

2008

First Midwest Bancorp, Inc.

Sandler O'Neill

Palm Beach, FL

November 13, 2008

# Forward Looking Statements

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 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 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.

# First Midwest: Chicago's Premier Independent Company

- I. Who We Are
- II. Loan Portfolio and Credit Quality
- III. Opportunities and Advantages
- IV. Our Priorities
- V. Why Invest

# I. Who We Are

## Chicago's Premier Independent Company

Premier Franchise	Premier Bank For Commercial	Premier Bank For Retail
<ul style="list-style-type: none"><li>➤ \$8.2 billion assets</li><li>➤ \$5.7 billion deposits<ul style="list-style-type: none"><li>-61% core</li><li>-90% Suburban Chicago</li></ul></li><li>➤ \$5.2 billion loans</li><li>➤ \$3.8 billion trust/investment aum</li></ul>	<ul style="list-style-type: none"><li>➤ Seven product lines</li><li>➤ 25,000 commercial</li><li>➤ 1,600 trust relationships</li><li>➤ 180 relationship managers</li><li>➤ Tenured sales force and market presence</li></ul>	<ul style="list-style-type: none"><li>➤ 238,000 retail relationships</li><li>➤ 1,000 bankers</li><li>➤ 102 offices</li><li>➤ 6<sup>th</sup> largest distribution network in MSA</li></ul>

## A Suburban Chicago Franchise



**Mission**

**People**

**Business Lines**

**Commercial**

**Retail**

**And Market Opportunity**

**Organizational Control**

- Credit Quality
- Efficiency

## Created A Strong Financial Foundation

- Sustained Profitability
- Solid Capital
- Stable Liquidity



## 2008 Third Quarter Highlights

	3Q08	2Q08	% Change
Net Interest Income	\$62.8	\$60.3	4%
Fee Based Revenues	\$24.8	\$24.0	3%
Noninterest Expenses	\$48.4	\$49.9	-3%
Operating Income <sup>(1)</sup>	\$39.8	\$37.4	6%
Net Income	\$24.2	\$27.0	-10%
ROAA <sup>(2)</sup>	1.16%	1.33%	-13%
Loans	\$5,224	\$5,182	1%; 4% Ann
Net Interest Margin	3.63%	3.58%	1%

Dollars are in millions except earnings per share amount.

(1) Excluding provision for loan losses and securities losses, net.

(2) Annualized

## Profitability - Well Above Peer Third Quarter 2008

	First Midwest	Metro Peers <sup>(1)</sup>	Chicago Peers <sup>(2)</sup>
ROAA <sup>(3)</sup>	1.16%	0.23%	-0.10%
ROAE <sup>(3)</sup>	13.09%	1.93%	-1.28%
Net Interest Margin	3.63%	3.63%	2.76%
Efficiency	50%	63%	72%

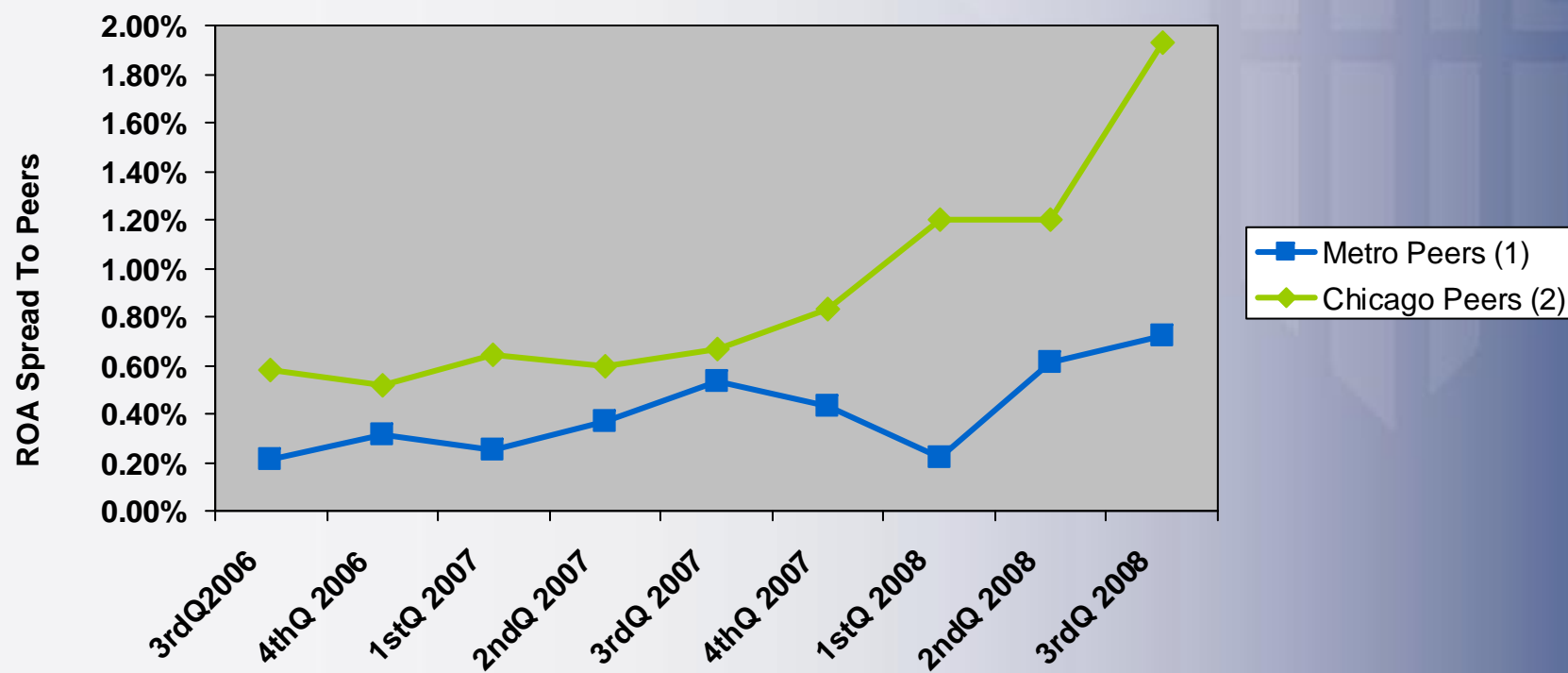
Data represents the best available peer median core performance for third quarter 2008 as obtained from SNL Financial.

(1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(2) The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.

(3) Annualized

## Sustained Profitability Premium



Data represents the peer median core performance as obtained from SNL Financial.

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 (2) The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.

## Capital Metrics Third Quarter 2008

	First Midwest	Metro Peers <sup>(1)</sup>	Chicago Peers <sup>(2)</sup>
Tier 1 Capital Ratio	9.4%	10.1%	7.8%
Total Capital Ratio	12.0%	12.4%	10.8%
Tangible Equity w/o OCI <sup>(3)</sup>	6.1%	6.5%	5.2%
Dividend Yield	5.1%	3.3%	1.7%
Dividend Payout	62%	88%	50%

Investment grade ratings for First Midwest: S&P and Fitch – BBB+; Moody's – A3.

**Investment Grade Ratings Reaffirmed by Standard & Poor's on 10/2/08.**

Data represents the peer median performance for 3Q08 as obtained from SNL Financial.

- (1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.
- (2) The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.
- (3) Represents ratio of tangible equity to tangible assets excluding other comprehensive income

## Stable Liquidity

- ▶ Strong Core Deposit Base
  - ▶ Transactional Deposits Represent 66% of Total Loans
  - ▶ 19% Demand Deposits as a % of Total Deposits
  - ▶ Nominal Brokered Deposits
- ▶ \$2.1 Billion Securities Portfolio Provides Availability
- ▶ Diversified Wholesale Sources

## II. Our Loan Portfolio and Credit Quality

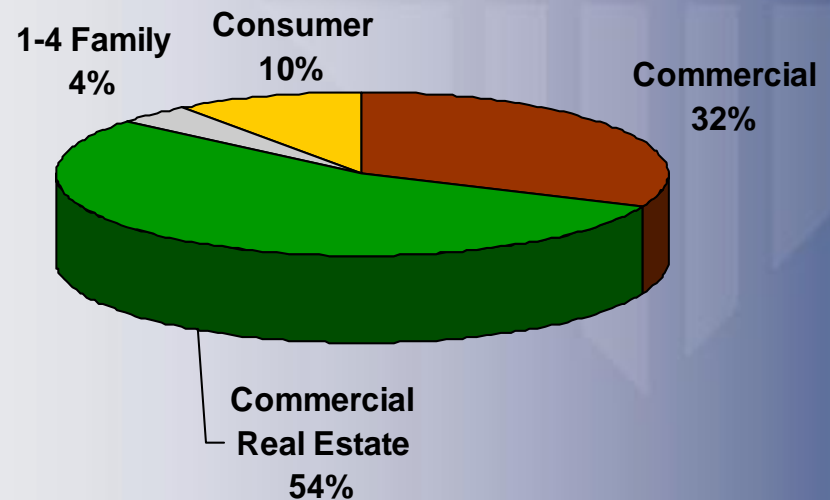
## Portfolio Distribution<sup>(1)</sup>

### Consumer

- ➔ Home Equity Dominated
- ➔ Conservative
- ➔ Minimal 1-4; No Subprime
- ➔ No Retail Credit Card

### Corporate

- ➔ Diversified
- ➔ Granular
- ➔ ~ 95% in Market
- ➔ No National Syndications



## Consumer Real Estate<sup>(1)</sup>

	Home Equity	1-4 Family Loans
Balances	\$469 million	\$206 million
Delinquency	2.77%	2.97%
Loss Rate	0.55%	0.32%
Balances > 90% LTV	\$23 million, 5%	\$26 million, 13%

(1) As of September 30, 2008

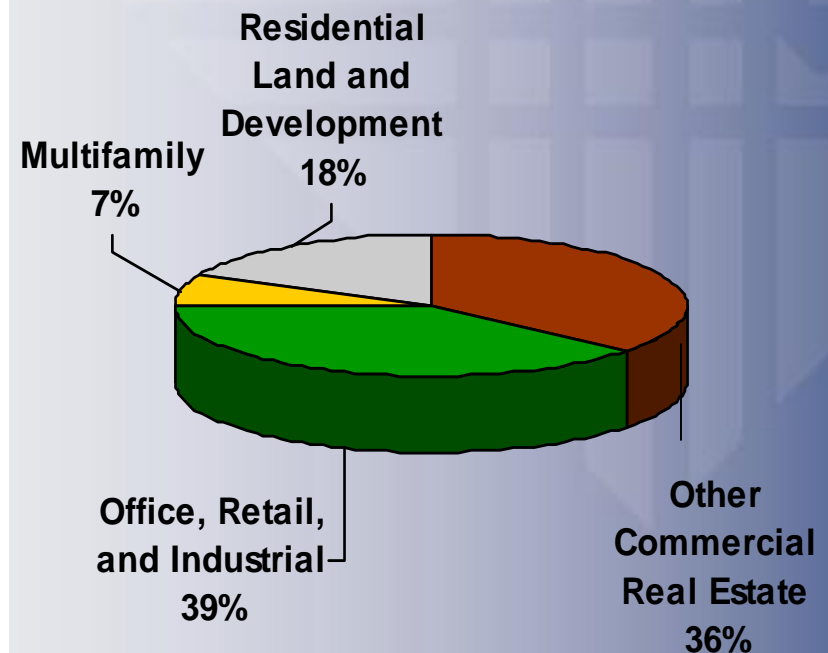


## Commercial Real Estate<sup>(1)</sup>

- Centrally Underwritten > \$1MM
- Tenured Business Line
- ~ 25% = Owner Occupied
- Granular Exposure

### Residential Land and Development

- ~ 60% Land / 40% Structures
  - On Land (75% Improved)
  - 65% LTV on Vacant Land <sup>(2)</sup>
  - 75% LTV on Improved Land <sup>(2)</sup>



(1) As of September 30, 2008  
(2) These are our internal origination LTV guidelines.

## Credit Quality<sup>(1)</sup>

	First Midwest	Metro Peers <sup>(2)</sup>	Chicago Peers <sup>(3)</sup>
Loan Loss Reserve/Loans	1.34%	1.36%	1.52%
LLR/ (NPL + 90 day)	.75X	.80X	.60X
(NPL + 90)/Total Loans	1.78%	1.51%	2.66%
Reserve/NPA's	.88X	.84X	.59X

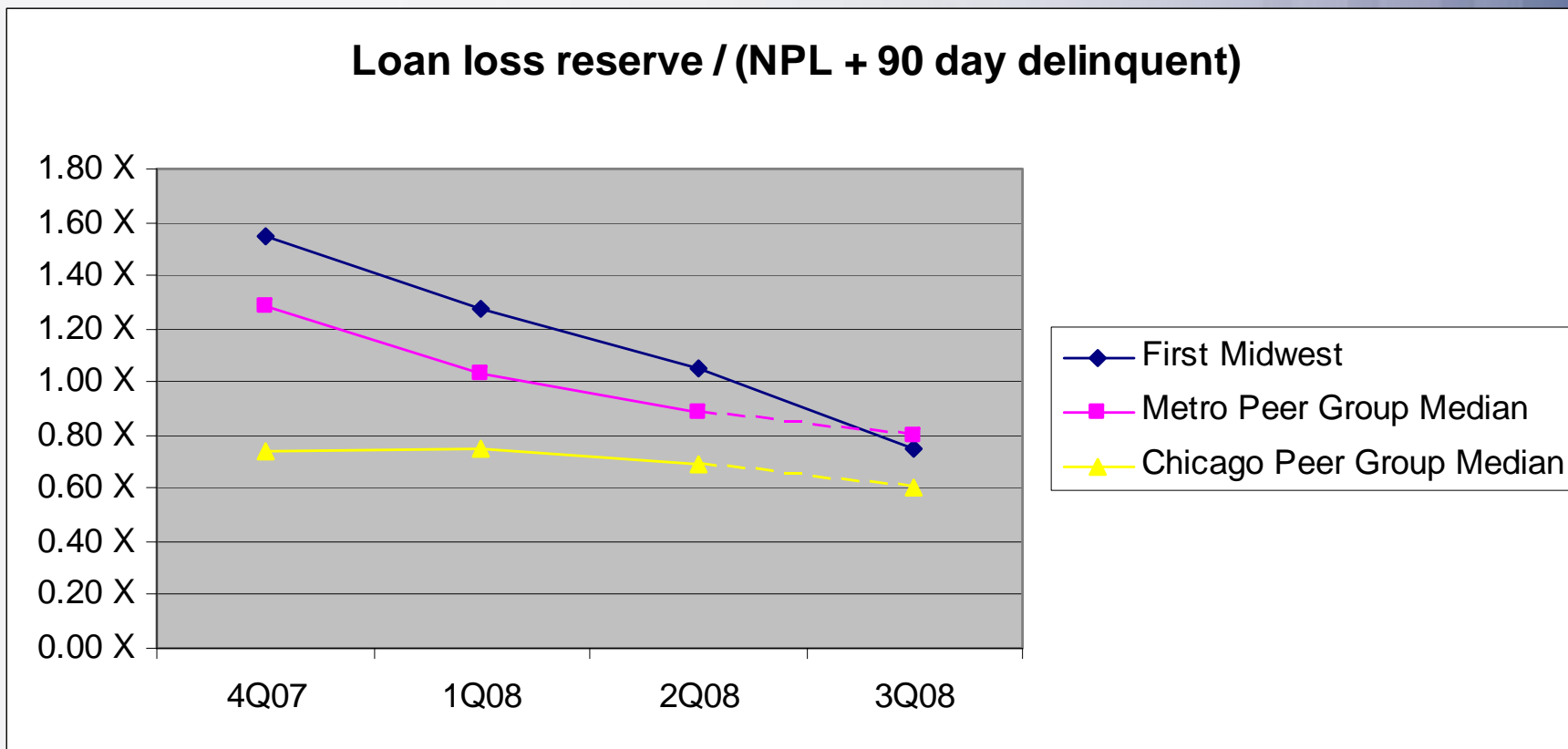
(1) Data as of September 30, 2008.

(2) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(3) The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.

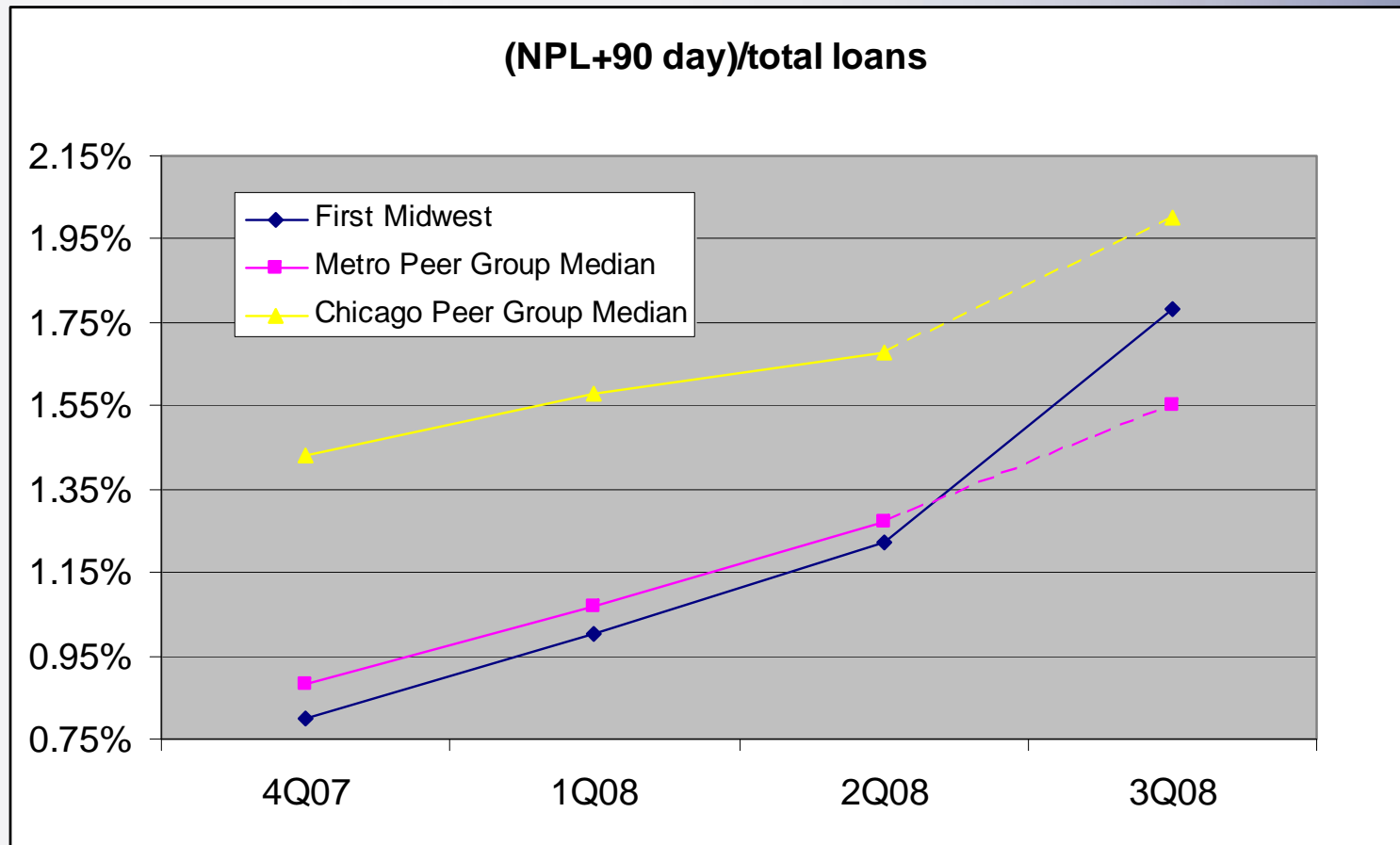
# Loss reserve trends:

Coverage of nonperforming and past due loans



The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.  
The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.  
3Q08 industry estimates are based on recent trends.

# Nonperforming and Past Due Trends



The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.  
The Chicago Peers consist of AMFI, MBFI, MBHI, OSBC, TAYC, and WTFC.  
3Q08 industry estimates are based on recent trends.

## Environmental Challenges and Approach

- Economic Challenges
  - Housing Deflation
  - Slowing Job Growth
  - Trends Lessened Locally vs. National and Midwest
- Continued Pressure On Residential Construction and Development

## Environmental Challenges and Approach

- ◆ Be Proactive
  - ◆ Accelerated Review Cycle
  - ◆ Lever Market Knowledge
- ◆ Requires Assessment Of Holding vs. Liquidation Costs
  - ◆ Manage Relationship By Relationship
  - ◆ Retention of Owner/Agent

### III. Opportunities and Advantages

## Lever Our Strengths

- Solid Capital and Earnings Generation
- Mission and Relationship Based Sales Process
- Market Opportunities Exist
  - Competitor Limitations



## Mission: A Strategic Client Approach

- Value Added Relationship Banking Framework
- Needs Driven Product Solutions
- Long Term Process Of Creating Financial Independence

## Our People

- Tenured and Experienced
- Community Based
- Motivated
  - Compensation Alignment
- Organizational Development
  - Ingrained Culture
  - Integrated Succession Focus

## Premier Bank For Commercial

- Robust Relationship Driven Sales Force
  - ~ 180 Relationship Managers
  - Community Based w/ Strong Referral Networks
  - ~ 800 Relationship Plans
- All Executed In Attractive Markets
  - Majority Of Business Activity Is In Our Footprint
- Market Disruption Creates Opportunities
- Trust AUM: mild asset erosion, better than peer group

## Chicagoland's Premier Bank For Retail

- **Focused Sales**
  - 84 Offices, 6<sup>th</sup> Largest Suburban Branch Presence
  - 1,000 Retail Bankers
  
- **Strong Core Deposit Base**
  - #12 Market Share
  - 62% Core Transactional, 18% Demand
  
- **Competitive Advantage**
  - Local, Tenured In Markets
  - Stable and Trusted
  - Targeted Promotion

## First Midwest Is In The Premier Portions Of Chicago MSA

	<b>FMB Footprint <sup>(1)</sup></b>	<b>Chicago MSA <sup>(2)</sup></b>
Total Businesses	<b>239,000</b>	<b>364,000</b>
Total Businesses with 20+ Employees	<b>33,100</b>	<b>48,000</b>
Total Employees	<b>3,577,000</b>	<b>5,402,000</b>
Total Sales <i>(in millions)</i>	<b>\$400,500</b>	<b>\$601,000</b>

Source: Claritas 2007 Estimates

(1) FMB Footprint represents every county in the Chicago area where a FMB branch is present: DuPage, Kane, Lake, McHenry, Will, and suburban Cook counties in Illinois and Lake County in Indiana.

(2) MSA as defined by US Census Bureau.

## IV. Our Priorities

## Our Priorities

- Stay Focused
- Concentrate On Weakening Credit Sectors
- Sustain Our Sales
- Communicate Our Superior Relative Value

## Our Plan

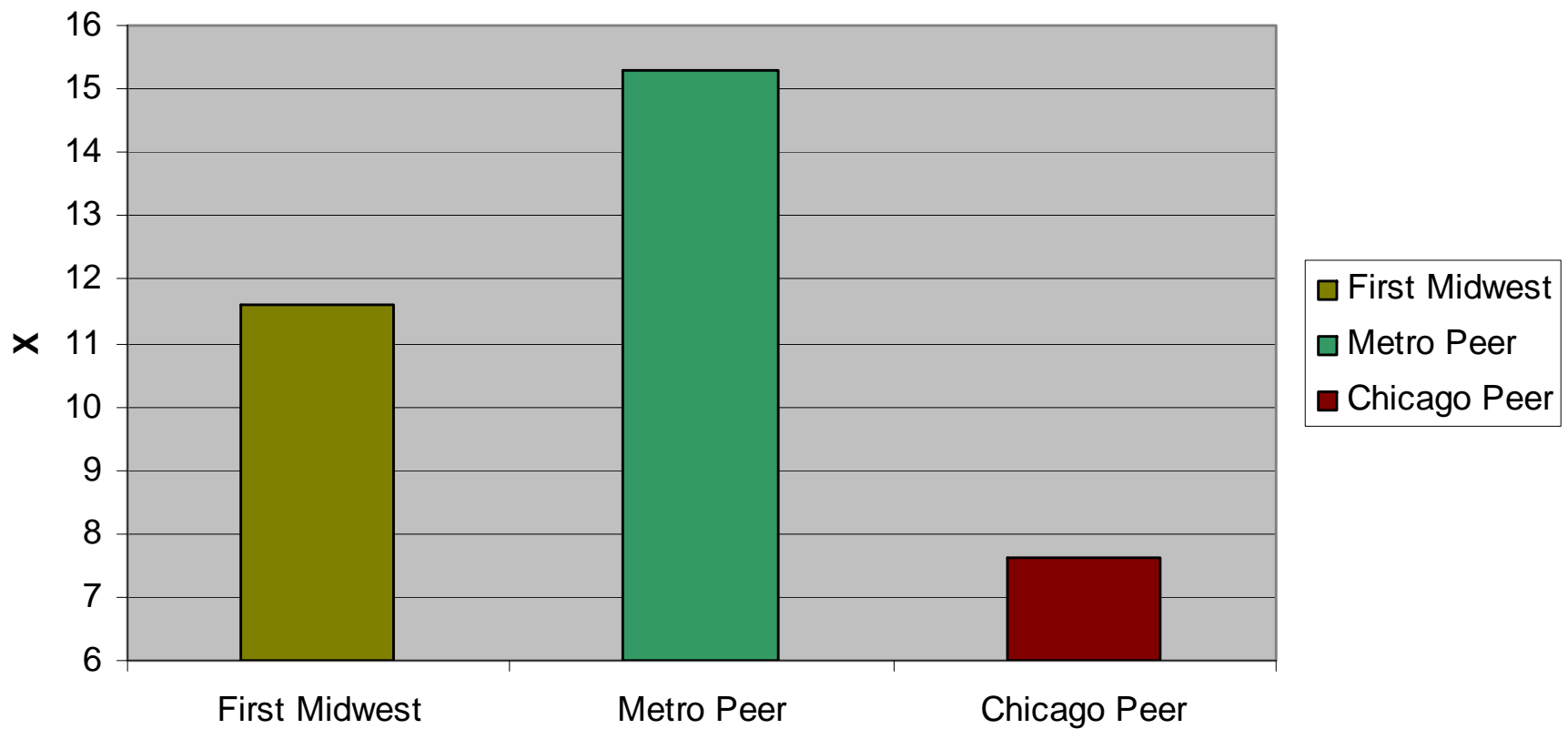
- **Funding Base Expansion**
  - Focus on Core Deposit Growth
  - Liquidation of Securities to Support Loan Growth
  - Diversified Wholesale Sources
  
- **Asset Quality Management**
  - Loan Loss Reserves Expanded
  - Identified Credit Risks
  
- **Capital Formation**
  - Superior Profitability
  - Increase Tangible Capital
  - Control Expense
  
- **Concentrate on Sales**



## VI. Why Invest?

# Valuation

Price to '09 Thomson First Call Consensus Earnings



As of 11/3/08

## We Are Positioned To Outperform

- Cycle Will Turn and We Have the Foundation
  - Fewer Distractions
  - Financial Strength
- We Can Pursue Opportunities and Growth
  - Invest in Ourselves
  - Organically and Through Acquisition, as Opportunities Arise

Questions?

To Request Additional Information  
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# Appendix

<i>Unaudited</i>	As of				9/30/08 % Change From	
(Amounts in thousands except per share data)	9/30/08	% of Total	6/30/08	03/31/08	6/30/08	3/31/08
<b><i>Loan Portfolio Composition</i></b>						
Loan portfolio composition:						
Commercial, industrial, and agricultural . . . . .	<b>\$ 1,644,758</b>	31.5%	\$1,656,161	\$1,597,279	-2.8%	5.9%
Commercial real estate:						
Office, retail, and industrial . . . . .	<b>1,092,268</b>	20.9%	1,048,547	1,020,403	16.7%	14.1%
Residential land and development . . . . .	<b>509,974</b>	9.8%	510,818	515,052	-0.7%	-2.0%
Multifamily . . . . .	<b>204,029</b>	3.9%	195,815	188,474	16.8%	16.5%
Other commercial real estate . . . . .	<b>1,021,662</b>	19.5%	1,014,759	952,622	2.7%	14.5%
Total commercial real estate <sup>(1)</sup> . . . . .	<b>2,827,933</b>	54.1%	2,769,939	2,676,551	8.4%	11.3%
Consumer:						
Home equity . . . . .	<b>468,703</b>	9.0%	460,581	459,068	7.1%	4.2%
Real estate 1-4 family . . . . .	<b>205,851</b>	3.9%	213,295	224,895	-14.0%	-16.9%
Other consumer . . . . .	<b>76,337</b>	1.5%	82,379	87,972	-29.3%	-26.5%
Total consumer . . . . .	<b>750,891</b>	14.4%	756,255	771,935	-2.8%	-5.5%
Total loans <sup>(2)</sup> . . . . .	<b>\$ 5,223,582</b>	100.0%	\$5,182,355	\$5,045,765	3.2%	7.0%

***Commercial Real Estate Detail******Office, Retail, and Industrial***Loans by product type <sup>(2)</sup> :

Office . . . . .	<b>\$ 352,200</b>	32.3%	\$ 337,424	\$ 326,107	17.5%	16.0%
Retail . . . . .	<b>300,570</b>	27.5%	281,942	279,612	26.4%	15.0%
Industrial . . . . .	<b>439,498</b>	40.2%	429,181	414,684	9.6%	12.0%
Total office, retail, and industrial . . . . .	<b>\$ 1,092,268</b>	100.0%	\$1,048,547	\$1,020,403	16.7%	14.1%

***Residential Land and Development Composition***

Loans by product type:

Structures . . . . .	<b>\$ 190,741</b>	37.4%	\$ 217,161	\$ 209,146	-48.7%	-17.6%
Land . . . . .	<b>319,233</b>	62.6%	293,657	305,906	34.8%	8.7%
Total residential land and development . . . . .	<b>\$ 509,974</b>	100.0%	\$ 510,818	\$ 515,052	-0.7%	-2.0%

***Other Commercial Real Estate Composition***

Loan by product type:

Commercial land . . . . .	<b>\$ 263,030</b>	25.7%	\$ 285,411	\$ 260,502	-31.4%	1.9%
1-5 family investors . . . . .	<b>178,540</b>	17.5%	168,259	169,768	24.4%	10.3%
Service stations and truck stops . . . . .	<b>134,677</b>	13.2%	120,670	117,592	46.4%	29.1%
Warehouses and storage . . . . .	<b>80,889</b>	7.9%	79,580	71,921	6.6%	24.9%
Hotels . . . . .	<b>67,217</b>	6.6%	67,574	59,199	-2.1%	27.1%
Restaurants . . . . .	<b>44,872</b>	4.4%	47,313	48,147	-20.6%	-13.6%
Medical . . . . .	<b>42,253</b>	4.1%	43,347	42,912	-10.1%	-3.1%
Automobile dealers . . . . .	<b>38,866</b>	3.8%	37,562	30,934	13.9%	51.3%
Mobile home parks . . . . .	<b>29,670</b>	2.9%	25,217	23,481	70.6%	52.7%
Recreational . . . . .	<b>14,760</b>	1.5%	15,106	16,348	-9.2%	-19.4%
Religious . . . . .	<b>10,317</b>	1.0%	11,362	11,291	-36.8%	-17.3%
Other . . . . .	<b>116,571</b>	11.4%	113,358	100,527	11.3%	31.9%
Total other commercial real estate . . . . .	<b>\$ 1,021,662</b>	100.0%	\$1,014,759	\$ 952,622	2.7%	14.5%

<sup>(1)</sup> 24% of total commercial real estate loans are owner occupied as of September 30, 2008.<sup>(2)</sup> Substantially all loans that are over \$1 million are to customers within our markets as of September 30, 2008.

<i>Unaudited</i> (Dollar amounts in thousands)	As of				
	9/30/08	% of Category	% of Total	6/30/08	03/31/08
<b>Asset Quality</b>					
Nonaccrual loans:					
Commercial, industrial, and agricultural . . . . .	\$ 13,961	0.85%	12.0%	\$ 5,222	\$ 6,770
Office, retail, and industrial . . . . .	1,195	0.11%	1.0%	1,125	730
Residential land and development . . . . .	28,335	5.56%	24.3%	11,664	4,081
Multifamily . . . . .	2,827	1.39%	2.4%	3,016	1,361
Other commercial real estate . . . . .	1,845	0.18%	1.6%	885	255
Consumer . . . . .	5,154	0.69%	4.4%	3,324	3,876
Total nonaccrual loans . . . . .	53,317		45.7%	25,236	17,073
Restructured loans . . . . .	2,258		2.0%	259	140
Total nonperforming loans . . . . .	55,575		47.7%	25,495	17,213
Other real estate owned . . . . .	23,697		20.3%	7,042	8,607
Total nonperforming assets . . . . .	\$ 79,272		68.0%	\$ 32,537	\$ 25,820
90 days past due loans (still accruing interest):					
Commercial, industrial, and agricultural . . . . .	\$ 5,757	0.35%	5.0%	\$ 4,530	\$ 3,926
Office, retail, and industrial . . . . .	4,838	0.44%	4.1%	2,855	2,182
Residential land and development . . . . .	17,615	3.45%	15.1%	17,181	17,438
Multifamily . . . . .	1,216	0.60%	1.1%	2,071	2,332
Other commercial real estate . . . . .	2,469	0.24%	2.1%	2,925	2,451
Consumer . . . . .	5,421	0.72%	4.6%	7,948	5,150
Total 90 days past due loans . . . . .	\$ 37,316		32.0%	\$ 37,510	\$ 33,479
Total nonperforming assets plus 90 days past due loans . . . . .	\$ 116,588			\$ 70,047	\$ 59,299
Total 30-89 days past due loans . . . . .	\$ 104,769			\$ 185,186	\$ 116,431

**Asset Quality Ratios**

Nonperforming loans to loans . . . . .	1.06%			0.49%	0.34%
Nonperforming assets to loans plus foreclosed real estate . . . . .	1.52%			0.63%	0.51%
Nonperforming assets plus loans past due 90 days to loans plus foreclosed real estate . . . . .	2.22%			1.35%	1.17%
Reserve for loan losses . . . . .	69,811			66,104	64,780
Reserve for loan losses to loans . . . . .	1.34%			1.28%	1.28%
Reserve for loan losses to nonperforming loans . . . . .	126%			259%	376%

<i>Unaudited</i> (Dollar amounts in thousands)	Quarters Ended				
	9/30/08	% of Portfolio	% of Total	06/30/08	03/31/08
<b>Charge-off Data</b>					
Net loans charged-off:					
Commercial, industrial, and agricultural . . . . .	\$ 1,895	0.12%	20.3%	\$ 2,380	\$ 3,188
Office, retail, and industrial . . . . .	2	0.00%	0.0%	31	-
Residential land and development . . . . .	5,856	1.15%	62.8%	138	559
Multifamily . . . . .	(40)	-0.02%	-0.4%	830	842
Other commercial real estate . . . . .	62	0.01%	0.7%	116	673
Consumer . . . . .	1,547	0.21%	16.6%	961	818
Total net loans charged-off . . . . .	\$ 9,322		100.0%	\$ 4,456	\$ 6,080
QTD net loan charge-offs to average loans (annualized) . .	0.71%			0.35%	0.49%
YTD net loan charge-offs to average loans (annualized) . .	0.52%			0.42%	0.49%