



**First Midwest Bancorp**

**21<sup>st</sup> Annual**

**Shareholders Meeting**

# Continuing Directors

## *To Serve Until 2004*

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### ***Brother James Gaffney, FSC***

President  
Lewis University  
(Independent Catholic Institution of Higher Education)

### ***John L. Sterling***

President  
Sterling Lumber Company  
(Wholesale/Retail Lumber)

### ***Stephen Vanderwoude***

Chairman & CEO  
Madison River Communications  
(Integrated Communications Provider)

## *To Serve Until 2005*

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### ***Vernon A. Brunner***

President & CEO  
Brunner Marketing Solutions, LLC  
(Consultants in Marketing and Distribution of  
Pharmaceutical and Consumer Products)

### ***O. Ralph Edwards***

Former Corporate Vice President  
Abbott Laboratories  
(Health Care Products Manufacturer)

### ***Thomas M. Garvin***

Former President & CEO  
G.G. Products Company  
(Food Business Acquiror)

### ***John M. O'Meara***

President & CEO  
First Midwest Bancorp, Inc.

# Director Nominees

*To Serve Until 2006*

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## ***Bruce S. Chelberg***

Former Chairman & CEO  
Whitman Corporation  
(Diversified, Multinational Holding Company)

Director Since: 1989  
Committees: Audit  
Nominating & Governance

## ***Patrick J. McDonnell***

CEO  
McDonnell Company, LLC  
(Business Consulting Company)

Director Since: 2002  
Committee: Audit

## ***Joseph W. England***

Former Senior Vice President  
Deere & Company  
(Mobile Power Equipment Manufacturer)

Director Since: 1986  
Committee: Audit

## ***Robert P. O'Meara***

Chairman of the Board  
First Midwest Bancorp, Inc.

Director Since: 1982

# 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 Bancorp, Inc.**

# First Midwest Bancorp

## **\$6.0 Bil Assets:**

- IL: 12<sup>th</sup> Largest
- U.S.: 81<sup>st</sup> Largest

## **Lines of Business:**

- Retail, Commercial, Real Estate And Public Banking
- Trust-Investment Management

## **600,000 Customer Relationships:**

- 215,000 Retail Households / 21,000 Business Households

## **Markets Served:**

- Dynamic, Growing, Highly Desirable
- Significant Share Owned

## **Employees:**

- 1,200 Sales / 70 Offices
- 350 Support / 3 Support Centers



# **Lines of Business**

# Community Banking

## Deposits: \$4.2 Bil

- Core: 82%
- Wholesale: 18%

## Loans: \$3.4 Bil Total

- Relationship Managers
  - Commercial: 90
  - Retail: 225
- Specialty Lending Groups
  - Comm'l Real Estate
  - Agriculture
  - Small Business
  - Indirect Consumer Lending
  - Consumer Mortgage Lending

### Commercial: 29%

- Middle Market \$780 M
- Agriculture: \$140 M
- Small Business: \$ 70 M

### Consumer: 31%

- HE: \$510 M
- Auto: \$410 M
- 1-4 Family: \$140 M

### Real Estate: 40%

- Commercial: \$1,020 M
- Construction: \$ 340 M

Single Charter

\$6.0 Bil Assets

70 Offices

100 ATMs

# Community Banking

## Additional Business Lines

### Cash Management Services

- Complement: 29 Sales (All CCM), 21 Support
- Product Line: Collection, Concentration, Disbursement, Investment, And Information Reporting
- Deposits: \$900,000,000
- Sweeps: \$ 55,000,000
- Revenue: \$ 7,500,000

### Commercial Insurance Services

- Dedicated Manager
- 2003 Revenue Target \$500,000

### Alternative Investments

- 13 Dedicated & 27 Platform Based Sales Persons
- \$65,000,000 in 2002 Sales

### Mortgage Origination

- 17 Originators
- \$290,000,000 Closings In 2002



# Trust & Investment Management

## \$1.6 Billion Under Management

- Employee Benefit 41%
- Personal Trust 27%
- Investment Advisory 32%

## \$.3 Billion Custody

## 5<sup>th</sup> Largest In The State of Illinois

Trust Offices Located In Certain FMB Branches

## 20% Growth In Sales 2002

- New Clients 70%
- Relationship Expansion 30%

## \$11,000,000 Revenue In 2002

# Trust Lines of Business

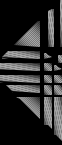
## All Facets of Traditional Trust

- Revocable / Irrevocable Trusts
- Life Insurance Trusts
- Estates
- Guardianships

## Diversified Investment Management

- Large Cap / Mid-Cap / Equity Manager
- Intermediate Term Fixed-Income Manager
- Employee Benefit Plan Services
  - 250 Plans
  - 4,000 Employees Covered
  - 50 New In 2002
- Real Estate Trust Services
  - 6,000 Land Trusts
  - 200 Tax Deferred Exchanges Annually

# Markets



# Counties Served



**Cook**

**DuPage**

**Champaign**

**Grundy**

**Kane**

**Kendall**

**Knox**

**Lake<sup>(1)</sup>**

**LaSalle**

**McHenry<sup>(2)</sup>**

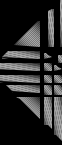
**Rock Island<sup>(3)</sup>**

**Scott (IA)<sup>(3)</sup>**

**Vermilion**

**Will<sup>(2)</sup>**

- (1) Wealthiest County
- (2) Fastest Growing County
- (3) Second Largest Illinois MSA



# History and Performance

# Milestones

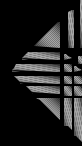
- 1939:** Union National Bank of Joliet Formed
- 1944-1965:** Thirty Banks Purchased & Sold
- 1983:** FMBI Formed:  
*21 Banks/1 Insurance Co./ 2 Data Processing Cos.*  
*\$1,250,000,000 Resources*  
*\$ 58,000,000 Market Capitalization*
- 1995:** 4 FMBI Banks Merged Into 1 Charter
- 1996-1998:** 3 Strategically Important Acquisitions  
*\$2.0 B Assets, 26 Offices*
- 2000-2002:** Sales & Delivery Reorganization  
*Efficiency / Funding Focus*

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



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

# 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>



# 2002 Performance In Context

1993-2002

**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>

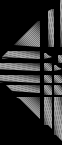
**59% Improvement**

**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?

## Five Significant Factors

- I. Mission Based Strategic Planning Focus
- II. Credit and Operational Control Culture
- III. Execution of A Comprehensive Needs Based Sales Process
- IV. Management Experience/Continuity
- V. Underlying Market Strength

# Macro Market Strength

	<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>Average Net Worth</b>	<b>\$111,311</b>	<b>\$98,072</b>	<b>\$96,987</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

# FMBI: Retail Client Opportunities

	% Clients Using	% with FMB	% Unmet	FMB Balance Opportunity
Checking	96%	63%	33%	\$265 mil
Savings	82%	39%	43%	\$581 mil
Mortgage	52%	1%	51%	\$6.5 bil
Consumer Loan	34%	3%	31%	\$2 bil

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 FMBI Branch Footprint**

## **1 Million Households**

- 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



# FMBI: Commercial Client Opportunities

	<b>% Clients Using</b>	<b>% with FMB</b>	<b>% Unmet</b>	<b>FMB Balance Opportunity</b>
<b>Transaction Services</b>	<b>79%</b>	<b>70%</b>	<b>9%</b>	<b>\$297 mil</b>
<b>Credit</b>	<b>77%</b>	<b>71%</b>	<b>6%</b>	<b>\$848 mil</b>
<b>Cash Management</b>	<b>50%</b>	<b>25%</b>	<b>25%</b>	<b>\$2.2 mil reve</b>

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 10,000 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

# FMBI 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



# **2003 Performance Goals**

# 2003 Performance Goals\*

- **19 - 21% + Return on Average Equity**
- **1.50 - 1.55% + Return on Average Assets**
- **8 - 9% Growth in EPS**
- **47 - 46% Efficiency Ratio**
- **.60 - .45% Non Performing Assets Ratio**

\* Based on Consensus Estimate

# In Conclusion

- The future is bright for First Midwest
- 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
- We have a comprehensive market approach to realize that opportunity