 329,664	\$ 78,221	\$ 83,259	\$ 84,241	\$ 83,943
Interest expense . . . . .	22,424	110,910	25,468	27,801	27,945	29,696
Net interest income . . . . .	52,141	218,754	52,753	55,458	56,296	54,247
Loan loss provision . . . . .	2,530	15,410	4,235	3,020	3,100	5,055
Service charges on deposit accounts . . . . .	6,281	25,362	6,948	6,439	6,219	5,756
Trust revenue . . . . .	2,553	10,309	2,507	2,543	2,551	2,708
Mortgage banking revenues . . . . .	-	-	-	-	-	-
Corporate owned life insurance . . . . .	1,296	6,728	1,460	1,831	1,739	1,698
Securities transactions . . . . .	66	460	427	9	24	-
Other income . . . . .	7,568	24,132	6,236	6,067	5,849	5,980
Total noninterest income . . . . .	17,764	66,991	17,578	16,889	16,382	16,142
Salaries and benefits . . . . .	20,012	80,626	19,833	21,017	20,217	19,559
Occupancy and equipment . . . . .	5,591	22,067	5,462	5,638	5,570	5,397
Reclosed property expense . . . . .	152	1,638	466	409	588	175
Goodwill amortization . . . . .	-	-	-	-	-	-
Other intangibles amortization . . . . .	-	1,313	374	383	382	174
Other expenses . . . . .	11,083	42,408	9,561	10,659	11,857	10,331
Total noninterest expense . . . . .	36,838	148,052	35,696	38,106	38,614	35,636
Pre-tax earnings . . . . .	30,537	122,283	30,400	31,221	30,964	29,698
Income taxes . . . . .	7,807	32,133	7,934	8,542	8,030	7,627
Net income . . . . .	<u>\$ 22,730</u>	<u>\$ 90,150</u>	<u>\$ 22,466</u>	<u>\$ 22,679</u>	<u>\$ 22,934</u>	<u>\$ 22,071</u>
Basic earnings per share . . . . .	\$ 0.48	\$ 1.88	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.45
Diluted earnings per share . . . . .	\$ 0.48	\$ 1.86	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.45
Weighted average shares outstanding . . . . .	46,978	48,074	47,425	47,839	48,403	48,647
Weighted average diluted shares outstanding . . . . .	47,229	48,415	47,714	48,146	48,774	49,047
Per share equivalent adjustment <sup>(1)</sup> . . . . .	\$ 3,922	\$ 14,014	\$ 3,700	\$ 3,244	\$ 3,557	\$ 3,513
Net interest income (FTE) <sup>(1)</sup> . . . . .	\$ 56,063	\$ 232,768	\$ 56,453	\$ 58,702	\$ 59,853	\$ 57,760
<b>Book and related per share data:</b>						
Book value . . . . .	\$ 10.58	\$ 10.42	\$ 10.42	\$ 10.44	\$ 9.91	\$ 9.21
Intangible book value . . . . .	10.23	10.07	10.07	10.09	9.55	8.85
Dividends declared per share . . . . .	0.19	0.70	0.19	0.17	0.17	0.17
Market price - period high . . . . .	28.12	32.16	28.79	30.13	32.16	29.81
Market price - period low . . . . .	24.89	23.34	23.80	23.34	26.24	27.01
Closing price at period end . . . . .	\$ 25.81	\$ 26.71	\$ 26.71	\$ 26.86	\$ 27.78	\$ 29.04
Closing price to book value . . . . .	2.4	2.6	2.6	2.6	2.8	3.2
Period end shares outstanding . . . . .	46,582	47,206	47,206	47,616	48,165	48,534
Period end treasury shares . . . . .	10,345	9,721	9,721	9,311	8,762	8,393
Number of shares repurchased . . . . .	667	1,866	417	564	457	428
Common dividends . . . . .	\$ 8,867	\$ 33,558	\$ 8,981	\$ 8,105	\$ 8,201	\$ 8,271
<b>Other Key Ratios/Data:</b>						
Return on average equity <sup>(2)</sup> . . . . .	18.39%	18.82%	17.92%	18.46%	19.60%	19.39%
Return on average assets <sup>(2)</sup> . . . . .	1.53%	1.53%	1.49%	1.50%	1.57%	1.55%
Net interest margin <sup>(1)</sup> . . . . .	4.06%	4.28%	4.10%	4.26%	4.43%	4.32%

