

2011

First Midwest Bancorp, Inc.

Keefe, Bruyette & Woods, Inc.

Regional Bank Conference

Boston, MA

March 1, 2011

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# Forward Looking Statements & Additional Information

This presentation may contain, and during this presentation our management may make statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Forward-looking statements include, among other things, statements regarding our financial performance, business prospects, future growth and operating strategies, objectives and results. Actual results, performance or developments could differ materially from those expressed or implied by these forward-looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include, among others, those discussed in our Annual Report on Form 10-K, the preliminary prospectus supplement and other reports filed with the Securities and Exchange Commission, copies of which will be made available upon request. With the exception of fiscal year end information previously included in the audited financial statements in our Annual Report on Form 10-K, the information contained herein is unaudited. Except as required by law, we undertake no duty to update the contents of this presentation after the date of this presentation.

The Company’s accounting and reporting policies conform to U.S. generally accepted accounting principles (“GAAP”) and general practice within the banking industry. As a supplement to GAAP, the Company has provided non-GAAP performance results. The Company believes that these non-GAAP financial measures are useful because they allow investors to assess the Company’s operating performance. Although the non-GAAP financial measures are intended to enhance investors’ understanding of the Company’s business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP.

# First Midwest Presentation Index

- Who We Are
- Operating Performance
- Credit And Capital
- Market Opportunities
- Going Forward

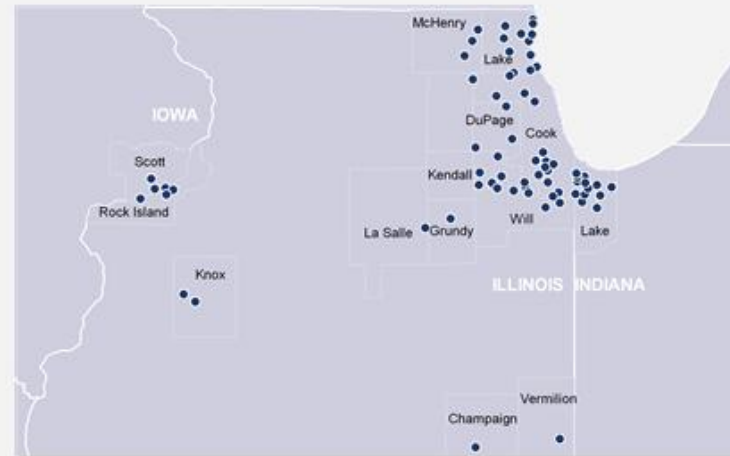
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## Who We Are

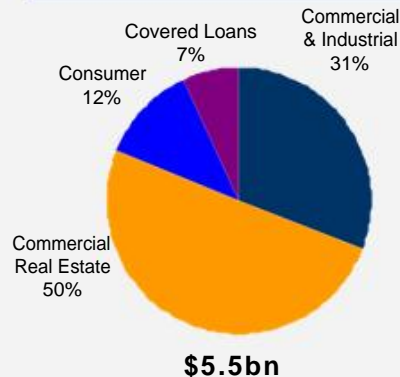
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# Overview Of First Midwest

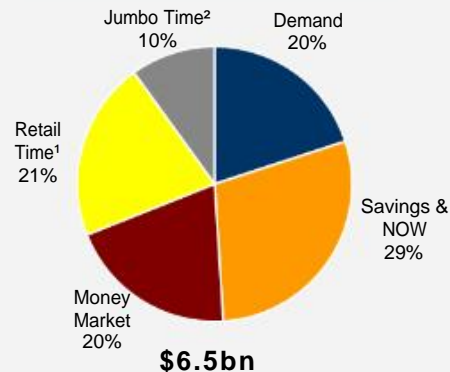
- Headquartered In Suburban Chicago
- \$8.1bn Assets
  - \$5.5bn Loans <sup>(5)</sup>
- \$6.5bn Deposits
  - 69% Transactional
- \$4.5bn Trust Assets



## Loan Mix



## Deposit Mix<sup>4</sup>



- Highly Efficient Platform - \$66mm Of Deposits Per Branch Office
- Leading Market Share In Non-Downtown Chicago MSA <sup>3</sup>
  - #9 In Market Share
- 3 FDIC Acquisitions Since 4Q09
  - ~ \$800mm In Deposits

Note: Information as of 31-Dec-10.

<sup>1</sup> Defined as time deposits less than \$100,000.

<sup>2</sup> Defined as time deposits greater than \$100,000.

<sup>3</sup> Source: SNL Financial. Non-downtown ranking and market share based on total deposits in Chicago MSA less deposits in the city of Chicago. Data as of 31-Dec-10.

<sup>4</sup> Based on quarterly average deposit mix as of 31-Dec-10.

<sup>5</sup> Includes \$375mm in covered loans stemming from three FDIC-assisted transactions since 30-Sept-09.

# Operating Performance

## Fourth Quarter and Full Year Results

Key Operating Metrics	<u>- Fourth Quarter -</u>		<u>- Full Year -</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
PTPP Core Operating Earnings <sup>(1)</sup> (millions)	\$ 35.0	\$ 32.7	\$ 136.4	\$ 131.4
Net Income (millions)	\$ (28.2)	\$ (37.5)	\$ (9.7)	\$ (25.8)
Net Interest Margin	4.02%	4.04%	4.13%	3.72%
Efficiency Ratio	59.08%	58.48%	58.84%	57.86%
Loans, End Of Period <sup>(2)</sup> (billions)	\$ 5.5	\$ 5.3	\$ 5.5	\$ 5.3
Avg. Transactional Deposits (billions)	\$ 4.6	\$ 3.9	\$ 4.3	\$ 3.7

- Top Line Revenues, Solid Margin
- Significant Growth In Low Cost Deposits

<sup>1</sup> PTPP represents Pre-Tax, Pre-Provision earnings, which is a non-GAAP financial measure. For reconciliation to GAAP measure, please refer to the appendix.

<sup>2</sup> Includes covered loans acquired from FDIC-assisted transactions totaling \$375 million and \$146 million as of 31-Dec-10, 09 respectively.

## Fourth Quarter Highlights

<b>Key Capital &amp; Credit Metrics <sup>(1)</sup></b>	<b><u>- Year Ended Dec -31 -</u></b>		
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>% Improvement</u></b>
Tier 1 Common	9.72%	7.56%	29%
Charge-Offs	\$ 147.1	\$ 164.7	-11%
Non-Performing Assets	\$ 269.5	\$ 336.0	-20%
Loans 30-89 Days Past Due	\$ 23.6	\$ 37.9	-38%

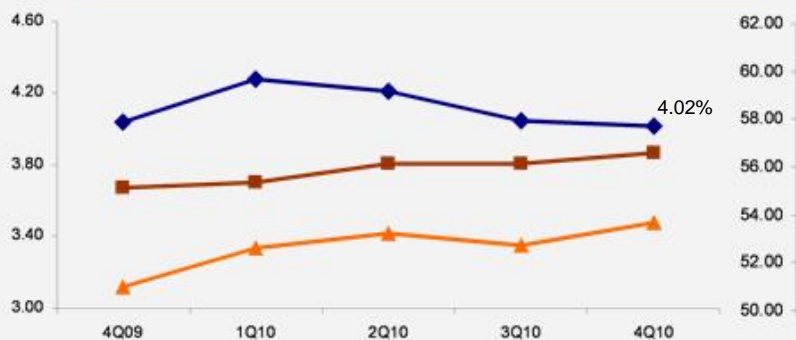
- Solid, Peer Leading Capital
- Credit Costs Elevated But Improving

<sup>1</sup> All dollar amounts in millions.

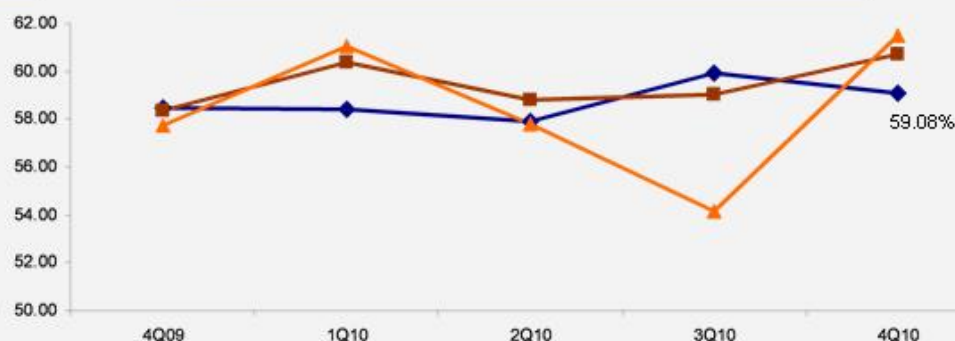


# Core Business Is Solid

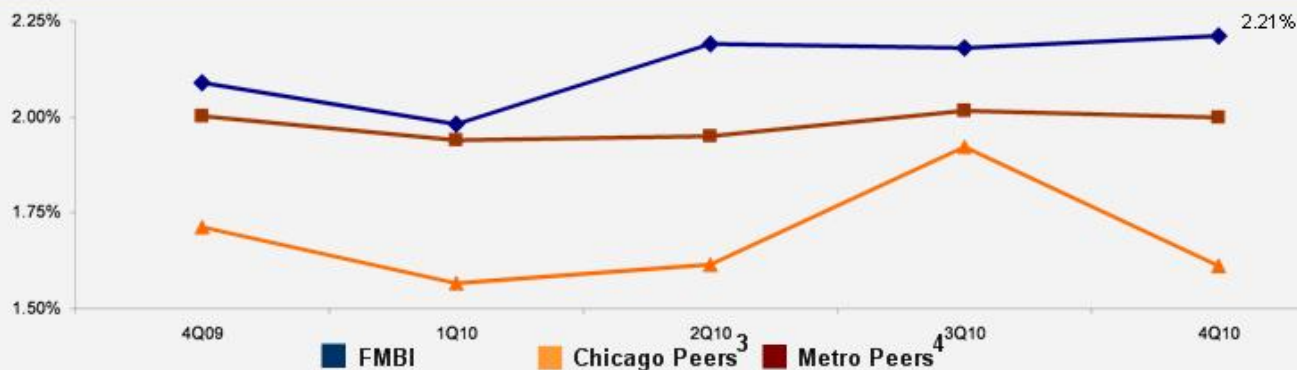
## Net Interest Margin %



## Efficiency Ratio % <sup>1</sup>



## Pre-Tax, Pre-Provision Earnings/ RWA <sup>2</sup>



Source: FMBI based on internal data; peer data from SNL Financial.

<sup>1</sup> Equal to non-interest expense divided by fully taxable equivalent (FTE) net interest income and non-interest income. Excludes nonrecurring items; items sourced from SNL.

<sup>2</sup> Risk-Weighted Assets (RWA). This is a non-GAAP financial measure. For reconciliation to GAAP measure, please refer to the appendix.

<sup>3</sup> Chicago Peers based on median of MBFI, OSBC, PVTB, TAYC and WTFC.

<sup>4</sup> Metro Peers based on median of CATY, CBSH, CFR, FCF, FMER, FULT, MBFI, ONB, PVTB, SUSQ, UMPQ, VLY, WTFC, and WTNY.

# Continued Business Investment

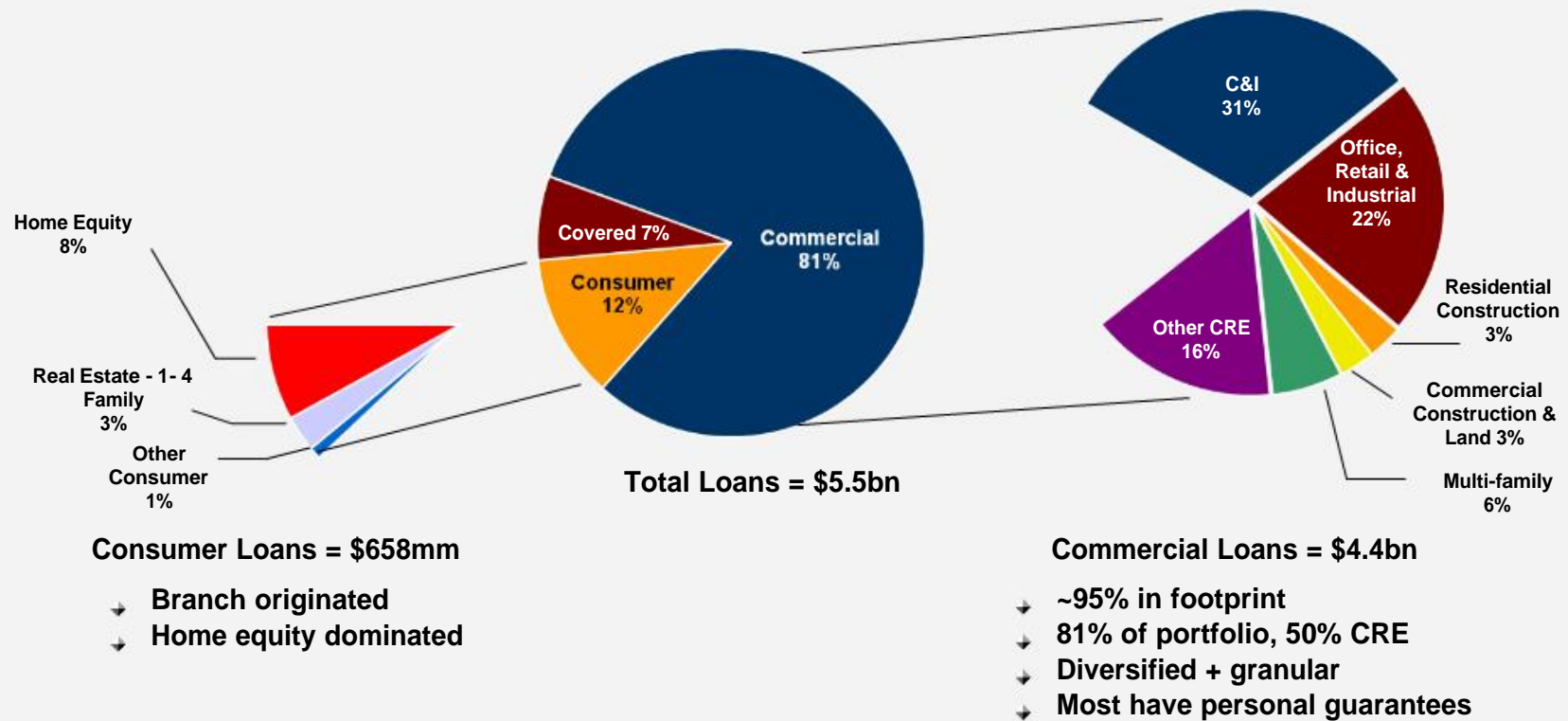
- Strengthening Sales
  - Retail Households Up 10%
  - Enhancing Sales Resources
  - Market Expansion
- Improving Internet Platform
- Enriching Product Offering
  - Overdraft Program

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## Credit & Capital

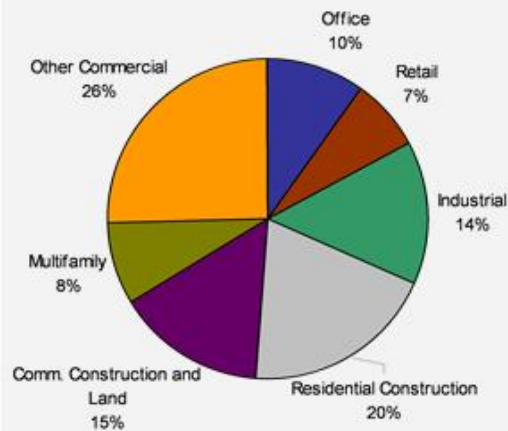
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# Loan Portfolio Overview



Note: Loan data as of 31-Dec-10.

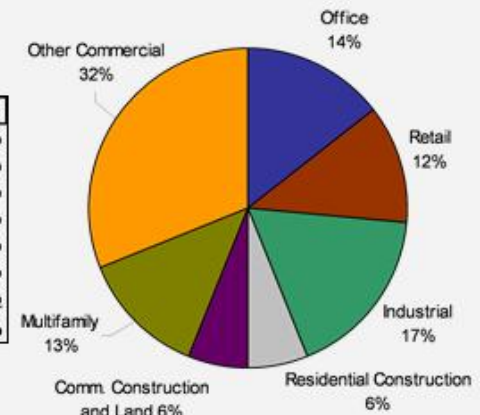
# Changing Commercial Real Estate Mix



**2007 Loan Mix**

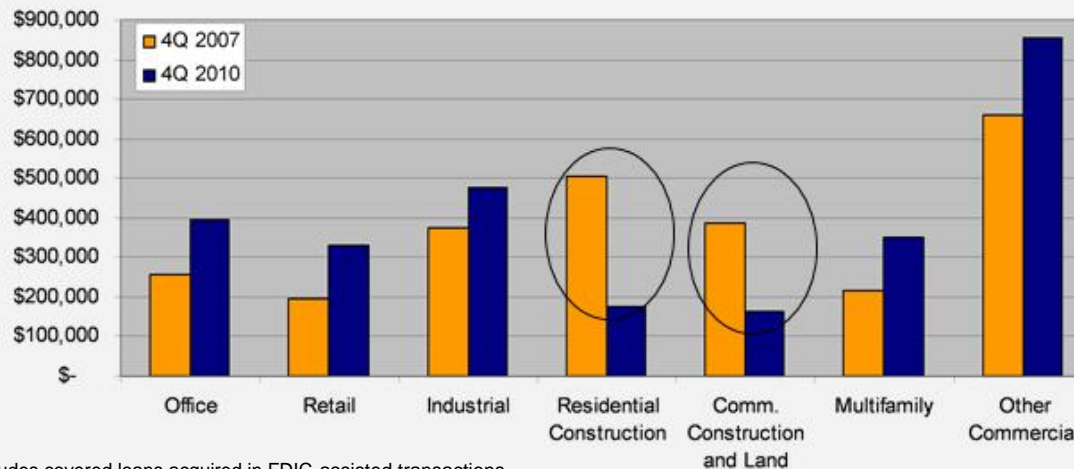
**\$2.6bn**

Real Estate Loan Type (\$000s)	2007	2010	% change
Office	\$ 256,211	\$ 396,836	55%
Retail	193,581	328,751	70%
Industrial	374,286	478,026	28%
Residential Construction	505,194	174,690	-65%
Comm. Construction and Land	388,193	164,472	-58%
Multifamily	217,266	349,862	61%
Other Commercial	661,480	856,357	29%
<b>Total Loans</b>	<b>\$ 2,596,211</b>	<b>\$ 2,748,994</b>	<b>6%</b>



**2010 Loan Mix**

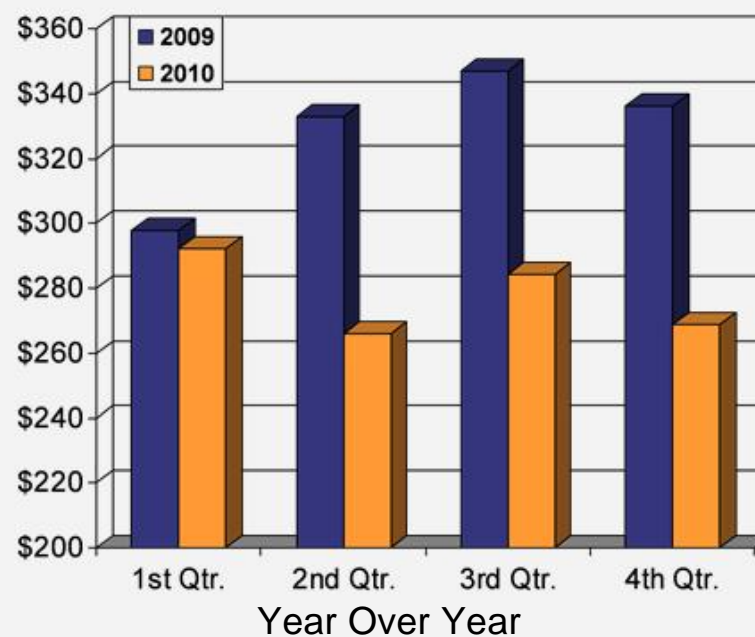
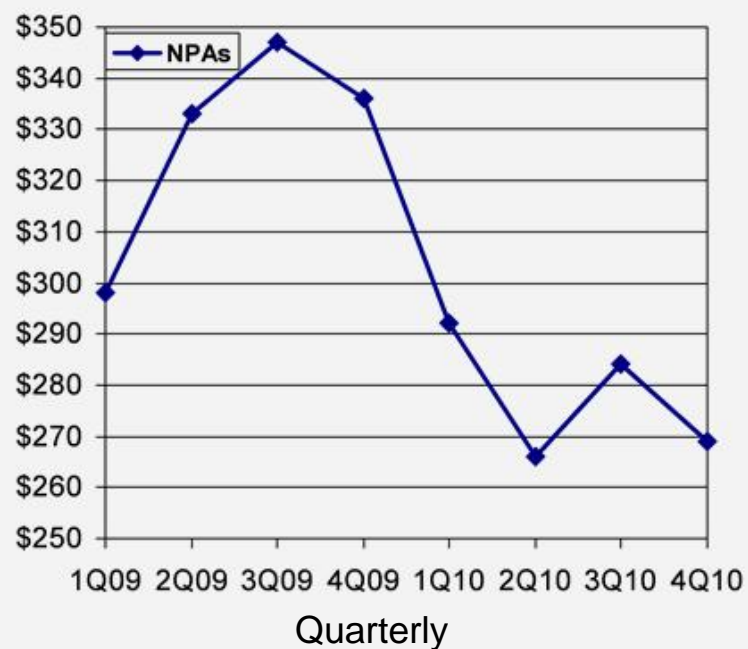
**\$2.7bn**



Note: Loan data as of year end. Excludes covered loans acquired in FDIC-assisted transactions.

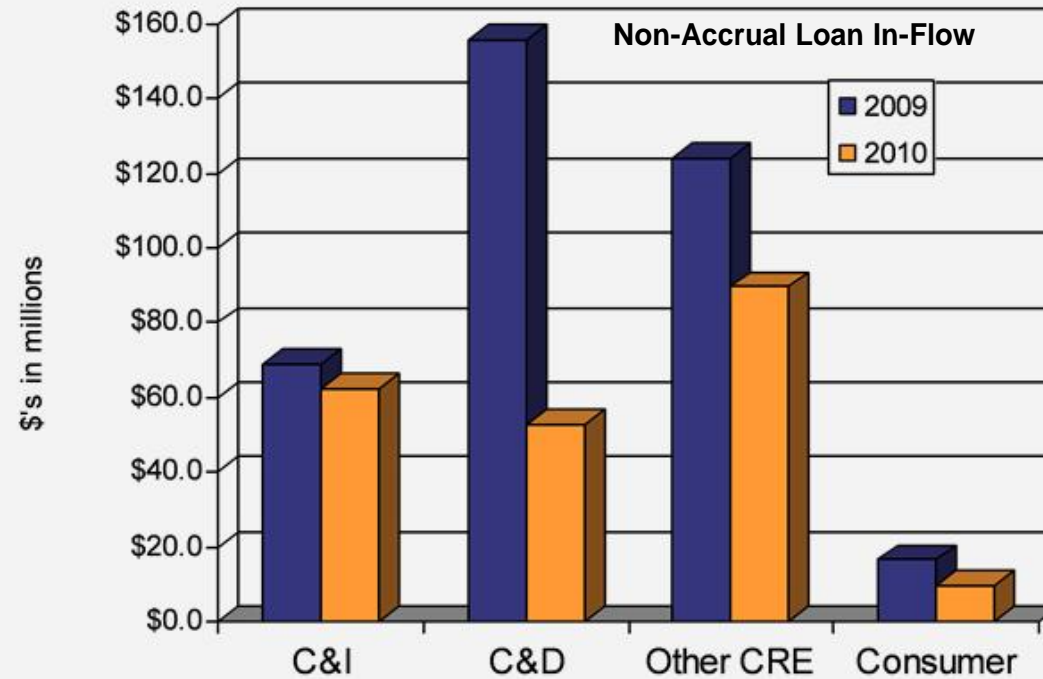
# Non-Performing Asset Trends

*\$'s In Millions*



*Levels Reflect Improvement; Influenced By In-Flows And Disposition Strategy*

# Problem Asset In-Flow Reduced



- Down ~41% From 2009
  - Total In-Flow Reduced From \$365.3mm In 2009 To \$214.5mm In 2010
- Influenced By Construction And Development, Primarily Residential
- Lower C&D Exposure, Delinquency Levels Reduced

# NPA Resolution Strategy Shift

(\$ in millions)

Asset Class	Selected Assets			
	Beginning Balance	Charge-Offs Related to Strategy Shift	Balance at Dec. 31, 2010	Charge-Offs as a % of Beginning Balance
Residential Construction & Land Loans	\$ 55	\$ 26	\$ 29	47%
Commercial Construction & Land Loans	15	8	7	53%
Other Loans	21	3	14	14%
Subtotal	\$ 91	\$ 37	\$ 54	41%
OREO (Primarily Construction & Land)	24	11	13	46%
Total	\$ 115	\$ 48	\$ 67	42%

Fourth Quarter 2010 Net Charge-Offs and OREO Write-Downs		
Ordinary	Related to Strategy Shift	Total
\$ 10	\$ 26	\$ 36
0	8	8
27	3	30
\$ 37	\$ 37	\$ 74
4	11	15
\$ 41	\$ 48	\$ 89

- Strategy Objective:
  - More Aggressively Pursue NPA Resolution
- Focus:
  - Selected Construction And Land Related Assets



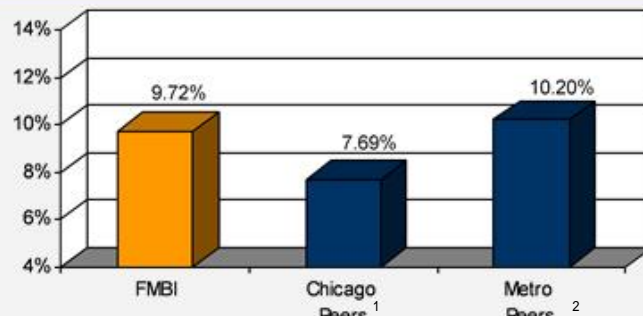
# Addressing Reality of Credit Cycle

- Conditions Slowly Improving, Real Estate Lagging
  - C&D Remains Under Stress, Lower Exposure
- Continued Focus On Reducing NPA Levels
  - Adjustment Of Carrying Values To Facilitate Disposition
  - Continued Investment In Remediation
  - Multiple Strategies
  - Cash Flowing Properties Offer Greater Alternatives

# Leading Capital Foundation

First Midwest vs. Peers

**Tier 1 Common**

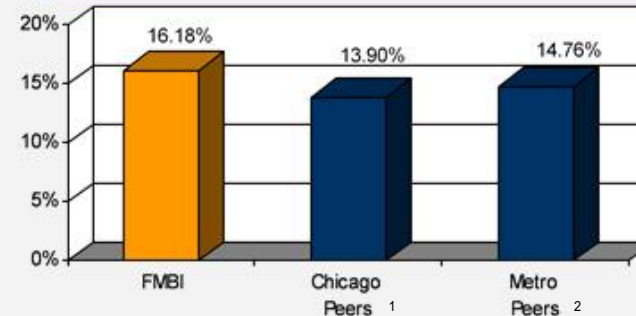


FMBI Rank

2/6

6/15

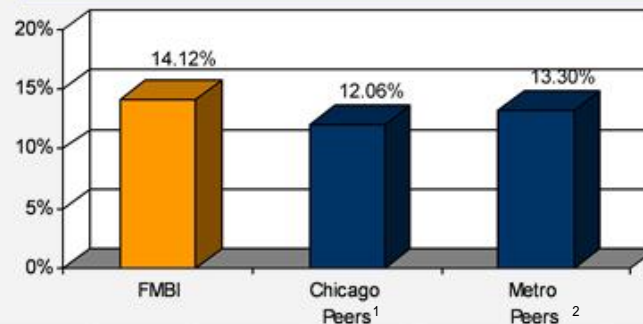
**Total Capital**



2/6

3/15

**Tier 1 RBC**

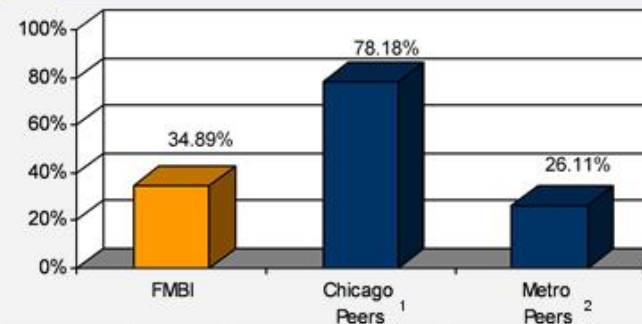


FMBI Rank

2/6

5/15

**NPA + 90 / TCE + LLR**



2/6

11/15

Source: Company data and SNL Financial. FMBI as of 31-Dec-10 and other companies as of 31-Dec-10. FMBI Tier 1 Common excludes equity credit allocated to TARP warrants.

<sup>1</sup> Chicago Peers based on median of MBFI, OSBC, PVTB, TAYC and WTFC.

<sup>2</sup> Metro Peers based on median of CATY, CBSH, CFR, FCF, FMER, FULT, MBFI, ONB, PVTB, SUSQ, UMPQ, VLY, WTFC, and WTNY.

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# Market Opportunities

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# Market Disruption

- Environment Creates Opportunities
- In Greater Chicago Area
  - ~ 40 Failures Since Start Of 2009
  - ~ 70 Institutions (\$32 Billion) With Texas Ratio > 100%
- Well Positioned To Benefit
  - Strong Capital Position
  - Solid Reputation: In Marketplace 70+ Years
  - Tenured Sales Force
  - Experienced Management



# Acquisitions Made

Acquisition	Date	Deposits	Core <sup>(1)</sup>	Loans	Branches	~ House -holds	Pre-Tax Gain
First DuPage	4Q09	\$232	26%	\$212	1	3,000	\$13
Peotone Bank And Trust	2Q10	\$84	73%	\$53	2	4,000	\$4
Palos Bank And Trust	3Q10	\$462	47%	\$297	5	18,000	\$0
Total		\$778		\$562	8	25,000	\$17

Expanded Footprint, Financially Accretive,  
Solid Deposit Retention (90+%)

All dollar amounts in millions.

<sup>1</sup> Defined as total deposits less time deposits.

# Acquisition Opportunities

- Selective Criteria
  - Strategically And Financially Accretive
- Ability To Strengthen The Company
- Leverages Our Skills
  - Local Market Knowledge
  - Experienced And Successful Acquirer
    - 7 Deals, \$2.7bn Since 2003
- FDIC-Assisted Deals Becoming More Competitive
  - Deals Likely Smaller
  - Eventual Shift From Assisted To Unassisted

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## Going Forward

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# Priorities for 2011

- Proactively Address Credit
  - Lower Problem Assets
- Continue To Position For Long-term Success
  - Asset Formation
    - Investment In Sales
  - Expand Market Presence
    - Central Business District
    - DuPage County
  - Pursue Growth Opportunities
  - Prudently Manage Capital



## Why First Midwest

- Premier Community Banking Franchise
- Strong Core
- Working Through Cycle
- Solid Capital; Liquidity
- Experienced Team
- Market Opportunities Available

Positioned For Long-term Success

Questions?



# Appendix

# Reconciliation of Non-GAAP Measures

## First Midwest Bancorp, Inc.

### Pre-Tax Core Operating Earnings <sup>(1)</sup>

Unaudited

(Amounts in thousands)

	Quarters Ended			Years Ended	
	December 31, 2010	September 30, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Pre-tax net income (loss) .....	\$ (53,225)	\$ (1,387)	\$ (65,833)	\$ (38,228)	\$ (75,926)
Provision for loan losses .....	73,897	33,576	93,000	147,349	215,672
Pre-tax, pre-provision earnings .....	20,672	32,189	27,167	109,121	139,746
<b>Non-Operating Items</b>					
Security gains (losses), net .....	1,662	6,376	(5,772)	12,216	2,110
Gains on FDIC-assisted transactions .....	-	-	13,071	4,303	13,071
Gains on early extinguishment of debt .....	-	-	1,267	-	15,258
Write-downs of other real estate owned .....	(11,957)	(5,800)	(9,177)	(23,367)	(12,584)
Losses on sales of other real estate owned expense .....	(3,455)	(2,465)	(4,874)	(17,113)	(5,970)
Losses realized on other real estate owned .....	(15,412)	(8,265)	(14,051)	(40,480)	(18,554)
Integration costs .....	(576)	(847)	-	(3,324)	-
FDIC special deposit insurance assessment .....	-	-	-	-	(3,500)
Total non-operating items .....	(14,326)	(2,736)	(5,485)	(27,285)	8,385
Pre-tax core operating earnings .....	\$ 34,998	\$ 34,925	\$ 32,652	\$ 136,406	\$ 131,361
Risk-adjusted assets .....	\$ 6,320,113	\$ 6,418,449	\$ 6,424,597	\$ 6,320,113	\$ 6,424,597
Pre-tax core operating earnings to risk-adjusted assets .....	2.22%	2.18%	2.03%	2.16%	2.04%

(1)

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# Residential Construction & Land Loans

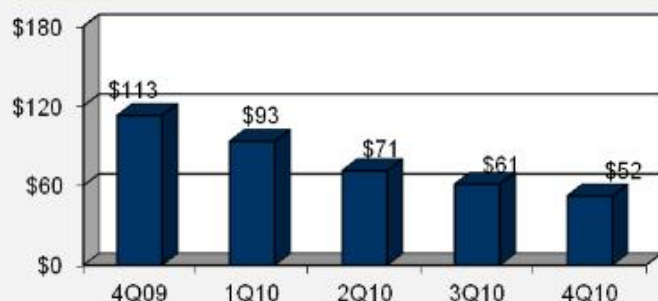
(Represent 3% of Total Loans; \$ in Millions)

	Performing	Non-Performing
Size of Portfolio	\$123	\$52
Avg. Loan Size (\$000s)	\$542	\$747
Supported by Interest Reserve	2%	0%
30-89 Days Past Due	\$0	\$0
Allocated Loss Reserve	\$27	

## Loan Summary

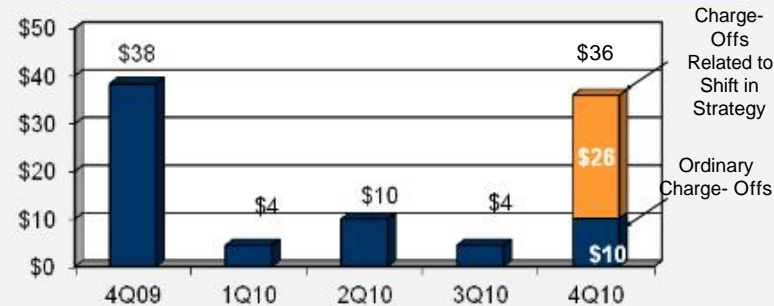
	Performing Loans		Non-Performing Loans	
	\$	%	\$	%
Raw Land	\$ 16	13 %	\$ 19	37 %
Developed Land	70	57	13	25
Under Construction	13	10	2	4
Substantially Completed	22	18	11	21
Mixed & Other	2	2	7	13
<b>Total Loans</b>	<b>\$ 123</b>	<b>100 %</b>	<b>\$ 52</b>	<b>100 %</b>

## Non-Performing Loans



**NPLs / Loans**    35.9%    33.8%    29.5%    27.0%    30.0%

## Net Charge-Offs



**NCOs / Avg. Loans<sup>1</sup>**    42.90%    6.03%    15.45%    7.64%    71.72%

Note: Portfolio data as of 31-Dec-10, excludes covered loans.

<sup>1</sup> Annualized.

# Commercial Construction & Land Loans

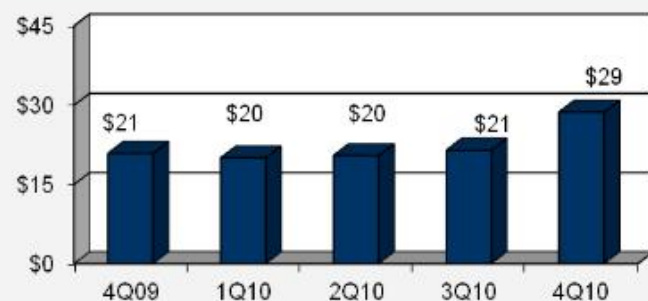
(Represent 3% of Total Loans; \$ in Millions)

## Loan Summary

	Performing	Non-Performing
Size of Portfolio	\$135	\$29
Avg. Loan Size (\$000s)	\$993	\$3,490
Supported by Interest Reserve	11%	\$0
30-89 Days Past Due	\$0	\$0
Allocated Loss Reserve	\$8	

	Performing Loans		Non-Performing Loans	
	\$	%	\$	%
Raw Land	\$ 28	21 %	\$ 19	66 %
Developed Land	62	46	10	34
Under Construction	23	17	—	—
Substantially Completed	22	16	—	—
Mixed & Other	0	0	—	—
<b>Total Loans</b>	<b>\$ 135</b>	<b>100 %</b>	<b>\$ 29</b>	<b>100 %</b>

## Non-Performing Loans



**NPLs / Loans** 9.0% 8.6% 10.1% 11.1% 17.4%

## Net Charge-Offs



**NCOs / Avg. Loans<sup>1</sup>** 4.07% 0.46% 0.21% 0.46% 17.33%

Note: Portfolio data as of 31-Dec-10, excludes covered loans.

<sup>1</sup> Annualized.