

FIRST MIDWEST BANCORP INC

Form 425

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Subject Company: First Midwest Bancorp, Inc.

(Registration Statement No. 333-229674)

Set forth below is a copy of First Midwest Bancorp, Inc.'s first quarter 2019 earnings release.

FOR  
IMMEDIATE  
RELEASE

#### FIRST MIDWEST BANCORP, INC. ANNOUNCES

#### 2019 FIRST QUARTER RESULTS

CHICAGO, IL, April 23, 2019 – First Midwest Bancorp, Inc. (the "Company" or "First Midwest"), the holding company of First Midwest Bank (the "Bank"), today reported results of operations and financial condition for the first quarter of 2019. Net income for the first quarter of 2019 was \$46.1 million, or \$0.43 per share, compared to \$41.4 million, or \$0.39 per share, for the fourth quarter of 2018, and \$33.5 million, or \$0.33 per share, for the first quarter of 2018.

Reported results for the first quarter of 2019 and fourth quarter of 2018 were impacted by acquisition and integration related expenses and implementation costs related to the Company's Delivering Excellence initiative ("Delivering Excellence"). For additional detail on these adjustments, see the "Non-GAAP Financial Information" section presented later in this release.

Earnings per share ("EPS"), adjusted<sup>(1)</sup> was \$0.46 for the first quarter of 2019, compared to \$0.48 for the fourth quarter of 2018 and \$0.33 for the first quarter of 2018.

#### SELECT FIRST QUARTER HIGHLIGHTS

• Increased EPS to \$0.43 compared to \$0.39 and \$0.33 for the fourth and first quarters of 2018, respectively.

• Generated EPS, adjusted<sup>(1)</sup> of \$0.46, seasonally down 4% from the fourth quarter of 2018 and up 39% from the first quarter of 2018.

• Produced returns on average tangible common equity, adjusted<sup>(1)</sup> of 15.3% for the first quarter of 2019, down 111 basis points and up 281 basis points from the fourth and first quarters of 2018, respectively.

• Expanded net interest income and margin to \$139 million and 4.04%, up 8 basis points from the fourth quarter of 2018 and 24 basis points from the first quarter of 2018.

• Controlled noninterest expense, reported an efficiency ratio<sup>(1)</sup> of 56%, consistent with the fourth quarter of 2018 and down from 61% in the first quarter of 2018.

• Grew loans to \$12 billion, up 4%, annualized from December 31, 2018 and 8% from March 31, 2018.

• Increased total average deposits to \$12 billion, up 10% from the first quarter of 2018.

• Increased common equity Tier 1 capital to 10.52%, up 32 basis points from the fourth quarter of 2018 and 87 basis points from the first quarter of 2018.

• Completed the acquisition of Northern Oak Wealth Management, Inc, on January 16, 2019, adding approximately \$800 million of assets under management.

• Announced a share repurchase program authorizing the Company to repurchase up to \$180 million of its common stock.

"We had a solid start to the year, reflecting significant growth in earnings from a year ago," said Michael L. Scudder, Chairman of the Board and Chief Executive Officer of the Company. "Operating performance benefitted from strong earning asset growth, higher interest rates, and stable core funding and, in turn, improved interest margins and our already solid operating efficiency. Sales activity remained active, with quarterly comparisons largely reflective of both normal seasonality and the impact of market volatility on certain fee-based businesses."

Mr. Scudder continued, "We remain well-positioned for continued growth and expansion. Our acquisition of Bridgeview Bank will close in May, adding \$1.3 billion of assets and a strong team of colleagues to our presence in metro Chicago. At the same time, Northern Oak Wealth Management, which we acquired in January, will further augment our commercial and private banking expansion into the Milwaukee marketplace. The strength of our earnings and balance sheet continue to provide flexibility as we manage our capital and consider opportunities for further business expansion."

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## ACQUISITIONS

### Completed

Northern Oak Wealth Management, Inc.

On January 16, 2019, the Company completed its acquisition of Northern Oak Wealth Management, Inc. ("Northern Oak"), a registered investment adviser based in Milwaukee, Wisconsin with approximately \$800 million of assets under management at closing.

### Pending

Bridgeview Bancorp, Inc.

On December 6, 2018, the Company entered into a merger agreement to acquire Bridgeview Bancorp, Inc. ("Bridgeview"), the holding company for Bridgeview Bank Group. With the acquisition, the Company would acquire 13 banking offices located across greater Chicagoland. As of December 31, 2018, Bridgeview had approximately \$1.3 billion of assets, \$1.0 billion of deposits, and \$800 million of loans, excluding Bridgeview's mortgage division, which the Company is not acquiring. The merger agreement provides for a fixed exchange ratio of 0.2767 shares of Company common stock, plus \$1.79 in cash, for each share of Bridgeview common stock, subject to certain adjustments. We anticipate issuing approximately 4.7 million shares at closing. As of the date of announcement, the overall transaction was valued at approximately \$145 million. The acquisition is subject to the approval of Bridgeview's stockholders and the completion of various closing conditions, and is anticipated to close on May 9, 2019.

<sup>(1)</sup> These metrics are non-GAAP financial measures. For details on the calculation of these metrics, see the sections titled "Non-GAAP Financial Information" and "Non-GAAP Reconciliations" presented later in this release.

## OPERATING PERFORMANCE

## Net Interest Income and Margin Analysis

(Dollar amounts in thousands)

	Quarters Ended March 31, 2019			December 31, 2018			March 31, 2018		
	Average Balance	Interest	Yield/ Rate (%)	Average Balance	Interest	Yield/ Rate (%)	Average Balance	Interest	Yield/ Rate (%)
<b>Assets</b>									
Other interest-earning assets	\$ 125,615	\$ 728	2.35	\$ 145,436	\$ 476	1.30	\$ 112,137	\$ 423	1.53
Securities <sup>(1)</sup>	2,371,692	16,387	2.76	2,359,083	15,907	2.70	2,063,223	12,141	2.35
Federal Home Loan Bank ("FHLB") and Federal Reserve Bank ("FRB") stock	79,821	952	4.77	85,427	709	3.32	76,883	438	2.28
Loans <sup>(1)</sup>	11,458,233	145,531	15.15	11,408,062	143,561	14.99	10,499,283	119,318	14.61
Total interest-earning assets <sup>(1)</sup>	14,035,361	163,598	4.72	13,998,008	160,653	4.56	12,751,526	132,320	4.20
Cash and due from banks	202,101			211,312			181,797		
Allowance for loan losses	(107,520)			(104,681)			(99,234)		
Other assets	1,537,897			1,398,760			1,352,964		
Total assets	\$ 15,667,839			\$ 15,503,399			\$ 14,187,053		
<b>Liabilities and Stockholders' Equity</b>									
Savings deposits	\$ 2,037,831	346	0.07	\$ 2,044,312	358	0.07	\$ 2,015,679	368	0.07
NOW accounts	2,083,366	2,162	0.42	2,128,722	1,895	0.35	1,992,672	1,048	0.21
Money market deposits	1,809,234	2,349	0.53	1,831,311	1,990	0.43	1,814,057	824	0.18
Time deposits	2,647,316	11,745	1.80	2,311,453	8,894	1.53	1,735,155	3,939	0.92
Borrowed funds									