

FIRST MIDWEST BANCORP INC

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Subject Company: First Midwest Bancorp, Inc.

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#### FOR IMMEDIATE RELEASE

FIRST MIDWEST BANCORP, INC. ANNOUNCES

2015 FOURTH QUARTER AND FULL YEAR RESULTS

ITASCA, IL, January 26, 2016 - First Midwest Bancorp, Inc. (the "Company" or "First Midwest") (NASDAQ NGS: FMBI), the holding company of First Midwest Bank (the "Bank"), today reported results of operations and financial condition for the fourth quarter of 2015. Net income for the fourth quarter of 2015 was \$16.3 million, or \$0.21 per share. This compares to \$23.3 million, or \$0.30 per share, for the third quarter of 2015, and \$14.6 million, or \$0.19 per share, for the fourth quarter of 2014. Fourth quarter performance for the current and prior year was impacted by acquisition and integration related pre-tax expenses of \$1.4 million and \$9.3 million, respectively, or \$0.01 and \$0.07 per share after tax. In addition, a non-cash property valuation pre-tax adjustment of \$8.6 million, or \$0.07 per share after tax, was recorded in the fourth quarter of 2015 as a result of previously announced strategic branch initiatives. Excluding these expenses, earnings per share was \$0.29 for the fourth quarter of 2015 compared to \$0.27 for the fourth quarter of 2014, an increase of 7%.

For the full year of 2015, the Company reported net income of \$82.1 million, or \$1.05 per share, compared to \$69.3 million, or \$0.92 per share, for the year ended December 31, 2014. Earnings per share was \$1.13 for the year ended December 31, 2015, excluding the valuation adjustment and acquisition and integration related expenses, and \$1.03 for the year ended December 31, 2014, excluding acquisition and integration related expenses.

#### SELECT FOURTH QUARTER HIGHLIGHTS

• Increased earnings per share to \$0.29, or 7%, compared to the fourth quarter of 2014, excluding the valuation adjustment and acquisition and integration related expenses.

• Expanded fee-based revenues to \$34 million, an increase of 16% from the fourth quarter of 2014.

• Grew total loans to over \$7 billion, up 7% from December 31, 2014 and 15% annualized from September 30, 2015.

• Reduced non-performing assets to \$62 million, a decline of 33% from December 31, 2014 and 13% from September 30, 2015.

• Reduced loans past due 30-89 days to \$16 million, down 19% from December 31, 2014 and 43% from September 30, 2015.

• Completed the acquisition of The Peoples' Bank of Arlington Heights on December 3, 2015, adding \$92 million in deposits and \$57 million in loans, and concluded the conversion of operating systems on December 7, 2015.

• Announced the acquisition of The National Bank & Trust Company of Sycamore on November 12, 2015, with \$680 million in assets and \$700 million in trust assets under management, receiving Bank Regulatory approvals by mid-January of 2016.

"It was an active quarter and year, reflecting strong progress on a number of business fronts and positioning us well as we enter 2016," said Michael L. Scudder, President and Chief Executive Officer of First Midwest Bancorp, Inc.

"Business growth was solid in an intensely competitive environment, with performance impacted by both prior and current year acquisitions as well as ongoing strategic efforts to optimize our branch distribution network. Excluding

charges attendant to these activities, performance for the quarter was up 7% as compared to last year. Late year and expected first quarter of 2016 acquisitions will grow our Company by some 10% in assets and further expand our wealth management capabilities and branch distribution network in the western markets of metro Chicago."

Mr. Scudder continued, "As we look ahead, 2016 is looking to be a year of transition for the industry and First Midwest. An evolving, upward rate environment will require balanced financial management. At the same time, the growth of our Company will be accompanied by greater regulatory oversight and expectations. We are well prepared to navigate this transition, leveraging the strength of our balance sheet, products, distribution, and an engaged team of colleagues to grow and enhance shareholder returns."

First Midwest Bancorp, Inc. | One Pierce Place | Suite 1500 | Itasca | Illinois | 60143

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## RECENT EVENTS

### Strategic Branch Initiatives

On January 15, 2016, the Company announced planned strategic branch initiatives to enhance its customer experience, branch network, and operating efficiency. Based on the Company's ongoing analysis of its existing distribution network as well as customer preference and usage patterns, the Company will open a full service branch in the attractive Naperville, Illinois and downtown Chicago markets during the first quarter of 2016, consolidate four existing branches into nearby operating locations, and sell twelve closed branches and seven parcels of land previously purchased for expansion.

The orderly execution of these plans over the near term will result in an annual pre-tax reduction of ongoing operating costs of approximately \$3.6 million, 60% of which the Company expects to realize in 2016. In furtherance of these initiatives, First Midwest recorded a pre-tax, non-cash valuation adjustment of \$8.6 million, or \$0.07 per share after tax, as of December 31, 2015 for those properties designated for sale.

### Pending Acquisition

#### The National Bank & Trust Company of Sycamore

On November 12, 2015, the Company entered into a definitive agreement to acquire NI Bancshares Corporation, the holding company for The National Bank & Trust Company of Sycamore ("NB&T"). With the acquisition, the Company will acquire ten banking offices in northern Illinois, \$415 million in loans, and \$600 million in deposits. In addition, the Company will acquire over \$700 million in trust assets under management which represents approximately a 10% increase in the Company's current trust assets under management. The merger consideration will be a combination of Company common stock and cash, with an overall transaction value of \$70 million. The Company received approval for this acquisition from the Federal Reserve on January 5, 2016 and the Illinois Department of Financial and Professional Regulation on January 15, 2016. The acquisition is expected to close and the operating systems converted late in the first quarter of 2016, subject to approval by the stockholders of NB&T and customary closing conditions.

### Completed Acquisition

#### The Peoples' Bank of Arlington Heights

On December 3, 2015, the Company completed the acquisition of Peoples Bancorp, Inc. and its wholly-owned banking subsidiary, The Peoples' Bank of Arlington Heights ("Peoples Bank"), which was previously announced on September 21, 2015. With the acquisition, the Company acquired two banking offices in Arlington Heights, Illinois, and approximately \$92 million in deposits and \$57 million in loans. The conversion of operating systems concluded on December 7, 2015.

## OPERATING PERFORMANCE

## Net Interest Income and Margin Analysis

(Dollar amounts in thousands)

|  | Quarters Ended    |          |        | September 30, 2015 |          |        | December 31, 2014 |          |        |
|--|-------------------|----------|--------|--------------------|----------|--------|-------------------|----------|--------|
|  | December 31, 2015 |          |        | Average            | Interest | Yield/ | Average           | Interest | Yield/ |
|  | Average           | Interest | Yield/ | Balance            | Earned/  | Rate   | Balance           | Earned/  | Rate   |
|  | Balance           | Paid     | (%)    |                    | Paid     | (%)    |                   | Paid     | (%)    |
| Assets:  |                   |          |        |                    |          |        |                   |          |        |
| Other interest-earning assets  | \$587,112         | \$530    | 0.36   | \$820,318          | \$645    | 0.31   | \$625,183         | \$527    | 0.33   |
| Securities <sup>(1)</sup>  | 1,260,167         | 9,855    | 3.13   | 1,194,711          | 9,559    | 3.20   | 1,113,546         | 9,992    | 3.59   |
| Federal Home Loan Bank ("FHLB") and Federal Reserve Bank ("FRB") stock | 38,926            | 371      | 3.81   | 38,748             | 369      | 3.81   | 36,209            | 342      | 3.78   |
| Loans <sup>(1)(2)</sup>  | 7,013,586         | 76,405   | 4.32   | 6,887,611          | 76,328   | 4.40   | 6,545,967         | 73,371   | 4.45   |
| Total interest-earning assets <sup>(1)</sup>                           | 8,899,791         | 87,161   | 3.89   | 8,941,388          | 86,901   | 3.86   | 8,320,905         | 84,232   | 4.02   |
| Cash and due from banks  | 131,589           |          |        | 132,504            |          |        | 126,317           |          |        |
| Allowance for loan and covered loan losses                             | (74,823 )         |          |        | (73,928 )          |          |        | (74,686 )         |          |        |
| Other assets   | 865,873           |          |        | 875,668            |          |        | 859,633           |          |        |
| Total assets   | \$9,822,430       |          |        | \$9,875,632        |          |        | \$9,232,169       |          |        |
| Liabilities and Stockholders' Equity:                                  |                   |          |        |                    |          |        |                   |          |        |
| Interest-bearing core deposits <sup>(3)</sup>                          | \$4,471,645       | 930      | 0.08   | \$4,465,956        | 931      | 0.08   | \$4,144,391       | 984      | 0.09   |
| Time deposits  | 1,152,895         | 1,341    | 0.46   | 1,173,127          | 1,398    | 0.47   | 1,255,355         | 1,479    | 0.47   |
| Borrowed funds   | 167,120           | 1,250    | 2.97   | 168,807            | 928      | 2.18   | 111,213           | 12       | 0.04   |
| Senior and subordinated debt   | 201,168           | 3,134    | 6.18   | 201,083            | 3,133    | 6.18   | 194,137           | 3,015    | 6.16   |
| Total interest-bearing liabilities                                     | 5,992,828         | 6,655    | 0.44   | 6,008,973          | 6,390    | 0.42   | 5,705,096         | 5,490    | 0.38   |
| Demand deposits <sup>(3)</sup>   | 2,560,604         |          |        | 2,601,442          |          |        | 2,339,298         |          |        |
| Total funding sources  | 8,553,432         |          |        | 8,610,415          |          |        | 8,044,394         |          |        |
| Other liabilities  | 114,492           |          |        | 130,250            |          |        | 115,093           |          |        |
| Stockholders' equity - common  | 1,154,506         |          |        | 1,134,967          |          |        | 1,072,682         |          |        |
| Total liabilities and stockholders' equity                             | \$9,822,430       |          |        | \$9,875,632        |          |        | \$9,232,169       |          |        |
| Tax-equivalent net interest income/margin <sup>(1)</sup>               |                   | 80,506   | 3.59   |                    | 80,511   | 3.58   |                   | 78,742   | 3.76   |
| Tax-equivalent adjustment  |                   | (2,494 ) |        |                    | (2,609 ) |        |                   | (2,923 ) |        |
| Net interest income (GAAP)   |                   | \$78,012 |        |                    | \$77,902 |        |                   | \$75,819 |        |

(1) Interest income and yields on tax-exempt securities and loans are presented on a tax-equivalent basis, assuming a federal income tax rate of 35%. This non-GAAP financial measure assists management in comparing revenue from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded in income tax expense. These adjustments have no impact on net income.

(2) Includes loans acquired through Federal Deposit Insurance Corporation ("FDIC")-assisted transactions subject to loss sharing agreements ("covered loans") and a related FDIC indemnification asset.

(3) See the Deposit Composition table for further average balance detail by category.

Total average interest-earning assets were relatively unchanged from the third quarter of 2015, with the increase of \$126.0 million in average loans and \$65.5 million in securities offset by a \$233.2 million decline in lower yielding other interest-earning assets. Total average funding sources were consistent with the third quarter of 2015.

Compared to the fourth quarter of 2014, the \$578.9 million increase in total average interest-earning assets and the \$509.0 million rise in total average funding sources reflect loan growth over the course of the year, the full impact of the Great Lakes Financial Resources, Inc. ("Great Lakes") acquisition completed during the fourth quarter of 2014, and the Peoples Bank acquisition completed during the fourth quarter of 2015.

Tax-equivalent net interest margin for the current quarter was 3.59%, increasing one basis point from the third quarter of 2015 while decreasing 17 basis points from the fourth quarter of 2014. Compared to the third quarter of 2015, the rise in tax-equivalent net interest margin was due primarily to the reinvestment of other interest-earning assets into higher yielding loans and securities which was partially offset by lower acquired loan accretion and covered loan income and the continued shift in the loan mix to

floating rate loans. Tax-equivalent net interest margin decreased compared to the fourth quarter of 2014, driven primarily by the continued shift in the loan mix and lower covered loan income.

Acquired loan accretion related to the Company's acquisitions completed in 2014 contributed \$1.3 million for the fourth quarter of 2015, \$1.8 million for the third quarter of 2015, and \$1.4 million for the fourth quarter of 2014.

#### Fee-based Revenues and Total Noninterest Income Analysis

(Dollar amounts in thousands)

|  | Quarters Ended       |                       |                      | December 31, 2015<br>Percent Change from |                      |
|--|----------------------|-----------------------|----------------------|--|----------------------|
|  | December 31,<br>2015 | September 30,<br>2015 | December 31,<br>2014 | September 30,<br>2015                    | December 31,<br>2014 |
| Service charges on deposit accounts          | \$10,303             | \$10,519              | \$10,015             | (2.1 )                                   | 2.9                  |
| Wealth management fees                       | 7,493                | 7,222                 | 6,744                | 3.8                                      | 11.1                 |
| Card-based fees                              | 6,761                | 6,868                 | 6,390                | (1.6 )                                   | 5.8                  |
| Merchant servicing fees <sup>(1)</sup>       | 2,929                | 3,207                 | 2,703                | (8.7 )                                   | 8.4                  |
| Mortgage banking income                      | 1,777                | 1,402                 | 812                  | 26.7                                     | 118.8                |
| Other service charges, commissions, and fees | 4,664                | 3,900                 | 2,700                | 19.6                                     | 72.7                 |
| Total fee-based revenues                     | 33,927               | 33,118                | 29,364               | 2.4                                      | 15.5                 |
| Other income                                 | 1,729                | 1,372                 | 1,767                | 26.0                                     | (2.2 )               |
| Net securities gains (losses)                | 822                  | 524                   | (63 )                | 56.9                                     | N/M                  |
| Total noninterest income                     | \$36,478             | \$35,014              | \$31,068             | 4.2                                      | 17.4                 |

N/M – Not meaningful.

<sup>(1)</sup> Merchant servicing fees are substantially offset by merchant card expense included in noninterest expense for each period presented.

Total fee-based revenues of \$33.9 million grew by 15.5% compared to the fourth quarter of 2014 and 2.4% compared to the third quarter of 2015. The increases compared to both prior periods presented reflect continued growth in wealth management fees, mortgage banking income, and capital market and lease initiatives within other service charges, commissions, and fees.

Continued sales of fiduciary and investment advisory services to new and existing customers drove the rise in wealth management fees compared to both prior periods presented.

Mortgage banking income resulted from sales of \$51.4 million of 1-4 family mortgage loans in the secondary market during the fourth quarter of 2015, compared to \$42.2 million in the third quarter of 2015 and \$30.2 million in the fourth quarter of 2014.

Compared to both prior periods presented, the increase in other service charges, commissions, and fees was driven by fee income generated from sales of capital market products to commercial clients and gains on sales of lease contracts. Gains on sales of lease contracts generated by First Midwest Equipment Finance, formed from an acquisition in September of 2014, totaled \$687,000, \$456,000, and \$327,000, for the fourth and third quarters of 2015 and fourth quarter of 2014, respectively. In addition, the Company has retained leases within the loan portfolio of \$104.4 million as of December 31, 2015, up from \$23.0 million as of December 31, 2014.

Total noninterest income of \$36.5 million grew 17.4% and 4.2% from the fourth quarter of 2014 and the third quarter of 2015, respectively.

Noninterest Expense Analysis  
(Dollar amounts in thousands)

|  | Quarters Ended       |                       |                      | December 31, 2015<br>Percent Change from |                      |
|--|----------------------|-----------------------|----------------------|--|----------------------|
|  | December 31,<br>2015 | September 30,<br>2015 | December 31,<br>2014 | September 30,<br>2015                    | December 31,<br>2014 |
| Salaries and employee benefits:              |                      |                       |                      |  |                      |
| Salaries and wages                           | \$34,295             | \$33,554              | \$32,640             | 2.2                                      | 5.1                  |
| Retirement and other employee benefits       | 8,925                | 7,807                 | 7,660                | 14.3                                     | 16.5                 |
| Total salaries and employee benefits         | 43,220               | 41,361                | 40,300               | 4.5                                      | 7.2                  |
| Net occupancy and equipment expense          | 9,256                | 9,406                 | 9,479                | (1.6)                                    | (2.4)                |
| Professional services                        | 6,117                | 6,172                 | 6,664                | (0.9)                                    | (8.2)                |
| Technology and related costs                 | 3,694                | 3,673                 | 3,444                | 0.6                                      | 7.3                  |
| Merchant card expense <sup>(1)</sup>         | 2,495                | 2,722                 | 2,203                | (8.3)                                    | 13.3                 |
| Advertising and promotions                   | 2,211                | 1,828                 | 2,418                | 21.0                                     | (8.6)                |
| Cardholder expenses                          | 1,329                | 1,354                 | 1,036                | (1.8)                                    | 28.3                 |
| Net other real estate owned ("OREO") expense | 926                  | 1,290                 | 2,544                | (28.2)                                   | (63.6)               |
| Other expenses                               | 7,525                | 6,559                 | 7,446                | 14.7                                     | 1.1                  |
| Property valuation adjustments               | 8,581                | —                     | —                    | N/M                                      | N/M                  |
| Acquisition and integration related expenses | 1,389                | —                     | 9,294                | N/M                                      | (85.1)               |
| Total noninterest expense                    | \$86,743             | \$74,365              | \$84,828             | 16.6                                     | 2.3                  |
| Efficiency ratio <sup>(2)</sup>              | 65                   | % 63                  | % 66                 | %  |                      |

N/M – Not meaningful.

<sup>(1)</sup> Merchant card expenses are substantially offset by merchant servicing fees included in noninterest income for each period presented.

<sup>(2)</sup> The efficiency ratio expresses noninterest expense, excluding OREO expense, as a percentage of tax-equivalent net interest income plus total fee-based revenues, other income, and tax-equivalent adjusted bank-owned life insurance ("BOLI") income. In addition, property valuation adjustments of \$8.6 million and acquisition and integration related expenses of \$1.4 million are excluded from the efficiency ratio for the fourth quarter of 2015. For the fourth quarter of 2014, acquisition and integration related expenses of \$9.3 million are excluded from the efficiency ratio. See the accompanying Non-GAAP Reconciliations for details on the calculation of the efficiency ratio.

Excluding the property valuation adjustment and acquisition and integration related expenses, total noninterest expense increased by 1.6% from the fourth quarter of 2014 and 3.2% from the third quarter of 2015.

The rise in total noninterest expense compared to the fourth quarter of 2014 was due partly to operating costs of the banking locations acquired in the Great Lakes acquisition during December of 2014. These costs primarily occurred within salaries and employee benefits, net occupancy and equipment expense, and other expenses. The reduction in professional services compared to the fourth quarter of 2014 resulted primarily from lower legal and loan remediation expenses and lower costs to service the Company's covered loan portfolio.

Salaries and employee benefits and other expenses increased compared to the third quarter of 2015 due primarily to talent recruitment and organizational growth needs.

The rise in retirement and other employee benefits compared to both prior periods presented was impacted by lump sum distributions related to the Company's defined benefit retirement plan, prompted in part by an expectation of rising rates. This expense is expected to return to normalized levels in subsequent quarters.

During the fourth quarter of 2015, property valuation adjustments of \$8.6 million were recognized on twelve closed branches and seven parcels of land as part of the Company's strategic branch initiatives.





## LOAN PORTFOLIO AND ASSET QUALITY

## Loan Portfolio Composition

(Dollar amounts in thousands)

|                                      | As of             |                    |                   | December 31, 2015                                     |                                       |
|--------------------------------------|-------------------|--------------------|-------------------|---|---------------------------------------|
|                                      | December 31, 2015 | September 30, 2015 | December 31, 2014 | Percent Change from September 30, 2015 <sup>(1)</sup> | Percent Change from December 31, 2014 |
| Commercial and industrial            | \$2,524,726       | \$2,392,860        | \$2,253,556       | 22.0  | 12.0                                  |
| Agricultural                         | 387,440           | 393,732            | 358,249           | (6.4  | ) 8.1                                 |
| Commercial real estate:              |                   |                    |                   |   |                                       |
| Office                               | 479,374           | 487,629            | 494,637           | (6.8  | ) (3.1                                |
| Retail                               | 434,241           | 432,107            | 452,225           | 2.0   | (4.0                                  |
| Industrial                           | 481,839           | 494,341            | 531,517           | (10.1   | ) (9.3                                |
| Multi-family                         | 528,324           | 539,308            | 564,421           | (8.1  | ) (6.4                                |
| Construction                         | 216,882           | 192,086            | 204,236           | 51.6  | 6.2                                   |
| Other commercial real estate         | 931,190           | 869,748            | 887,897           | 28.3  | 4.9                                   |
| Total commercial real estate         | 3,071,850         | 3,015,219          | 3,134,933         | 7.5   | (2.0                                  |
| Total corporate loans                | 5,984,016         | 5,801,811          | 5,746,738         | 12.6  | 4.1                                   |
| Home equity                          | 653,468           | 647,223            | 543,185           | 3.9   | 20.3                                  |
| 1-4 family mortgages                 | 355,854           | 294,261            | 291,463           | 83.7  | 22.1                                  |
| Installment                          | 137,602           | 131,185            | 76,032            | 19.6  | 81.0                                  |
| Total consumer loans                 | 1,146,924         | 1,072,669          | 910,680           | 27.7  | 25.9                                  |
| Total loans, excluding covered loans | 7,130,940         | 6,874,480          | 6,657,418         | 14.9  | 7.1                                   |
| Covered loans                        | 30,775            | 51,219             | 79,435            | N/M   | (61.3                                 |
| Total loans                          | \$7,161,715       | \$6,925,699        | \$6,736,853       | 13.6  | 6.3                                   |

N/M – Not meaningful.

<sup>(1)</sup> Ratios are presented on an annualized basis.

Total loans, excluding covered loans, of \$7.1 billion grew \$256.5 million, or 14.9%, on an annualized basis from September 30, 2015 and \$473.5 million, or 7.1%, from December 31, 2014. Compared to the third quarter of 2015, the increase in loans was driven primarily by strong sales production of the corporate lending teams, growth in 1-4 family mortgages, and the Peoples Bank acquisition completed in the fourth quarter of 2015, which contributed \$53.9 million.

Compared to the fourth quarter of 2014, the increase in loans resulted primarily from strong sales production, growth in 1-4 family mortgages, and the expansion of the Company's web-based installment programs. The overall decline in commercial real estate loans compared to the fourth quarter of 2014 resulted from the decision of certain customers to opportunistically sell their commercial businesses and investment real estate properties or use excess liquidity to payoff long-term debt. These decreases more than offset organic commercial real estate growth.

Compared to both prior periods presented, growth in corporate loans was concentrated within our commercial and industrial loan category. The increase in commercial and industrial loans primarily reflects the continued expansion into select sector-based lending areas such as leasing, healthcare, asset-based lending, and structured finance.

## Asset Quality

(Dollar amounts in thousands)

|   | As of                |                       |                      | December 31, 2015<br>Percent Change from |                      |
|---|----------------------|-----------------------|----------------------|--|----------------------|
|   | December 31,<br>2015 | September 30,<br>2015 | December 31,<br>2014 | September<br>30,<br>2015                 | December 31,<br>2014 |
| Asset quality, excluding covered loans and covered OREO                   |                      |                       |                      |  |                      |
| Non-accrual loans   | \$28,875             | \$32,308              | \$59,971             | (10.6 )                                  | (51.9 )              |
| 90 days or more past due loans  | 2,883                | 4,559                 | 1,173                | (36.8 )                                  | N/M                  |
| Total non-performing loans  | 31,758               | 36,867                | 61,144               | (13.9 )                                  | (48.1 )              |
| Accruing troubled debt restructurings ("TDRs")                            | 2,743                | 2,771                 | 3,704                | (1.0 )                                   | (25.9 )              |
| OREO  | 27,349               | 31,129                | 26,898               | (12.1 )                                  | 1.7                  |
| Total non-performing assets   | \$61,850             | \$70,767              | \$91,746             | (12.6 )                                  | (32.6 )              |
| 30-89 days past due loans   | \$16,329             | \$28,629              | \$20,073             |  |                      |
| Non-accrual loans to total loans  | 0.40                 | % 0.47                | % 0.90               | %  |                      |
| Non-performing loans to total loans                                       | 0.45                 | % 0.54                | % 0.92               | %  |                      |
| Non-performing assets to total loans plus OREO                            | 0.86                 | % 1.02                | % 1.37               | %  |                      |
| Allowance for Credit Losses   |                      |                       |                      |  |                      |
| Allowance for loan and covered loan losses                                | \$73,630             | \$72,500              | \$72,694             |  |                      |
| Reserve for unfunded commitments  | 1,225                | 1,225                 | 1,816                |  |                      |
| Total allowance for credit losses   | \$74,855             | \$73,725              | \$74,510             |  |                      |
| Allowance for credit losses to total loans <sup>(1)</sup>                 | 1.05                 | % 1.06                | % 1.11               | %  |                      |
| Allowance for credit losses to non-accrual loans, excluding covered loans | 253.57               | % 215.45              | % 112.19             | %  |                      |

N/M – Not meaningful.

<sup>(1)</sup> This ratio includes acquired loans that are recorded at fair value through an acquisition adjustment, which incorporates credit risk, as of the acquisition date with no allowance for credit losses being established at that time. As the acquisition adjustment is accreted into income over future periods, an allowance for credit losses is established as necessary to reflect credit deterioration. The allowance for credit losses to total loans, excluding acquired loans, was 1.11%, 1.14%, and 1.24% at December 31, 2015, September 30, 2015, and December 31, 2014, respectively.

Asset quality continued to improve across all metrics. Total non-performing assets, excluding covered loans and covered OREO, decreased by \$8.9 million, or 12.6%, from September 30, 2015 and \$29.9 million, or 32.6%, from December 31, 2014. Non-performing assets to total loans plus OREO improved to 0.86% at December 31, 2015 compared to 1.02% at September 30, 2015 and 1.37% at December 31, 2014.

## Charge-Off Data

(Dollar amounts in thousands)

|                                       | Quarters Ended       |                       |                      | Years Ended          |                      |   |
|---------------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|---|
|                                       | December 31,<br>2015 | September 30,<br>2015 | December 31,<br>2014 | December 31,<br>2015 | December 31,<br>2014 |   |
| Net loan charge-offs <sup>(1)</sup> : |                      |                       |                      |                      |                      |   |
| Commercial and industrial             | \$1,781              | \$1,601               | \$1,217              | \$13,312             | \$13,471             |   |
| Agricultural                          | —                    | —                     | —                    | —                    | 153                  |   |
| Office, retail, and industrial        | 267                  | 457                   | 143                  | 2,420                | 6,848                |   |
| Multi-family                          | (27                  | ) 67                  | 476                  | 530                  | 856                  |   |
| Construction                          | 105                  | (114                  | ) (6                 | ) (214               | ) 886                |   |
| Other commercial real estate          | 110                  | 92                    | (247                 | ) 650                | 3,107                |   |
| Consumer                              | 1,134                | 959                   | 342                  | 3,004                | 6,845                |   |
| Covered                               | —                    | 1                     | 146                  | 514                  | (187                 |   |
| Total net loan charge-offs            | \$3,370              | \$3,063               | \$2,071              | \$20,216             | \$31,979             |   |
| Net loan charge-offs to average loans | 0.19                 | % 0.18                | % 0.13               | % 0.29               | % 0.52               | % |

<sup>(1)</sup> Amounts represent charge-offs, net of recoveries.

Total net loan charge-offs for the fourth quarter of 2015 were 19 basis points of average loans, or \$3.4 million, consistent with the third quarter of 2015 and increasing slightly from 13 basis points for the fourth quarter of 2014.

## DEPOSIT PORTFOLIO

Deposit Composition  
(Dollar amounts in thousands)

|                         | Average for Quarters Ended |                       |                      | December 31, 2015<br>Percent Change from |                      |   |
|-------------------------|----------------------------|-----------------------|----------------------|--|----------------------|---|
|                         | December 31,<br>2015       | September 30,<br>2015 | December 31,<br>2014 | September 30,<br>2015                    | December 31,<br>2014 |   |
| Demand deposits         | \$2,560,604                | \$2,601,442           | \$2,339,298          | (1.6                                     | ) 9.5                |   |
| Savings deposits        | 1,483,962                  | 1,471,003             | 1,306,388            | 0.9                                      | 13.6                 |   |
| NOW accounts            | 1,411,425                  | 1,405,371             | 1,331,360            | 0.4                                      | 6.0                  |   |
| Money market accounts   | 1,576,258                  | 1,589,582             | 1,506,643            | (0.8                                     | ) 4.6                |   |
| Core deposits           | 7,032,249                  | 7,067,398             | 6,483,689            | (0.5                                     | ) 8.5                |   |
| Time deposits and other | 1,152,895                  | 1,173,127             | 1,255,355            | (1.7                                     | ) (8.2               | ) |
| Total deposits          | \$8,185,144                | \$8,240,525           | \$7,739,044          | (0.7                                     | ) 5.8                |   |

Average core deposits of \$7.0 billion for the fourth quarter of 2015 were consistent with the third quarter of 2015 and increased 8.5% compared to the fourth quarter of 2014. Compared to the third quarter of 2015, a normal seasonal decrease in average municipal deposits was offset by growth in commercial deposits and the one-month impact of \$92.0 million in deposits assumed in the December of 2015 Peoples Bank acquisition. The rise in average core deposits compared to the fourth quarter of 2014 resulted from growth and the full quarter impact of deposits assumed in the December of 2014 Great Lakes acquisition, which further strengthened the Company's core deposit base.

## CAPITAL MANAGEMENT

## Capital Ratios

|  | As of                |                       |                  |                      |   |
|--|----------------------|-----------------------|------------------|----------------------|---|
|  | December 31,<br>2015 | September 30,<br>2015 | June 30,<br>2015 | December 31,<br>2014 |   |
| Company regulatory capital ratios <sup>(1)</sup> :                             |                      |                       |                  |                      |   |
| Total capital to risk-weighted assets  | 11.15                | % 11.43               | % 11.37          | % 11.23              | % |
| Tier 1 capital to risk-weighted assets   | 10.28                | % 10.55               | % 10.49          | % 10.18              | % |
| Tier 1 common capital to risk-weighted assets                                  | 9.73                 | % 10.00               | % 9.93           | % N/A                |   |
| Tier 1 leverage to average assets  | 9.40                 | % 9.29                | % 9.34           | % 9.03               | % |
| Company tangible common equity ratios <sup>(2)(3)</sup> :                      |                      |                       |                  |                      |   |
| Tangible common equity to tangible assets                                      | 8.59                 | % 8.50                | % 8.32           | % 8.41               | % |
| Tangible common equity, excluding other comprehensive loss, to tangible assets | 8.89                 | % 8.67                | % 8.54           | % 8.59               | % |
| Tangible common equity to risk-weighted assets                                 | 9.29                 | % 9.70                | % 9.55           | % 9.73               | % |
| N/A - Not applicable.  |                      |                       |                  |                      |   |

<sup>(1)</sup> Basel III Capital Rules became effective for the Company on January 1, 2015. These rules revise the risk-based capital requirements and introduce a new capital measure, Tier 1 common capital to risk-weighted assets. As a result, ratios subsequent to December 31, 2014 are computed using the new rules and prior periods presented are reported using the regulatory guidance applicable at that time.

<sup>(2)</sup> Ratio is not subject to formal Federal Reserve regulatory guidance.

<sup>(3)</sup> Tangible common equity ("TCE") represents common stockholders' equity less goodwill and identifiable intangible assets. In management's view, Tier 1 common capital and TCE measures are meaningful to the Company, as well as analysts and investors, in assessing the Company's use of equity and in facilitating comparisons with competitors. See the accompanying Non-GAAP Reconciliations for details of the calculation of these ratios.

Compared to September 30, 2015, the declines in the Company's regulatory capital ratios tied to end-of-period risk-weighted assets reflect the impact of the increase in assets late in the fourth quarter of 2015, including those acquired from the Peoples Bank acquisition.

The Board of Directors approved a quarterly cash dividend of \$0.09 per common share during the fourth quarter of 2015, which is consistent with the third quarter of 2015 and follows a dividend increase from \$0.08 to \$0.09 per common share during the first quarter of 2015.

#### Conference Call

A conference call to discuss the Company's results, outlook, and related matters will be held on Wednesday, January 27, 2016 at 10:00 A.M. (ET). Members of the public who would like to listen to the conference call should dial (877) 507-0639 (U.S. domestic) or (412) 317-6003 (International) and ask for the First Midwest Bancorp, Inc. Earnings Conference Call. The number should be dialed 10 to 15 minutes prior to the start of the conference call. There is no charge to access the call. The conference call will also be accessible as an audio webcast through the Investor Relations section of the Company's website, [www.firstmidwest.com/investorrelations](http://www.firstmidwest.com/investorrelations). For those unable to listen to the live broadcast, a replay will be available on the Company's website or by dialing (877) 344-7529 (U.S. domestic) or (412) 317-0088 (International) conference I.D. 10078820 beginning one hour after completion of the live call until 9:00 A.M. (ET) on February 4, 2016. Please direct any questions regarding obtaining access to the conference call to First Midwest Bancorp, Inc. Investor Relations, via e-mail, at [investor.relations@firstmidwest.com](mailto:investor.relations@firstmidwest.com).

#### Press Release and Additional Information Available on Website

This press release and the accompanying unaudited Selected Financial Information are available through the "Investor Relations" section of First Midwest's website at [www.firstmidwest.com/investorrelations](http://www.firstmidwest.com/investorrelations).

#### Forward-Looking Statements

This press release may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by the use of words such as "may," "might," "will," "would," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "probable," "potential," "possible," "target," "continue," "look forward," or "assume" and words of similar import. Forward-looking statements are not historical facts but instead express only management's beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management's control. It is possible that actual results and events may differ, possibly materially, from the anticipated results or events indicated in these forward-looking statements. Forward-looking statements are not guarantees of future performance, and we caution you not to place undue reliance on these statements. Forward-looking statements are made only as of the date of this press release, and we undertake no obligation to update any forward-looking statements contained in this press release to reflect new information or events or conditions after the date hereof.

Forward-looking statements may be deemed to include, among other things, statements relating to our future financial performance, the performance of our loan or securities portfolio, the expected amount of future credit reserves or charge-offs, corporate strategies or objectives, anticipated trends in our business, regulatory developments, acquisition transactions, including estimated synergies, cost savings and financial benefits of pending or consummated transactions, including First Midwest's proposed acquisition of NI Bancshares Corporation ("NI Bancshares"), and growth strategies, including possible future acquisitions. These statements are subject to certain risks, uncertainties and assumptions. For a discussion of these risks, uncertainties and assumptions, you should refer to the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2014, as well as our subsequent filings made with the Securities and Exchange Commission ("SEC"). However, these risks and uncertainties are not exhaustive. Other sections of such reports describe additional factors that could adversely impact our business and financial performance.

#### Additional Information for Stockholders

The information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed merger of First Midwest and NI Bancshares, First Midwest has filed a registration statement on Form S-4 (File no. 333-208781) with the SEC. The registration statement includes a proxy statement of NI Bancshares, which also constitutes a prospectus of First Midwest, that will be sent to the stockholders of NI Bancshares. Stockholders are advised to read the registration statement and proxy statement/prospectus because it contains important information about First Midwest, NI Bancshares and the proposed transaction. This document and other documents relating to the transaction filed by First Midwest can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents also can be obtained free of charge by accessing First Midwest's website at [www.firstmidwest.com](http://www.firstmidwest.com) under the tab "Investor Relations" and then under "SEC Filings." Alternatively, these documents can be obtained free of charge from First Midwest upon written request to First Midwest Bancorp, Inc., Attn: Corporate Secretary, One Pierce Place, Suite 1500, Itasca, Illinois 60143 or by calling

(630) 875-7463, or from NI Bancshares upon written request to NI Bancshares Corporation, Attn: Michael A. Cullen, President and Chief Executive Officer, 230 W. State Street, Sycamore, Illinois 60178 or by calling (815) 895-2125.

#### Participants in this Transaction

First Midwest, NI Bancshares, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from NI Bancshares stockholders in connection with the proposed transaction between First Midwest and NI Bancshares under the rules of the SEC. Certain information regarding the interests of these participants and a description of their direct and indirect interests, by security holdings or otherwise, is included in the proxy statement/prospectus regarding the proposed transaction. Additional information about First Midwest and its directors and certain of its officers may be found in First Midwest's definitive proxy statement relating to its 2015 Annual Meeting of Stockholders filed with the SEC on April 14, 2015. This definitive proxy statement can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov).

#### Non-GAAP Financial Information

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 provides non-GAAP performance results, which the Company believes are useful because they assist investors in assessing the Company's operating performance. Although 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. See the following reconciliations for details on the calculation of these measures to the extent presented herein.

#### About the Company

First Midwest is a relationship-focused financial institution and one of Illinois' largest independent publicly-traded bank holding companies. First Midwest's principal subsidiary, First Midwest Bank, and other affiliates provide a full range of business, middle market and retail banking as well as wealth management and private banking services through over 100 locations in metropolitan Chicago, northwest Indiana, central and western Illinois, and eastern Iowa. First Midwest was recognized as having the "Highest Customer Satisfaction with Retail Banking in the Midwest, Two Years in a Row"\* according to the J.D. Power 2014 and 2015 Retail Banking Satisfaction Studies<sup>SM</sup>. First Midwest's website is [www.firstmidwest.com](http://www.firstmidwest.com).

#### Contact Information

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Media: James M. Roolf  
SVP and Corporate Relations Officer  
(630) 875-7533  
[jim.roolf@firstmidwest.com](mailto:jim.roolf@firstmidwest.com)

\* First Midwest Bank received the highest numerical score among retail banks in the Midwest region in the proprietary J.D. Power 2014 and 2015 Retail Banking Satisfaction Studies<sup>SM</sup>. The 2015 study is based on 82,030 total responses measuring 20 providers in the Midwest region (IA, IL, KS, MO, MN, WI) and measures opinions of consumers with their primary banking provider. Proprietary study results are based on experiences and perceptions of consumers surveyed April 2014 - February 2015. Your experiences may vary. Visit [jdpower.com](http://jdpower.com).





Accompanying Unaudited Selected Financial Information  
Consolidated Statements of Financial Condition (Unaudited)  
(Dollar amounts in thousands)

|  | As of<br>December 31,<br>2015 | September 30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December 31,<br>2014 |
|--|-------------------------------|-----------------------|------------------|-------------------|----------------------|
| Period-End Balance Sheet                       |                               |                       |                  |                   |                      |
| Assets   |                               |                       |                  |                   |                      |
| Cash and due from banks                        | \$ 114,587                    | \$ 125,279            | \$ 135,546       | \$ 126,450        | \$ 117,315           |
| Interest-bearing deposits in other banks       | 266,615                       | 822,264               | 811,287          | 492,607           | 488,947              |
| Trading securities, at fair value              | 16,894                        | 17,038                | 18,172           | 18,374            | 17,460               |
| Securities available-for-sale, at fair value   | 1,306,636                     | 1,151,418             | 1,142,407        | 1,151,603         | 1,187,009            |
| Securities held-to-maturity, at amortized cost | 23,152                        | 23,723                | 24,292           | 25,861            | 26,555               |
| FHLB and FRB stock                             | 39,306                        | 38,748                | 38,748           | 38,748            | 37,558               |
| Loans, excluding covered loans:                |                               |                       |                  |                   |                      |
| Commercial and industrial                      | 2,524,726                     | 2,392,860             | 2,366,056        | 2,318,058         | 2,253,556            |
| Agricultural                                   | 387,440                       | 393,732               | 377,410          | 368,836           | 358,249              |
| Commercial real estate:                        |                               |                       |                  |                   |                      |
| Office, retail, and industrial                 | 1,395,454                     | 1,414,077             | 1,432,502        | 1,443,562         | 1,478,379            |
| Multi-family                                   | 528,324                       | 539,308               | 557,947          | 560,800           | 564,421              |
| Construction                                   | 216,882                       | 192,086               | 190,970          | 191,104           | 204,236              |
| Other commercial real estate                   | 931,190                       | 869,748               | 871,119          | 881,026           | 887,897              |
| Home equity                                    | 653,468                       | 647,223               | 599,320          | 599,543           | 543,185              |
| 1-4 family mortgages                           | 355,854                       | 294,261               | 283,562          | 285,758           | 291,463              |
| Installment                                    | 137,602                       | 131,185               | 113,382          | 92,834            | 76,032               |
| Total loans, excluding covered loans           | 7,130,940                     | 6,874,480             | 6,792,268        | 6,741,521         | 6,657,418            |
| Covered loans                                  | 30,775                        | 51,219                | 57,917           | 62,830            | 79,435               |
| Allowance for loan and covered loan losses     | (73,630)                      | (72,500)              | (71,463)         | (70,990)          | (72,694)             |
| Net loans                                      | 7,088,085                     | 6,853,199             | 6,778,722        | 6,733,361         | 6,664,159            |
| OREO, excluding covered OREO                   | 27,349                        | 31,129                | 24,471           | 26,042            | 26,898               |
| Covered OREO                                   | 433                           | 906                   | 3,759            | 7,309             | 8,068                |
| FDIC indemnification asset                     | 3,903                         | 6,106                 | 7,335            | 8,540             | 8,452                |
| Premises, furniture, and equipment, net        | 122,278                       | 127,443               | 128,621          | 128,698           | 131,109              |
| Investment in BOLI                             | 209,601                       | 208,666               | 207,814          | 207,190           | 206,498              |
| Goodwill and other intangible assets           | 339,277                       | 331,250               | 332,223          | 333,202           | 334,199              |
| Accrued interest receivable and other assets   | 174,560                       | 197,877               | 209,630          | 200,611           | 190,912              |
| Total assets                                   | \$ 9,732,676                  | \$ 9,935,046          | \$ 9,863,027     | \$ 9,498,596      | \$ 9,445,139         |
| Liabilities and Stockholders' Equity           |                               |                       |                  |                   |                      |
| Noninterest-bearing deposits                   | \$ 2,414,454                  | \$ 2,671,793          | \$ 2,508,316     | \$ 2,339,492      | \$ 2,301,757         |
| Interest-bearing deposits                      | 5,683,284                     | 5,624,657             | 5,704,355        | 5,575,187         | 5,586,001            |
| Total deposits                                 | 8,097,738                     | 8,296,450             | 8,212,671        | 7,914,679         | 7,887,758            |
| Borrowed funds                                 | 165,096                       | 169,943               | 189,036          | 131,200           | 137,994              |
| Senior and subordinated debt                   | 201,208                       | 201,123               | 201,039          | 200,954           | 200,869              |
| Accrued interest payable and other liabilities | 122,366                       | 119,861               | 135,324          | 135,813           | 117,743              |
| Stockholders' equity                           | 1,146,268                     | 1,147,669             | 1,124,957        | 1,115,950         | 1,100,775            |

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|   |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| Total liabilities and stockholders' equity  | \$9,732,676 | \$9,935,046 | \$9,863,027 | \$9,498,596 | \$9,445,139 |
| Stockholders' equity, excluding<br>accumulated other<br>comprehensive income ("AOCI") | \$1,174,657 | \$1,163,487 | \$1,146,189 | \$1,128,755 | \$1,116,630 |
| Stockholders' equity, common  | 1,146,268   | 1,147,669   | 1,124,957   | 1,115,950   | 1,100,775   |

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Condensed Consolidated Statements of Income (Unaudited)  
(Dollar amounts in thousands)

|  | Quarters Ended    |                    |               |                | Years Ended       |                   |                   |
|--|-------------------|--------------------|---------------|----------------|-------------------|-------------------|-------------------|
|  | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| <b>Income Statement</b>  |                   |                    |               |                |                   |                   |                   |
| Interest income  | \$84,667          | \$84,292           | \$84,556      | \$82,469       | \$81,309          | \$335,984         | \$299,864         |
| Interest expense   | 6,655             | 6,390              | 5,654         | 5,687          | 5,490             | 24,386            | 23,012            |
| Net interest income  | 78,012            | 77,902             | 78,902        | 76,782         | 75,819            | 311,598           | 276,852           |
| Provision for loan and covered loan losses                           | 4,500             | 4,100              | 6,000         | 6,552          | 1,659             | 21,152            | 19,168            |
| Net interest income after provision for loan and covered loan losses | 73,512            | 73,802             | 72,902        | 70,230         | 74,160            | 290,446           | 257,684           |
| <b>Noninterest Income</b>  |                   |                    |               |                |                   |                   |                   |
| Service charges on deposit accounts                                  | 10,303            | 10,519             | 9,886         | 9,271          | 10,015            | 39,979            | 36,910            |
| Wealth management fees   | 7,493             | 7,222              | 7,433         | 7,014          | 6,744             | 29,162            | 26,474            |
| Card-based fees  | 6,761             | 6,868              | 6,953         | 6,402          | 6,390             | 26,984            | 24,340            |
| Merchant servicing fees  | 2,929             | 3,207              | 2,938         | 2,665          | 2,703             | 11,739            | 11,260            |
| Mortgage banking income  | 1,777             | 1,402              | 1,439         | 1,123          | 812               | 5,741             | 4,011             |
| Other service charges, commissions, and fees                         | 4,664             | 3,900              | 2,924         | 2,166          | 2,700             | 13,654            | 8,086             |
| Total fee-based revenues   | 33,927            | 33,118             | 31,573        | 28,641         | 29,364            | 127,259           | 111,081           |
| Other income   | 1,437             | 1,372              | 1,900         | 1,948          | 1,767             | 6,657             | 5,545             |
| Net securities gains (losses)  | 822               | 524                | 515           | 512            | (63)              | 2,373             | 8,097             |
| Gains on sales of properties   | 292               | —                  | —             | —              | —                 | 292               | 3,954             |
| Loss on early extinguishment of debt                                 | —                 | —                  | —             | —              | —                 | —                 | (2,059)           |
| Total noninterest income   | 36,478            | 35,014             | 33,988        | 31,101         | 31,068            | 136,581           | 126,618           |
| <b>Noninterest Expense</b>   |                   |                    |               |                |                   |                   |                   |
| Salaries and employee benefits:                                      |                   |                    |               |                |                   |                   |                   |
| Salaries and wages   | 34,295            | 33,554             | 33,096        | 32,794         | 32,640            | 133,739           | 116,578           |
| Retirement and other employee benefits                               | 8,925             | 7,807              | 7,198         | 7,922          | 7,660             | 31,852            | 27,245            |
| Total salaries and employee benefits                                 | 43,220            | 41,361             | 40,294        | 40,716         | 40,300            | 165,591           | 143,823           |
| Net occupancy and equipment expense                                  | 9,256             | 9,406              | 9,622         | 10,436         | 9,479             | 38,720            | 35,181            |
| Professional services  | 6,117             | 6,172              | 5,322         | 5,109          | 6,664             | 22,720            | 23,436            |
| Technology and related costs   | 3,694             | 3,673              | 3,527         | 3,687          | 3,444             | 14,581            | 12,875            |

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|   |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| Merchant card expense   | 2,495    | 2,722    | 2,472    | 2,197    | 2,203    | 9,886    | 9,195    |
| Advertising and promotions  | 2,211    | 1,828    | 2,344    | 1,223    | 2,418    | 7,606    | 8,159    |
| Cardholder expenses   | 1,329    | 1,354    | 1,292    | 1,268    | 1,036    | 5,243    | 4,251    |
| Net OREO expense  | 926      | 1,290    | 1,861    | 1,204    | 2,544    | 5,281    | 7,075    |
| Other expenses  | 7,525    | 6,559    | 6,717    | 6,817    | 7,446    | 27,618   | 33,034   |
| Property valuation adjustments  | 8,581    | —        | —        | —        | —        | 8,581    | —        |
| Acquisition and integration related expense   | 1,389    | —        | —        | —        | 9,294    | 1,389    | 13,872   |
| Total noninterest expense   | 86,743   | 74,365   | 73,451   | 72,657   | 84,828   | 307,216  | 283,826  |
| Income before income tax expense  | 23,247   | 34,451   | 33,439   | 28,674   | 20,400   | 119,811  | 100,476  |
| Income tax expense  | 6,923    | 11,167   | 10,865   | 8,792    | 5,807    | 37,747   | 31,170   |
| Net income  | \$16,324 | \$23,284 | \$22,574 | \$19,882 | \$14,593 | \$82,064 | \$69,306 |
| Net income applicable to common shares  | \$16,145 | \$23,058 | \$22,325 | \$19,654 | \$14,454 | \$81,182 | \$68,470 |
| Net income applicable to common shares, excluding certain significant transactions <sup>(1)</sup> | \$22,127 | \$23,058 | \$22,325 | \$19,654 | \$20,030 | \$87,164 | \$54,598 |

Footnotes to Condensed Consolidated Statements of Income

- (1) Certain significant transactions include property valuation adjustments related to strategic branch initiatives and acquisition and integration related expenses associated with completed and pending acquisitions.

Selected Financial Information (Unaudited)  
(Amounts in thousands, except per share data)

|  | As of or for the<br>Quarters Ended |                          |                  |                   | Years Ended             |                         |                         |   |
|--|------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------------|---|
|  | December<br>31,<br>2015            | September<br>30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December<br>31,<br>2014 | December<br>31,<br>2015 | December<br>31,<br>2014 |   |
| <b>Earnings Per Share</b>  |                                    |                          |                  |                   |                         |                         |                         |   |
| Basic earnings per<br>common<br>share ("EPS") <sup>(1)</sup>   | \$0.21                             | \$0.30                   | \$0.29           | \$0.26            | \$0.19                  | \$1.05                  | \$0.92                  |   |
| Diluted EPS <sup>(1)</sup>   | \$0.21                             | \$0.30                   | \$0.29           | \$0.26            | \$0.19                  | \$1.05                  | \$0.92                  |   |
| Diluted EPS, excluding<br>certain significant<br>transactions <sup>(1)(7)</sup>  | \$0.29                             | \$0.30                   | \$0.29           | \$0.26            | \$0.27                  | \$1.13                  | \$1.03                  |   |
| <b>Common Stock and Related Per Common Share Data</b>  |                                    |                          |                  |                   |                         |                         |                         |   |
| Book value   | \$14.70                            | \$14.72                  | \$14.43          | \$14.31           | \$14.17                 | \$14.70                 | \$14.17                 |   |
| Tangible book value  | 10.35                              | 10.47                    | 10.17            | 10.04             | 9.87                    | 10.35                   | 9.87                    |   |
| Dividends declared per<br>share  | 0.09                               | 0.09                     | 0.09             | 0.09              | 0.08                    | 0.36                    | 0.31                    |   |
| Closing price at period<br>end   | 18.43                              | 17.54                    | 18.97            | 17.37             | 17.11                   | 18.43                   | 17.11                   |   |
| Closing price to book<br>value   | 1.3                                | 1.2                      | 1.3              | 1.2               | 1.2                     | 1.3                     | 1.2                     |   |
| Period end shares<br>outstanding   | 77,952                             | 77,942                   | 77,961           | 77,957            | 77,695                  | 77,952                  | 77,695                  |   |
| Period end treasury<br>shares  | 10,276                             | 10,286                   | 10,267           | 10,271            | 10,533                  | 10,276                  | 10,533                  |   |
| Common dividends   | \$7,017                            | \$7,014                  | \$7,022          | \$7,011           | \$6,206                 | \$28,064                | \$23,530                |   |
| <b>Key Ratios/Data</b>   |                                    |                          |                  |                   |                         |                         |                         |   |
| Return on average<br>common<br>equity <sup>(1)(2)</sup>  | 5.55                               | % 8.06                   | % 7.97           | % 7.15            | % 5.35                  | % 7.17                  | % 6.56                  | % |
| Return on average<br>tangible<br>common equity <sup>(1)(2)</sup>   | 8.06                               | % 11.68                  | % 11.62          | % 10.52           | % 7.89                  | % 10.44                 | % 9.32                  | % |
| Return on average<br>tangible<br>common equity,<br>excluding<br>certain significant<br>transactions <sup>(1)(2)(7)</sup> | 10.94                              | % 11.68                  | % 11.62          | % 10.52           | % 10.83                 | % 11.19                 | % 10.42                 | % |
| Return on average<br>assets <sup>(2)</sup>   | 0.66                               | % 0.94                   | % 0.94           | % 0.85            | % 0.63                  | % 0.85                  | % 0.80                  | % |
| Efficiency ratio <sup>(1)</sup>  | 65.11                              | % 63.20                  | % 61.70          | % 64.46           | % 66.09                 | % 63.61                 | % 64.57                 | % |
| Net interest margin <sup>(3)</sup>   | 3.59                               | % 3.58                   | % 3.76           | % 3.79            | % 3.76                  | % 3.68                  | % 3.69                  | % |

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|   |       |         |         |         |         |         |         |   |
|---|-------|---------|---------|---------|---------|---------|---------|---|
| Loans-to-deposits   | 88.44 | % 83.48 | % 83.41 | % 85.97 | % 85.41 | % 88.44 | % 85.41 | % |
| Yield on average interest-earning assets <sup>(3)</sup>                   | 3.89  | % 3.86  | % 4.02  | % 4.06  | % 4.02  | % 3.95  | % 3.98  | % |
| Cost of funds   | 0.44  | % 0.42  | % 0.38  | % 0.39  | % 0.38  | % 0.41  | % 0.43  | % |
| Net noninterest expense to average assets                                 | 2.08  | % 1.60  | % 1.66  | % 1.80  | % 2.31  | % 1.79  | % 1.93  | % |
| Effective income tax rate   | 29.78 | % 32.41 | % 32.50 | % 30.66 | % 28.47 | % 31.51 | % 31.02 | % |
| Capital Ratios  |       |         |         |         |         |         |         |   |
| Total capital to risk-weighted assets <sup>(1)</sup>                      | 11.15 | % 11.43 | % 11.37 | % 11.23 | % 11.23 | % 11.15 | % 11.23 | % |
| Tier 1 capital to risk-weighted assets <sup>(1)</sup>                     | 10.28 | % 10.55 | % 10.49 | % 10.35 | % 10.19 | % 10.28 | % 10.19 | % |
| Tier 1 common capital to risk-weighted assets (CET1) <sup>(1)(4)</sup>    | 9.73  | % 10.00 | % 9.93  | % 9.79  | % N/A   | 9.73    | % N/A   |   |
| Tier 1 leverage to average assets <sup>(1)</sup>                          | 9.40  | % 9.29  | % 9.34  | % 9.32  | % 9.03  | % 9.40  | % 9.03  | % |
| Tangible common equity to tangible assets <sup>(1)</sup>                  | 8.59  | % 8.50  | % 8.32  | % 8.54  | % 8.41  | % 8.59  | % 8.41  | % |
| Tangible common equity, excluding AOCI, to tangible assets <sup>(1)</sup> | 8.89  | % 8.67  | % 8.54  | % 8.68  | % 8.59  | % 8.89  | % 8.59  | % |
| Tangible common equity to risk-weighted assets <sup>(1)</sup>             | 9.29  | % 9.70  | % 9.55  | % 9.51  | % 9.73  | % 9.29  | % 9.73  | % |

Note: Selected Financial Information footnotes are located at the end of this section.

Selected Financial Information (Unaudited)  
(Amounts in thousands, except per share data)

|  | As of or for the<br>Quarters Ended |                          |                  |                   | Years Ended             |                         |                         |
|--|------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------------|
|  | December<br>31,<br>2015            | September<br>30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December<br>31,<br>2014 | December<br>31,<br>2015 | December<br>31,<br>2014 |
| Asset Quality Performance Data             |                                    |                          |                  |                   |                         |                         |                         |
| Non-performing assets <sup>(5)</sup>       |                                    |                          |                  |                   |                         |                         |                         |
| Commercial and industrial                  | \$5,587                            | \$6,438                  | \$11,100         | \$12,913          | \$22,693                | \$5,587                 | \$22,693                |
| Agricultural                               | 355                                | 112                      | 317              | 358               | 360                     | 355                     | 360                     |
| Commercial real estate:                    |                                    |                          |                  |                   |                         |                         |                         |
| Office, retail, and industrial             | 6,875                              | 6,961                    | 12,599           | 11,363            | 12,939                  | 6,875                   | 12,939                  |
| Multi-family                               | 796                                | 1,046                    | 1,287            | 700               | 754                     | 796                     | 754                     |
| Construction                               | 905                                | 3,332                    | 4,940            | 7,488             | 6,981                   | 905                     | 6,981                   |
| Other commercial real estate               | 5,611                              | 5,898                    | 5,513            | 5,915             | 6,970                   | 5,611                   | 6,970                   |
| Consumer                                   | 8,746                              | 8,521                    | 9,253            | 9,340             | 9,274                   | 8,746                   | 9,274                   |
| Total non-accrual loans                    | 28,875                             | 32,308                   | 45,009           | 48,077            | 59,971                  | 28,875                  | 59,971                  |
| 90 days or more past due loans             | 2,883                              | 4,559                    | 2,744            | 3,564             | 1,173                   | 2,883                   | 1,173                   |
| Total non-performing loans                 | 31,758                             | 36,867                   | 47,753           | 51,641            | 61,144                  | 31,758                  | 61,144                  |
| Accruing troubled debt restructurings      | 2,743                              | 2,771                    | 3,067            | 3,581             | 3,704                   | 2,743                   | 3,704                   |
| Other real estate owned                    | 27,349                             | 31,129                   | 24,471           | 26,042            | 26,898                  | 27,349                  | 26,898                  |
| Total non-performing assets                | \$61,850                           | \$70,767                 | \$75,291         | \$81,264          | \$91,746                | \$61,850                | \$91,746                |
| 30-89 days past due loans <sup>(5)</sup>   | \$16,329                           | \$28,629                 | \$28,625         | \$18,631          | \$20,073                | \$16,329                | \$20,073                |
| Allowance for credit losses                |                                    |                          |                  |                   |                         |                         |                         |
| Allowance for loan losses                  | \$71,992                           | \$68,384                 | \$66,602         | \$65,311          | \$65,468                | \$71,992                | \$65,468                |
| Allowance for covered loan losses          | 1,638                              | 4,116                    | 4,861            | 5,679             | 7,226                   | 1,638                   | 7,226                   |
| Reserve for unfunded commitments           | 1,225                              | 1,225                    | 1,816            | 1,816             | 1,816                   | 1,225                   | 1,816                   |
| Total allowance for credit losses          | \$74,855                           | \$73,725                 | \$73,279         | \$72,806          | \$74,510                | \$74,855                | \$74,510                |
| Provision for loan and covered loan losses | \$4,500                            | \$4,100                  | \$6,000          | \$6,552           | \$1,659                 | \$21,152                | \$19,168                |
| Net charge-offs by category                |                                    |                          |                  |                   |                         |                         |                         |
| Commercial and industrial                  | \$1,781                            | \$1,601                  | \$3,273          | \$6,657           | \$1,217                 | \$13,312                | \$13,471                |



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|  |         |         |         |         |         |          |          |
|--|---------|---------|---------|---------|---------|----------|----------|
| Agricultural                             | —       | —       | —       | —       | —       | —        | 153      |
| Commercial real estate:                  |         |         |         |         |         |          |          |
| Office, retail, and industrial           | 267     | 457     | 1,862   | (166 )  | 143     | 2,420    | 6,848    |
| Multi-family                             | (27 )   | 67      | 466     | 24      | 476     | 530      | 856      |
| Construction                             | 105     | (114 )  | (188 )  | (17 )   | (6 )    | (214 )   | 886      |
| Other commercial real estate             | 110     | 92      | (603 )  | 1,051   | (247 )  | 650      | 3,107    |
| Consumer                                 | 1,134   | 959     | 432     | 479     | 342     | 3,004    | 6,845    |
| Net charge-offs, excluding covered loans | 3,370   | 3,062   | 5,242   | 8,028   | 1,925   | 19,702   | 32,166   |
| Charge-offs on covered loans             | —       | 1       | 285     | 228     | 146     | 514      | (187 )   |
| Total net charge-offs                    | \$3,370 | \$3,063 | \$5,527 | \$8,256 | \$2,071 | \$20,216 | \$31,979 |
| Total recoveries included above          | \$1,031 | \$1,294 | \$2,579 | \$1,797 | \$2,669 | \$6,701  | \$8,205  |

Note: Selected Financial Information footnotes are located at the end of this section.

Selected Financial Information (Unaudited)  
(Amounts in thousands, except per share data)

|   | As of or for the<br>Quarters Ended |                          |                  |                   | Years Ended             |                         |                         |   |
|---|------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------------|---|
|   | December<br>31,<br>2015            | September<br>30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December<br>31,<br>2014 | December<br>31,<br>2015 | December<br>31,<br>2014 |   |
| Asset Quality ratios <sup>(5)</sup>   |                                    |                          |                  |                   |                         |                         |                         |   |
| Non-accrual loans to<br>total loans   | 0.40                               | % 0.47                   | % 0.66           | % 0.71            | % 0.90                  | % 0.40                  | % 0.90                  | % |
| Non-performing loans to<br>total loans  | 0.45                               | % 0.54                   | % 0.70           | % 0.77            | % 0.92                  | % 0.45                  | % 0.92                  | % |
| Non-performing assets<br>to<br>total loans plus OREO  | 0.86                               | % 1.02                   | % 1.10           | % 1.20            | % 1.37                  | % 0.86                  | % 1.37                  | % |
| Non-performing assets<br>to<br>tangible common equity<br>plus<br>allowance for credit<br>losses | 7.03                               | % 7.99                   | % 8.74           | % 9.56            | % 11.00                 | % 7.03                  | % 11.00                 | % |
| Non-accrual loans to<br>total assets  | 0.30                               | % 0.33                   | % 0.46           | % 0.51            | % 0.64                  | % 0.30                  | % 0.64                  | % |
| Allowance for credit losses and net charge-off ratios   |                                    |                          |                  |                   |                         |                         |                         |   |
| Allowance for credit<br>losses to<br>total loans <sup>(6)</sup>                                 | 1.05                               | % 1.06                   | % 1.07           | % 1.07            | % 1.11                  | % 1.05                  | % 1.11                  | % |
| Allowance for credit<br>losses to<br>loans, excluding<br>acquired loans                         | 1.11                               | % 1.14                   | % 1.16           | % 1.19            | % 1.24                  | % 1.11                  | % 1.24                  | % |
| Allowance for credit<br>losses to<br>non-accrual loans <sup>(5)</sup>                           | 253.57                             | % 215.45                 | % 152.01         | % 139.62          | % 112.19                | % 253.57                | % 112.19                | % |
| Allowance for credit<br>losses to<br>non-performing loans <sup>(5)</sup>                        | 230.55                             | % 188.81                 | % 143.27         | % 129.99          | % 110.04                | % 230.55                | % 110.04                | % |
| Net charge-offs to<br>average<br>loans <sup>(2)</sup>   | 0.19                               | % 0.18                   | % 0.33           | % 0.50            | % 0.13                  | % 0.29                  | % 0.52                  | % |

## Footnotes to Selected Financial Information

(1) See the Non-GAAP Reconciliations section for the detailed calculation.

(2) Annualized based on the actual number of days for each period presented.

(3) Tax equivalent basis reflects federal and state tax benefits.

(4) Basel III Capital Rules became effective for the Company on January 1, 2015. These rules revise the risk-based capital requirements and introduce a new capital measure, Tier 1 common capital to risk weighted assets. As a result, ratios subsequent to December 31, 2014 are computed using the new rules and prior periods presented are reported using the regulatory guidance applicable at that time.

(5) Excludes covered loans and covered OREO.

- (6) This ratio includes acquired loans that are recorded at fair value through an acquisition adjustment, which incorporates credit risk, as of the acquisition date with no allowance for credit losses being established at that time. As the acquisition adjustment is accreted into income over future periods, an allowance for credit losses is established as necessary to reflect credit deterioration.
- (7) Certain significant transactions include property valuation adjustments related to strategic branch initiatives and acquisition and integration related expenses associated with completed and pending acquisitions.

Non-GAAP Reconciliations (Unaudited)  
(Amounts in thousands, except per share data)

|   | Quarters Ended    |                    |               |                | Years Ended       |                   |                   |
|---|-------------------|--------------------|---------------|----------------|-------------------|-------------------|-------------------|
|   | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| Earnings Per Share  |                   |                    |               |                |                   |                   |                   |
| Net income  | \$16,324          | \$23,284           | \$22,574      | \$19,882       | \$14,593          | \$82,064          | \$69,306          |
| Net income applicable to non-vested restricted shares   | (179 )            | (226 )             | (249 )        | (228 )         | (139 )            | (882 )            | (836 )            |
| Net income applicable to common shares  | 16,145            | 23,058             | 22,325        | 19,654         | 14,454            | 81,182            | 68,470            |
| Tax-equivalent property valuation adjustments   | 5,149             | —                  | —             | —              | —                 | 5,149             | —                 |
| Tax-equivalent acquisition and integration related expenses                                       | 833               | —                  | —             | —              | 5,576             | 833               | 8,323             |
| Net income applicable to common shares, excluding certain significant transactions <sup>(1)</sup> | \$22,127          | \$23,058           | \$22,325      | \$19,654       | \$20,030          | \$87,164          | \$76,793          |
| Weighted-average common shares outstanding:   |                   |                    |               |                |                   |                   |                   |
| Weighted-average common shares outstanding (basic)  | 77,121            | 77,106             | 77,089        | 76,918         | 75,119            | 77,059            | 74,484            |
| Dilutive effect of common stock equivalents   | 13                | 13                 | 12            | 12             | 12                | 13                | 12                |
| Weighted-average diluted common shares outstanding  | 77,134            | 77,119             | 77,101        | 76,930         | 75,131            | 77,072            | 74,496            |
| Basic EPS   | \$0.21            | \$0.30             | \$0.29        | \$0.26         | \$0.19            | \$1.05            | \$0.92            |
| Diluted EPS   | \$0.21            | \$0.30             | \$0.29        | \$0.26         | \$0.19            | \$1.05            | \$0.92            |
| Diluted EPS, excluding certain significant  | \$0.29            | \$0.30             | \$0.29        | \$0.26         | \$0.27            | \$1.13            | \$1.03            |

|   |           |           |           |           |           |           |           |   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|
| transactions <sup>(1)</sup>   |           |           |           |           |           |           |           |   |
| Anti-dilutive shares<br>not<br>included in the<br>computation of<br>diluted EPS | 735       | 751       | 768       | 948       | 1,146     | 800       | 1,198     |   |
| Efficiency Ratio<br>Calculation   |           |           |           |           |           |           |           |   |
| Noninterest expense   | \$86,743  | \$74,365  | \$73,451  | \$72,657  | \$84,828  | \$307,216 | \$283,826 |   |
| Less:   |           |           |           |           |           |           |           |   |
| Net OREO expense  | (926 )    | (1,290 )  | (1,861 )  | (1,204 )  | (2,544 )  | (5,281 )  | (7,075 )  |   |
| Property valuation<br>adjustments   | (8,581 )  | —         | —         | —         | —         | (8,581 )  | —         |   |
| Acquisition and<br>integration<br>related expenses                              | (1,389 )  | —         | —         | —         | (9,294 )  | (1,389 )  | (13,872 ) |   |
| Total   | \$75,847  | \$73,075  | \$71,590  | \$71,453  | \$72,990  | \$291,965 | \$262,879 |   |
| Tax-equivalent net<br>interest<br>income <sup>(2)</sup>                         | \$80,506  | \$80,511  | \$81,595  | \$79,665  | \$78,742  | \$322,277 | \$288,589 |   |
| Fee-based revenues  | 33,927    | 33,118    | 31,573    | 28,641    | 29,364    | 127,259   | 111,081   |   |
| Add:  |           |           |           |           |           |           |           |   |
| Other income,<br>excluding<br>BOLI income                                       | 515       | 446       | 446       | 1,065     | 924       | 2,472     | 2,672     |   |
| Tax-adjusted BOLI<br>(BOLI/.6)  | 1,537     | 1,543     | 2,423     | 1,472     | 1,405     | 6,975     | 4,788     |   |
| Total   | \$116,485 | \$115,618 | \$116,037 | \$110,843 | \$110,435 | \$458,983 | \$407,130 |   |
| Efficiency ratio  | 65.11     | % 63.20   | % 61.70   | % 64.46   | % 66.09   | % 63.61   | % 64.57   | % |
| Tax Equivalent Net Interest<br>Income   |           |           |           |           |           |           |           |   |
| Net interest income   | \$78,012  | \$77,902  | \$78,902  | \$76,782  | \$75,819  | \$311,598 | \$276,852 |   |
| Tax-equivalent<br>adjustment  | 2,494     | 2,609     | 2,693     | 2,883     | 2,923     | 10,679    | 11,737    |   |
| Tax-equivalent net<br>interest<br>income <sup>(2)</sup>                         | \$80,506  | \$80,511  | \$81,595  | \$79,665  | \$78,742  | \$322,277 | \$288,589 |   |

Note: Non-GAAP Reconciliations footnotes are located at the end of this section.

Non-GAAP Reconciliations (Unaudited)  
(Amounts in thousands, except per share data)

|   | As of or for the<br>Quarters Ended |                          |                  |                   | Years Ended             |                         |                         |   |
|---|------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------------|---|
|   | December<br>31,<br>2015            | September<br>30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December<br>31,<br>2014 | December<br>31,<br>2015 | December<br>31,<br>2014 |   |
| Risk-Based<br>Capital Data<br>(3)                   |                                    |                          |                  |                   |                         |                         |                         |   |
| Common<br>stock                                     | \$882                              | \$882                    | \$882            | \$882             | \$882                   | \$882                   | \$882                   |   |
| Additional<br>paid-in capital                       | 446,672                            | 445,037                  | 443,558          | 441,689           | 449,798                 | 446,672                 | 449,798                 |   |
| Retained<br>earnings                                | 953,516                            | 944,209                  | 927,939          | 912,387           | 899,516                 | 953,516                 | 899,516                 |   |
| Treasury<br>stock, at cost                          | (226,413 )                         | (226,641 )               | (226,190 )       | (226,203 )        | (233,566 )              | (226,413 )              | (233,566 )              |   |
| Goodwill and<br>other<br>intangible<br>assets       | (327,115 )                         | (318,854 )               | (319,243 )       | (319,635 )        | (334,199 )              | (327,115 )              | (334,199 )              |   |
| Disallowed<br>deferred<br>tax assets<br>(CET1) (3)  | (1,888 )                           | (2,889 )                 | (3,046 )         | (3,354 )          | (30,638 )               | (1,888 )                | (30,638 )               |   |
| Common<br>equity Tier 1<br>capital                  | 845,654                            | 841,744                  | 823,900          | 805,766           | 751,793                 | 845,654                 | 751,793                 |   |
| Trust<br>preferred<br>securities                    | 50,690                             | 50,690                   | 50,690           | 50,690            | 50,690                  | 50,690                  | 50,690                  |   |
| Disallowed<br>deferred<br>tax assets<br>(other) (3) | (2,868 )                           | (4,334 )                 | (4,568 )         | (5,030 )          | N/A                     | (2,868 )                | N/A                     |   |
| Tier 1 capital                                      | 893,476                            | 888,100                  | 870,022          | 851,426           | 802,483                 | 893,476                 | 802,483                 |   |
| Tier 2 capital                                      | 74,855                             | 73,725                   | 73,279           | 72,806            | 82,209                  | 74,855                  | 82,209                  |   |
| Total capital                                       | \$968,331                          | \$961,825                | \$943,301        | \$924,232         | \$884,692               | \$968,331               | \$884,692               |   |
| Risk-weighted<br>assets                             | \$8,687,864                        | \$8,414,729              | \$8,296,679      | \$8,229,627       | \$7,876,754             | \$8,687,864             | \$7,876,754             |   |
| Adjusted<br>average assets                          | \$9,501,087                        | \$9,559,796              | \$9,318,347      | \$9,134,320       | \$8,884,045             | \$9,501,087             | \$8,884,045             |   |
| Total capital<br>to<br>risk-weighted                | 11.15                              | % 11.43                  | % 11.37          | % 11.23           | % 11.23                 | % 11.15                 | % 11.23                 | % |

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|   |             |             |             |             |             |             |             |   |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---|
| assets  |             |             |             |             |             |             |             |   |
| Tier 1 capital to risk-weighted assets                              | 10.28       | % 10.55     | % 10.49     | % 10.35     | % 10.19     | % 10.28     | % 10.19     | % |
| Tier 1 common capital to risk-weighted assets (CET1) <sup>(3)</sup> | 9.73        | % 10.00     | % 9.93      | % 9.79      | % N/A       | 9.73        | % N/A       |   |
| Tier 1 leverage to average assets                                   | 9.40        | % 9.29      | % 9.34      | % 9.32      | % 9.03      | % 9.40      | % 9.03      | % |
| Tangible Common Equity Stockholders' equity                         | \$1,146,268 | \$1,147,669 | \$1,124,957 | \$1,115,950 | \$1,100,775 | \$1,146,268 | \$1,100,775 |   |
| Less: goodwill and other intangible assets                          | (339,277 )  | (331,250 )  | (332,223 )  | (333,202 )  | (334,199 )  | (339,277 )  | (334,199 )  |   |
| Tangible common equity  | 806,991     | 816,419     | 792,734     | 782,748     | 766,576     | 806,991     | 766,576     |   |
| Less: AOCI  | 28,389      | 15,818      | 21,232      | 12,805      | 15,855      | 28,389      | 15,855      |   |
| Tangible common equity, excluding AOCI                              | \$835,380   | \$832,237   | \$813,966   | \$795,553   | \$782,431   | \$835,380   | \$782,431   |   |
| Total assets  | \$9,732,676 | \$9,935,046 | \$9,863,027 | \$9,498,596 | \$9,445,139 | \$9,732,676 | \$9,445,139 |   |
| Less: goodwill and other intangible assets                          | (339,277 )  | (331,250 )  | (332,223 )  | (333,202 )  | (334,199 )  | (339,277 )  | (334,199 )  |   |
| Tangible assets   | \$9,393,399 | \$9,603,796 | \$9,530,804 | \$9,165,394 | \$9,110,940 | \$9,393,399 | \$9,110,940 |   |
| Tangible common equity to tangible assets                           | 8.59        | % 8.50      | % 8.32      | % 8.54      | % 8.41      | % 8.59      | % 8.41      | % |
| Tangible common equity, excluding AOCI, to                          | 8.89        | % 8.67      | % 8.54      | % 8.68      | % 8.59      | % 8.89      | % 8.59      | % |

tangible  
assets

Tangible  
common

equity to risk- 9.29  
weighted

assets

% 9.70

% 9.55

% 9.51

% 9.73

% 9.29

% 9.73

%

Note: Non-GAAP Reconciliations footnotes are located at the end of this section.

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Non-GAAP Reconciliations (Unaudited)  
(Amounts in thousands, except per share data)

|  | As of or for the<br>Quarters Ended |                          |                  |                   | Years Ended             |                         |                         |
|--|------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|-------------------------|
|  | December<br>31,<br>2015            | September<br>30,<br>2015 | June 30,<br>2015 | March 31,<br>2015 | December<br>31,<br>2014 | December<br>31,<br>2015 | December<br>31,<br>2014 |
| Return on Average Common and Tangible<br>Common Equity   |                                    |                          |                  |                   |                         |                         |                         |
| Net income<br>applicable to<br>common<br>shares  | \$16,145                           | \$23,058                 | \$22,325         | \$19,654          | \$14,454                | \$81,182                | \$68,470                |
| Intangibles<br>amortization  | 971                                | 973                      | 978              | 998               | 842                     | 3,920                   | 2,889                   |
| Tax-equivalent<br>adjustment of<br>intangibles<br>amortization   | (388 )                             | (389 )                   | (391 )           | (399 )            | (337 )                  | (1,568 )                | (1,156 )                |
| Net income<br>applicable to<br>common<br>shares,<br>excluding<br>intangibles<br>amortization                           | 16,728                             | 23,642                   | 22,912           | 20,253            | 14,959                  | 83,534                  | 70,203                  |
| Tax-equivalent<br>property<br>valuation<br>adjustments <sup>(2)</sup>  | 5,149                              | —                        | —                | —                 | —                       | 5,149                   | —                       |
| Tax-equivalent<br>acquisition<br>and<br>integration<br>related<br>expenses <sup>(2)</sup>                              | 833                                | —                        | —                | —                 | 5,576                   | 833                     | 8,323                   |
| Net income<br>applicable to<br>common<br>shares,<br>excluding<br>certain<br>significant<br>transactions <sup>(1)</sup> | \$22,710                           | \$23,642                 | \$22,912         | \$20,253          | \$20,535                | \$89,516                | \$78,526                |
| Average<br>stockholders'   | \$1,154,506                        | \$1,134,967              | \$1,123,530      | \$1,114,762       | \$1,072,682             | \$1,132,058             | \$1,043,566             |

|                       |           |            |            |            |            |            |            |   |
|-----------------------|-----------|------------|------------|------------|------------|------------|------------|---|
| equity                |           |            |            |            |            |            |            |   |
| Less: average         |           |            |            |            |            |            |            |   |
| intangible            | (331,013  | ) (331,720 | ) (332,694 | ) (333,684 | ) (320,533 | ) (332,269 | ) (290,303 | ) |
| assets                |           |            |            |            |            |            |            |   |
| Average               |           |            |            |            |            |            |            |   |
| tangible              | \$823,493 | \$803,247  | \$790,836  | \$781,078  | \$752,149  | \$799,789  | \$753,263  |   |
| common                |           |            |            |            |            |            |            |   |
| equity                |           |            |            |            |            |            |            |   |
| Return on             |           |            |            |            |            |            |            |   |
| average               | 5.55      | % 8.06     | % 7.97     | % 7.15     | % 5.35     | % 7.17     | % 6.56     | % |
| common                |           |            |            |            |            |            |            |   |
| equity <sup>(4)</sup> |           |            |            |            |            |            |            |   |
| Return on             |           |            |            |            |            |            |            |   |
| average               | 8.06      | % 11.68    | % 11.62    | % 10.52    | % 7.89     | % 10.44    | % 9.32     | % |
| tangible              |           |            |            |            |            |            |            |   |
| common                |           |            |            |            |            |            |            |   |
| equity <sup>(4)</sup> |           |            |            |            |            |            |            |   |
| Return on             |           |            |            |            |            |            |            |   |
| average               | 10.94     | % 11.68    | % 11.62    | % 10.52    | % 10.83    | % 11.19    | % 10.42    | % |
| tangible              |           |            |            |            |            |            |            |   |
| common                |           |            |            |            |            |            |            |   |
| equity,               |           |            |            |            |            |            |            |   |
| excluding             |           |            |            |            |            |            |            |   |
| certain               |           |            |            |            |            |            |            |   |
| significant           |           |            |            |            |            |            |            |   |
| transactions          |           |            |            |            |            |            |            |   |
| <sup>(1)(4)</sup>     |           |            |            |            |            |            |            |   |

## Footnotes to Non-GAAP Reconciliations

(1) Certain significant transactions include property valuation adjustments related to strategic branch initiatives and acquisition and integration related expenses associated with completed and pending acquisitions.

(2) Tax equivalent basis reflects federal and state tax benefits.

Basel III Capital Rules became effective for the Company on January 1, 2015. These rules revise the risk-based capital requirements and introduce a new capital measure, Tier 1 common capital to risk-weighted assets. As a result, ratios subsequent to December 31, 2014 are computed using the new rules and prior periods presented are reported using the regulatory guidance applicable at that time.

(4) Annualized based on the actual number of days for each period presented.