

FIRST MIDWEST BANCORP INC  
Form S-4  
September 08, 2016

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As filed with the Securities and Exchange Commission on September 8, 2016.

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM S-4**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**FIRST MIDWEST BANCORP, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)  
**One Pierce Place, Suite 1500**  
**Itasca, Illinois 60143-9768**  
**(630) 875-7463**  
(Address, Including Zip Code, and Telephone Number, Including  
Area Code, of Registrant's Principal Executive Offices)

**36-3161078**  
(IRS Employer  
Identification Number)

**Nicholas J. Chulos**  
**Executive Vice President, Corporate Secretary and General Counsel**  
**First Midwest Bancorp, Inc.**  
**One Pierce Place, Suite 1500**  
**Itasca, Illinois 60143-9768**  
**(630) 875-7345**  
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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**Copies to:**

**Mark J. Menting, Esq.**

**Lawrence P. Kelley**

**Edwin S. del Hierro, Esq.**

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**Sullivan & Cromwell LLP**  
**125 Broad Street**  
**New York, NY 10004**  
**(212) 558-4000**

**President and Chief Executive Officer**  
**Standard Bancshares, Inc.**  
**7800 West 95th Street**  
**Hickory Hills, IL 60457**  
**(708) 598-7400**

**Kirkland & Ellis LLP**  
**300 North LaSalle**  
**Chicago, IL 60654**  
**(312) 862-2000**

**Approximate date of commencement of proposed sale to the public:**

**As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.**

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer      
 Accelerated filer      
 Non-accelerated filer      
 Smaller reporting company   
 (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value \$0.01	23,378,660 shares <sup>(1)</sup>	N/A	\$281,618,806 <sup>(2)</sup>	\$28,359 <sup>(3)</sup>

(1) Represents the estimated maximum number of shares of common stock of the registrant estimated to be issued upon completion of the merger described in the joint proxy statement/prospectus contained herein. This number is based upon the product of (x) 53,744,047, which represents the sum of (A) 37,982,220 shares of voting common stock, par value \$0.01 per share, of Standard Bancshares, Inc. outstanding as of August 19, 2016, plus (B) 10,434,045 shares of non-voting common stock, par value \$0.01 per share, of Standard Bancshares, Inc. outstanding as of August 19, 2016, plus (C) 5,327,782 shares reserved for outstanding awards under various Standard plans as of August 19, 2016 and issuable upon the exercise of options, multiplied by (y) 0.435, which is the number of shares of the registrant's common stock to be issued per share of Standard Bancshares, Inc. common stock under the Agreement and Plan of Merger, dated as of June 28, 2016, by and among First Midwest Bancorp, Inc., Standard Bancshares, Inc. and Benjamin Acquisition Corporation, which is attached to the joint proxy statement/prospectus as *Appendix A*.

(2) Pursuant to Rule 457(f)(2), the proposed maximum offering price was computed as follows: the product of (x) the estimated maximum number of shares of common stock that may be received by the registrant pursuant to the merger (53,744,047 shares) multiplied by (y) the book value per share of common stock of Standard Bancshares, Inc. as of June 30, 2016 (\$5.24).

(3) Calculated by multiplying the proposed maximum aggregate offering price of securities to be registered by First Midwest Bancorp, Inc. by 0.0001007.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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**Information contained herein is subject to completion or amendment. A registration statement relating to First Midwest Bancorp, Inc.'s common stock to be offered in this transaction has been filed with the Securities and Exchange Commission. These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell, or the solicitation of an offer to buy, in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

**PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER 8, 2016**

[ ], 2016

Dear Stockholders of First Midwest Bancorp, Inc. and Shareholders of Standard Bancshares, Inc.:

On June 28, 2016, First Midwest Bancorp, Inc. ("First Midwest") and Standard Bancshares, Inc. ("Standard") entered into an Agreement and Plan of Merger ("merger agreement") that provides for the combination of the two companies. Under the merger agreement, Benjamin Acquisition Corporation, a newly formed, direct, wholly owned subsidiary of First Midwest will merge with and into Standard, with Standard being the surviving company (the "merger"). Immediately following the completion of the merger and as part of a single integrated transaction, Standard will merge with and into First Midwest, with First Midwest being the surviving company (the "parent merger" and, together with the merger, the "mergers"). Following the parent merger at such time as First Midwest may determine in its sole discretion, Standard Bank & Trust Company, an Illinois state chartered bank and a wholly owned subsidiary of Standard, will merge with and into First Midwest Bank, an Illinois state chartered bank and a wholly owned subsidiary of First Midwest, with First Midwest Bank being the surviving bank (the "bank merger"). Following the bank merger, First Midwest Bank will continue its corporate existence as a commercial bank organized under the laws of the State of Illinois.

Upon completion of the merger, each holder of Standard voting common stock and Standard non-voting common stock (collectively, "Standard common stock") will receive 0.435 of a share of First Midwest common stock (the "exchange ratio") in exchange for each share of Standard voting common stock or Standard non-voting common stock held immediately prior to the completion of the merger (the "merger consideration"), which will be subject to adjustment, as described further in the accompanying joint proxy statement/prospectus, if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total after-tax cost to remediate and/or cure such conditions or defects is greater than \$2,000,000. Based on the number of shares of Standard common stock outstanding on [ ], 2016, we expect that the payment of the merger consideration will require First Midwest to issue approximately [ ] shares of First Midwest common stock in connection with the merger. In addition, based on the number of issued and outstanding shares of First Midwest common stock and Standard common stock as of [ ], 2016, and based on the exchange ratio of 0.435, holders of shares of Standard common stock as of immediately prior to the closing of the merger will hold, in the aggregate, approximately [ ]% of the issued and outstanding shares of First Midwest common stock immediately following the effectiveness of the merger.

First Midwest common stock trades on the NASDAQ Stock Market under the symbol "FMBI". The following table shows the implied value of the merger consideration that would be received by Standard shareholders in exchange for each share of Standard voting common stock and Standard non-voting common stock if the per share price of First Midwest common stock was \$17.35, which was the per share volume weighted average price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days ending on and including June 28, 2016, the last trading day before the announcement of the merger, and if such price was \$[ ], which was the per share volume weighted average price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days ending on and including [ ], 2016, the latest practicable trading day before the printing of the accompanying joint proxy statement/prospectus.

	<b>15-Day Volume Weighted Average Price of First Midwest Common Stock on NASDAQ</b>	<b>Exchange Ratio</b>	<b>Total Consideration Per Share of Standard Common Stock<sup>(1)</sup></b>
June 28, 2016	\$ 17.35	0.435	\$ 7.55
[ ], 2016	\$ [ ]	0.435	\$ [ ]

(1)

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Computed as the 15 day volume weighted average price of First Midwest common stock on the NASDAQ Stock Market ending on the date specified *multiplied* by the exchange ratio. The information presented does not reflect the actual value of the merger consideration that will be received by holders of Standard common stock in the merger. The exchange ratio is fixed (subject to potential adjustment for certain environmental conditions and/or title defects, as described above), and therefore neither the 15-day volume weighed average price of First Midwest common stock nor any other measure of the value of the First Midwest common stock will be used to determine the number of shares of First Midwest common stock received by holders of Standard common stock in the merger. The value of the merger consideration at the closing of the merger will be based on the price of First Midwest common stock on the date the merger is completed. The information presented above solely illustrates the implied value of the merger consideration based on the 15-day volume weighed average price of First Midwest common stock on the dates set forth above.

Upon completion of the merger, each outstanding stock settled right of Standard (each, a "Standard stock settled right") will be redeemed at a redemption price equal to the amount by which the following clause (1) exceeds clause (2), where: (1) is the sum of (x) the product of the exchange ratio and \$17.99 and (y) all cash dividends paid on a share of Standard common stock from February 22, 2013 until the effective time of the merger (which as of the date of the accompanying joint proxy statement/prospectus is \$[           ]); and (2) is \$4.65, accreting on a daily basis at a rate of 12% from February 22, 2013 until three days after the date on which (A) First Midwest has received all

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required regulatory approvals, (B) Standard has received all required approvals from its shareholders and (C) Standard has otherwise satisfied or is capable of satisfying its conditions to closing the merger (which accretion as of the date of the accompanying joint proxy statement/prospectus results in a value of \$[ ]).

First Midwest will hold a special meeting of its stockholders and Standard will hold a special meeting of its shareholders in connection with the merger. First Midwest stockholders will be asked to approve the issuance of First Midwest common stock in the merger, as described in the accompanying joint proxy statement/prospectus. Approval of the issuance of First Midwest common stock in the merger requires the affirmative vote of a majority of the total votes cast by holders of First Midwest common stock at the First Midwest special meeting. Holders of Standard voting common stock will be asked to vote to approve the merger agreement and the transactions contemplated thereby, as described in the accompanying joint proxy statement/prospectus. Approval of the merger agreement and the transactions contemplated thereby requires the affirmative vote of the holders of at least 55% of the outstanding shares of Standard voting common stock. Holders of Standard non-voting common stock will also be asked to vote to approve the conversion of Standard non-voting common stock into First Midwest common stock in the merger, as described in the accompanying joint proxy statement/prospectus. Approval of the conversion of Standard non-voting common stock into First Midwest common stock in the merger requires the affirmative vote of a majority of the outstanding shares of Standard non-voting common stock. All of the directors and certain officers and large shareholders of Standard, collectively holding an aggregate [ ] shares of Standard voting common stock (or approximately [ ]% of the outstanding shares) and [ ] shares of Standard non-voting common stock (or approximately [ ]% of the outstanding shares) as of the Standard record date, have signed voting agreements with First Midwest agreeing to vote for approval of the merger agreement and the transactions contemplated thereby and the conversion of Standard non-voting common stock into First Midwest common stock in the merger.

The special meeting of First Midwest stockholders will be held at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time. The special meeting of holders of Standard voting common stock and non-voting common stock will be held at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time.

**First Midwest's board of directors unanimously recommends that First Midwest stockholders vote "FOR" the issuance of First Midwest common stock in the merger and "FOR" one or more adjournments of the First Midwest special meeting, if necessary or appropriate, including adjournments to permit the further solicitation of proxies in favor of the issuance of First Midwest common stock in the merger.**

**Standard's board of directors unanimously recommends that holders of Standard voting common stock vote "FOR" the approval of the merger agreement and the transactions contemplated thereby, that holders of Standard's non-voting common stock vote "FOR" the conversion of Standard non-voting common stock into First Midwest common stock in the merger and that holders of Standard voting common stock and Standard non-voting common stock vote "FOR" one or more adjournments of the Standard special meeting, if necessary or appropriate, including adjournments to permit the further solicitation of proxies in favor of the foregoing proposals.**

We cannot complete the mergers without the approval of the issuance of First Midwest common stock in the merger by First Midwest's stockholders, the approval of the merger agreement and the transactions contemplated thereby by holders of Standard's voting common stock and the approval of the conversion of Standard non-voting common stock into First Midwest common stock in the merger by holders of Standard's non-voting common stock. **It is important that your shares be represented and voted regardless of the size of your holdings. Whether or not you plan to attend the special meeting of First Midwest stockholders or the special meeting of holders of Standard voting common stock and non-voting common stock, we urge you to submit a proxy to have your shares voted in advance of the respective special meetings by using one of the methods described in the accompanying joint proxy statement/prospectus.**

The accompanying joint proxy statement/prospectus provides important information regarding the special meetings and a detailed description of the merger agreement, the mergers, certain related transactions and agreements and the matters to be presented at the special meetings. **We encourage you to read the entire accompanying joint proxy statement/prospectus carefully (including any documents incorporated therein by reference). Please pay particular attention to "Risk Factors" beginning on page 24, for a discussion of the risks relating to the proposed merger.**

We hope to see you at the special meetings and look forward to the successful completion of the merger.

Sincerely,

Michael L. Scudder  
*President, Chief Executive Officer, and Director*  
First Midwest Bancorp, Inc.

Lawrence P. Kelley  
*President, Chief Executive Officer, and Director*  
Standard Bancshares, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in the merger or determined if this document is accurate or adequate. It is illegal to tell you otherwise. The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of the accompanying joint proxy statement/prospectus is [ ], 2016, and it is first being mailed or otherwise delivered to the stockholders of First Midwest and the shareholders of Standard on or about [ ], 2016.

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One Pierce Place, Suite 1500  
Itasca, Illinois 60143

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2016**

To the Stockholders of First Midwest Bancorp, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of First Midwest Bancorp, Inc., a Delaware corporation ("First Midwest"), will be held at [                      ] on [                      ], 2016 at [                      ] [a.m.][p.m.] Central time (the "First Midwest special meeting") for the purpose of considering and voting upon the following matters:

1. Approval of the issuance of First Midwest common stock in the merger as contemplated by the Agreement and Plan of Merger, dated as of June 28, 2016, a copy of which is attached as *Appendix A* to the accompanying joint proxy statement/prospectus (the "merger agreement"), by and among First Midwest, Standard Bancshares, Inc. and Benjamin Acquisition Corporation (which we refer to as the "stock issuance proposal");
2. Approval of one or more adjournments of the First Midwest special meeting, if necessary or appropriate, including adjournments to permit the further solicitation of proxies in favor of the stock issuance proposal (the "First Midwest adjournment proposal"); and
3. Transaction of such other business as may properly come before the First Midwest special meeting and any adjournments or postponements thereof.

We have fixed the close of business on [                      ], 2016, as the record date for determining those stockholders entitled to notice of and to vote at the First Midwest special meeting and any adjournments of the First Midwest special meeting. Only First Midwest stockholders of record at the close of business on that date are entitled to notice of and to vote at the First Midwest special meeting and any adjournments of the First Midwest special meeting. Approval of each of the stock issuance proposal and the First Midwest adjournment proposal requires the affirmative vote of a majority of the total votes cast by holders of First Midwest common stock on each such proposal at the First Midwest special meeting. As a result, abstentions will have the same effect as votes against approval of the stock issuance proposal and the First Midwest adjournment proposal, and broker non-votes will have no effect on either the stock issuance proposal or the First Midwest adjournment proposal.

If you wish to attend the First Midwest special meeting and your shares are held in the name of a bank, broker, trust or other nominee, you must bring with you an account statement showing that you owned shares of First Midwest common stock as of the record date and a "legal proxy" form from the bank, broker, trustee or other nominee to confirm your beneficial ownership of the shares.

**Your vote is very important. Whether or not you plan to attend the First Midwest special meeting in person, please complete, date, sign and return the enclosed proxy card in the enclosed envelope to ensure that your shares of First Midwest common stock will be represented at the First Midwest special meeting if you are unable to attend. You may also submit a proxy by telephone or via the Internet by following the instructions printed on the proxy card. If you hold your shares in street name, you may vote by following your broker's instructions.**

**The First Midwest board of directors has unanimously approved the merger agreement, the merger and the stock issuance, has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of First Midwest, and recommends that First Midwest stockholders vote "FOR" the stock issuance proposal and "FOR" the First Midwest adjournment proposal (if necessary or appropriate).**

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We encourage you to read the entire accompanying joint proxy statement/prospectus carefully (including any documents incorporated therein by reference). Please pay particular attention to "Risk Factors" beginning on page 24, for a discussion of the risks relating to the proposed merger.

By Order of the Board of Directors,

Nicholas J. Chulos  
*Executive Vice President, Corporate Secretary and  
General Counsel*

Itasca, Illinois  
[                    ], 2016

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**7800 West 95th Street  
Hickory Hills, Illinois 60457**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [                      ], 2016**

To the Shareholders of Standard Bancshares, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of the holders of voting and non-voting common stock of Standard Bancshares, Inc., an Illinois corporation ("Standard"), will be held at [                      ], located at [                      ] on [                      ], 2016 at [                      ] [a.m.][p.m.] Central time (the "Standard special meeting"), for the purpose of considering and voting upon the following matters:

1. Approval by the holders of Standard voting common stock of the Agreement and Plan of Merger, dated as of June 28, 2016, a copy of which is attached as *Appendix A* to the accompanying joint proxy statement/prospectus (the "merger agreement"), by and among First Midwest Bancorp, Inc. ("First Midwest"), Standard and Benjamin Acquisition Corporation ("Merger Sub"), for purposes of the Illinois Business Corporation Act of 1983 (the "IBCA"), Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the shareholders agreement, dated as of February 22, 2013, by and among Standard, Standard Bank & Trust Company and certain of Standard's shareholders (the "Standard shareholders agreement"), which sections are attached as *Appendix B* to the accompanying joint proxy statement/prospectus, and the transactions contemplated by the merger agreement (the "merger proposal"), including the merger of Merger Sub with and into Standard, with Standard being the surviving company (the "merger"), and immediately thereafter and as part of a single integrated transaction, the merger of Standard with and into First Midwest, with First Midwest being the surviving company (the "parent merger" and, together with the merger, the "mergers");
2. Approval by the holders of Standard non-voting common stock of the conversion of Standard non-voting common stock into First Midwest common stock in the merger, for purposes of Section 4.2(a)(ii) of Standard's amended and restated articles of incorporation, which is attached as *Appendix C* to the accompanying joint proxy statement/prospectus (the "stock conversion proposal");
3. Approval by the holders of Standard voting common stock and Standard non-voting common stock of one or more adjournments of the Standard special meeting, if necessary or appropriate, including adjournments to permit the further solicitation of proxies in favor of the merger proposal or the stock conversion proposal (the "Standard adjournment proposal"); and
4. Transaction of such other business as may properly come before the Standard special meeting and any adjournments or postponements thereof.

We have fixed the close of business on [                      ], 2016, as the record date for determining those shareholders entitled to notice of and to vote at the Standard special meeting and any adjournments of the Standard special meeting. Only holders of record of Standard voting common stock and Standard non-voting common stock at the close of business on that date are entitled to notice of and to vote on the respective proposals applicable to such holders at the Standard special meeting and any adjournments of the Standard special meeting. Approval of the merger proposal is required pursuant to the IBCA, Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the Standard shareholders agreement. Approval of the merger proposal requires the affirmative vote of the holders of at least 55% of the outstanding shares of Standard voting common stock. Solely for purposes of Standard's amended and restated articles of

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incorporation and the Standard shareholders agreement, holders of more than 55% of the outstanding shares of Standard voting common stock have already consented to the entry by Standard into the merger agreement prior to the execution by Standard thereof. Approval of the stock conversion proposal is required by Section 4.2(a)(ii) of Standard's amended and restated articles of incorporation. Approval of the stock conversion proposal requires the affirmative vote of a majority of the outstanding shares of Standard non-voting common stock. Approval of the Standard adjournment proposal requires the affirmative vote of a majority of the shares of Standard voting common stock and Standard non-voting common stock present in person or represented by proxy. As a result, abstentions and broker non-votes will have the same effect as votes against approval of the merger proposal, the stock conversion proposal and the Standard adjournment proposal.

If you wish to attend the Standard special meeting and your shares are held in the name of a bank, broker, trustee or other nominee, you must bring with you an account statement showing that you owned shares of Standard common stock as of the record date and a "legal proxy" form from the bank, broker, trustee or other nominee to confirm your beneficial ownership of the shares.

Under Illinois law, holders of Standard voting common stock who do not vote in favor of the merger proposal will have the right to elect to be paid cash for such shareholders' shares in accordance with the IBCA, but only if they deliver to Standard before the vote is taken at the Standard special meeting a written demand for payment of their shares if the proposed action is consummated.

**Your vote is very important. Whether or not you plan to attend the Standard special meeting in person, please complete, date, sign and return the enclosed proxy card in the enclosed envelope to ensure that your shares of Standard voting common stock and/or Standard non-voting common stock, as applicable, will be represented at the Standard special meeting if you are unable to attend.**

**The Standard board of directors has unanimously approved the merger agreement and the merger, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of Standard and its shareholders, as well as Standard's other respective constituencies, and unanimously recommends that holders of Standard voting common stock vote "FOR" the merger proposal, that holders of Standard non-voting common stock vote "FOR" the stock conversion proposal and that all Standard shareholders vote "FOR" the Standard adjournment proposal (if necessary or appropriate).**

We encourage you to read the entire accompanying joint proxy statement/prospectus carefully (including any documents incorporated therein by reference). Please pay particular attention to "Risk Factors" beginning on page 24, for a discussion of the risks relating to the proposed merger.

By Order of the Board of Directors,

Lawrence P. Kelley  
*Vice Chairman of the Board of Directors*

Hickory Hills, Illinois  
[            ], 2016

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about First Midwest from documents filed with the Securities and Exchange Commission ("SEC") that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First Midwest at no cost from the SEC's website maintained at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference into this joint proxy statement/prospectus, at no cost by contacting First Midwest in writing at the address or by telephone as specified below:

**First Midwest Bancorp, Inc.**  
Attention: Corporate Secretary  
One Pierce Place, Suite 1500  
Itasca, IL 60143  
(630) 875-7463

**You will not be charged for any of these documents that you request. In order for you to receive timely delivery of the documents, you must request them no later than three business days before the date of your special meeting. This means that First Midwest stockholders requesting documents must do so by [                      ], 2016 in order to receive them before the First Midwest special meeting, and Standard shareholders requesting documents must do so by [                      ], 2016 in order to receive them before the Standard special meeting.**

See "Where You Can Find More Information" on page 150 of this joint proxy statement/prospectus.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC, constitutes a prospectus of First Midwest under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of First Midwest common stock to be issued to shareholders of Standard as consideration in the merger of Standard with and into First Midwest, as more fully described herein. This joint proxy statement/prospectus also constitutes a proxy statement for First Midwest and Standard. In addition, it constitutes a notice of meeting with respect to the special meetings of both First Midwest stockholders and Standard shareholders.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [ ], 2016, and you should assume that the information in this joint proxy statement/prospectus is accurate only as of such date. You should assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of the date of such incorporated document. Neither the mailing of this joint proxy statement/prospectus to First Midwest stockholders and Standard shareholders nor the issuance by First Midwest of shares of First Midwest common stock in connection with the merger will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.**

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# Edgar Filing: FIRST MIDWEST BANCORP INC - Form S-4

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all the information that is important to you. We urge you to read carefully this entire document, and the documents referenced herein, for a more complete understanding of the merger between First Midwest and Standard. In addition, we incorporate by reference into this document important business and financial information about First Midwest. You may obtain the information incorporated by reference in this document without charge by following the instructions in the section entitled "Where You Can Find More Information". Each item in this summary includes a page reference directing you to a more complete description of that item.*

*Unless the context otherwise requires, references in this joint proxy statement/prospectus to "First Midwest" refer to First Midwest Bancorp, Inc., a Delaware corporation; references to "First Midwest Bank" refer to First Midwest Bank, an Illinois-state chartered bank and wholly owned subsidiary of First Midwest; references to "Standard" refer to Standard Bancshares, Inc., an Illinois corporation; references to "SB&T" refer to Standard Bank and Trust Company, an Illinois-state chartered bank and wholly owned subsidiary of Standard; references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of June 28, 2016, among First Midwest, Standard and Benjamin Acquisition Corporation; and references to "we," "our" or "us" refer to First Midwest and Standard.*

**We Propose a Merger of First Midwest and Standard (Page 38)**

We propose that Benjamin Acquisition Corporation, a newly formed, direct, wholly owned subsidiary of First Midwest ("Merger Sub") will merge with and into Standard, with Standard being the surviving company (the "merger"). Immediately following the merger and as part of a single integrated transaction, Standard will merge with and into First Midwest, with First Midwest being the surviving company (the "parent merger" and, together with the merger, the "mergers"). As a result of the parent merger, the separate existence of Standard will terminate. Following the parent merger at such time as First Midwest may determine in its sole discretion, Standard's wholly owned bank subsidiary, SB&T, will merge with and into First Midwest's wholly owned bank subsidiary, First Midwest Bank, with First Midwest Bank being the surviving bank (the "bank merger"). Following the bank merger, First Midwest Bank will continue its corporate existence as a commercial bank organized under the laws of the State of Illinois. We expect to complete the mergers and the bank merger in the fourth quarter of 2016 or the first quarter of 2017, although delays may occur.

**Special Meeting of First Midwest (Page 29)**

First Midwest plans to hold its special meeting of stockholders at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time (the "First Midwest special meeting"). At the First Midwest special meeting, First Midwest stockholders will be asked to approve the issuance of First Midwest common stock in the merger (the "stock issuance proposal").

You can vote at the First Midwest special meeting if you owned First Midwest common stock at the close of business on [ ], 2016 (the "First Midwest record date"). As of that date, there were [ ] shares of First Midwest common stock outstanding and entitled to vote. A First Midwest stockholder can cast one vote for each share of First Midwest common stock owned on that date.

**Special Meeting of Standard (Page 33)**

Standard plans to hold its special meeting of shareholders at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time (the "Standard special meeting"). At the Standard special meeting, holders of Standard voting common stock will be asked to approve the merger agreement and the transactions contemplated thereby, including the merger (the "merger proposal"). Holders of Standard non-voting common stock will be asked to approve the conversion of

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Standard non-voting common stock into First Midwest common stock in the merger (the "stock conversion proposal").

You can vote at the Standard special meeting to approve the merger proposal if you owned Standard voting common stock at the close of business on [ ], 2016 (the "Standard record date"). As of that date, there were [ ] shares of Standard voting common stock outstanding and entitled to vote. A holder of Standard voting common stock can cast one vote for each share of Standard voting common stock owned on that date.

You can vote at the Standard special meeting to approve the stock conversion proposal if you owned Standard non-voting common stock at the close of business on the Standard record date. As of that date, there were [ ] shares of Standard non-voting common stock outstanding and entitled to vote. A holder of Standard non-voting common stock can cast one vote for each share of Standard non-voting common stock owned on that date.

**First Midwest's Board Unanimously Recommends That First Midwest Stockholders Vote "FOR" the Stock Issuance Proposal (Page 29)**

First Midwest's board of directors (i) believes that the merger agreement and the transactions contemplated thereby are consistent with, and will further, the business strategies of First Midwest and are in the best interests of First Midwest's stockholders, (ii) has unanimously approved and adopted the merger agreement and the transactions contemplated thereby and (iii) unanimously recommends that First Midwest stockholders vote "FOR" the stock issuance proposal.

**Standard's Board Unanimously Recommends That Holders of Standard Voting Common Stock Vote "FOR" the Merger Proposal and That Holders of Standard Non-Voting Common Stock Vote "FOR" the Stock Conversion Proposal (Page 33)**

Standard's board of directors (i) believes that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interest of Standard and its shareholders, as well as Standard's other respective constituencies, (ii) has unanimously approved and adopted the merger agreement and the transactions contemplated thereby, (iii) unanimously recommends that holders of Standard voting common stock vote "FOR" the merger proposal and (iv) unanimously recommends that holders of Standard non-voting common stock vote "FOR" the stock conversion proposal.

**Standard Shareholders Will Receive Shares of First Midwest Common Stock in the Merger (Page 38)**

Upon completion of the merger, each holder of Standard voting common stock and Standard non-voting common stock (collectively, "Standard common stock") will receive 0.435 of a share of First Midwest common stock (the "exchange ratio") in exchange for each share of Standard voting common stock or Standard non-voting common stock held immediately prior to the completion of the merger (the "merger consideration"), which will be fixed (subject to adjustment for certain environmental conditions and/or title defects, as described below). Instead of fractional shares of First Midwest common stock, Standard shareholders will receive a check for the cash value of any fractional shares based on the per share volume weighted average price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days immediately prior to the effective date of the merger (the "First Midwest common stock 15-day VWAP").

The merger consideration may be subject to adjustment if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total cost to remediate and/or cure such conditions or defects (after taking into account any tax credits, deductions or benefits or insurance coverage, in each case, that the parties agree are reasonably likely to be available) is greater than \$2,000,000 (such excess, the "real property adjustment amount"). In that case, the exchange ratio will

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be reduced by an amount equal to (i) the lesser of (x) the real property adjustment amount and (y) \$8,000,000, *divided by* (ii) the fully diluted number of shares of Standard common stock immediately prior to the effective time of the merger, *divided by* (iii) the First Midwest common stock 15-day VWAP. If the real property adjustment amount exceeds \$8,000,000, First Midwest may terminate the merger agreement.

The following table shows the implied value of the merger consideration that would be received by Standard shareholders in exchange for each share of Standard voting common stock and Standard non-voting common stock if the per share price of a share of First Midwest common stock was \$17.35, which was the per share volume weighted average price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days ending on and including June 28, 2016, the last trading day before the announcement of the merger, and if such price was \$[ ], which was the per share volume weighted average price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days ending on and including [ ], 2016, the latest practicable trading day before the printing of this joint proxy statement/prospectus.

	<b>15 Day Volume Weighted Average Price of First Midwest Common Stock on NASDAQ</b>	<b>Exchange Ratio</b>	<b>Total Consideration Per Share of Standard Common Stock<sup>(1)</sup></b>
June 28, 2016	\$ 17.35	0.435	\$ 7.55
[ ]	\$ [ ]	0.435	\$ [ ]

(1) Computed as the 15 day volume weighted average price of First Midwest common stock on the NASDAQ Stock Market ending on the date specified *multiplied* by the exchange ratio. The information presented does not reflect the actual value of the merger consideration that will be received by holders of Standard common stock in the merger. The exchange ratio is fixed (subject to potential adjustment for certain environmental conditions and/or title defects, as described above), and therefore neither the 15-day volume weighed average price of First Midwest common stock nor any other measure of the value of the First Midwest common stock will be used to determine the number of shares of First Midwest common stock received by holders of Standard common stock in the merger. The value of the merger consideration at the closing of the merger will be based on the price of First Midwest common stock on the date the merger is completed. The information presented above solely illustrates the implied value of the merger consideration based on the 15-day volume weighed average price of First Midwest common stock on the dates set forth above.

Upon completion of the merger, each outstanding stock settled right of Standard (each, a "Standard stock settled right") will be redeemed at a redemption price equal to the amount by which the following clause (1) exceeds clause (2), where: (1) is the sum of (x) the product of the exchange ratio and \$17.99 and (y) all cash dividends paid on a share of Standard common stock from February 22, 2013 until the effective time of the merger (which as of the date of this joint proxy statement/prospectus is \$[ ]); and (2) is \$4.65, accreting on a daily basis at a rate of 12% from February 22, 2013 until three days after the date on which (A) First Midwest has received all required regulatory approvals, (B) Standard has received all required approvals from its shareholders and (C) Standard has otherwise satisfied or is capable of satisfying its conditions to closing the merger (which accretion as of the date of this joint proxy statement/prospectus results in a value of \$[ ]).

Upon completion of the merger, each outstanding stock option (vested or unvested) to purchase Standard common stock (each, a "Standard stock option") will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the product of the exchange ratio and the per share volume weighted average

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price of First Midwest common stock on the NASDAQ Stock Market for the 15 trading days immediately prior to the effective date of the merger (the product of the exchange ratio and such volume weighted average price, the "merger consideration value per share"), minus the applicable exercise price per share of such outstanding Standard stock option. In the event that the exercise price of any Standard stock option outstanding immediately prior to the completion of the merger is greater than or equal to the merger consideration value per share, no cash payment or other consideration for such Standard stock option will be due or payable in respect thereof and such Standard stock option will be cancelled as of the completion of the merger. In addition, upon completion of the merger, each outstanding share or fractional share of "phantom stock," as defined under the Standard Bancshares, Inc. Phantom Stock and Stock Appreciation Rights Plan ("Standard phantom stock"), will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, or an equivalent fraction thereof in the case of fractional shares of Standard phantom stock.

**Tax Consequences of the Mergers (Page 71)**

Subject to certain circumstances described below, and based on certain representations, covenants and assumptions, all of which must continue to be true and accurate in all material respects as of the effective time of the mergers, in the opinion of Sullivan & Cromwell LLP ("Sullivan & Cromwell") and Kirkland & Ellis LLP ("Kirkland & Ellis"), for United States federal income tax purposes, the mergers, taken together, will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

Provided that the mergers qualify as a reorganization for United States federal income tax purposes, Standard shareholders generally will not recognize any gain or loss upon receipt of First Midwest common stock in exchange of Standard common stock in the merger (except for any gain or loss that may result from the receipt of cash in lieu of fractional shares of First Midwest common stock that a Standard shareholder would otherwise be entitled to receive).

For a complete description of the material United States federal income tax consequences of the transaction, see "The Merger Material Federal Income Tax Consequences of the Mergers". You should consult your own tax advisor for a full understanding of the tax consequences of the mergers to you.

**Prohibition on Standard Dividends; First Midwest's Dividend Policy Will Continue After the Merger (Pages 94 and 99)**

Standard is generally prohibited from paying cash dividends to holders of its common stock prior to completion of the merger, except for the declaration and payment of quarterly cash dividends in the ordinary course of business consistent with past practice as follows, and in accordance with the following terms of the merger agreement:

Standard may declare in the last two weeks of August 2016 for payment in September 2016 its third quarter 2016 dividend in the amount of \$0.05 per share of Standard common stock. This dividend has been declared.

Standard may declare in the last two weeks of November 2016 for payment in December 2016 its fourth quarter 2016 dividend in the amount of \$0.04 per share of Standard common stock.

Standard may declare in the last two weeks of February 2017 for payment in March 2017 its first quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

Standard may declare in the last two weeks of May 2017 for payment in June 2017 its second quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

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Standard may declare in the last two weeks of August 2017 for payment in September 2017 its third quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

First Midwest expects to continue its common stock dividend practice after the merger, but this practice is subject to the determination and discretion of First Midwest's board of directors and may change at any time. In each of the first three quarters of 2016, First Midwest declared a quarterly cash dividend of \$0.09 per share of First Midwest common stock.

In each of the first three quarters of 2016, Standard declared a quarterly cash dividend of \$0.05 per share of Standard common stock. For comparison, Standard shareholders would receive a regular quarterly cash dividend following the merger equivalent to approximately \$0.04 per share of Standard common stock, which equals approximately \$0.16 annually, based on First Midwest's current quarterly dividend rate of \$0.09 per share and assuming that there is no adjustment to the exchange ratio as provided in the merger agreement. Holders of Standard common stock will be entitled to a cash dividend for the third quarter of 2016 in the amount of \$0.05 per share of Standard common stock for payment in September 2016, and may, if and only if declared by Standard's board of directors in the last two weeks of November 2016, be entitled to a cash dividend for the fourth quarter of 2016 in the amount of up to \$0.04 per share of Standard common stock, for payment in December 2016.

The payment of dividends by First Midwest or Standard on their common stock in the future, either before or after the merger is completed, is subject to the determination and discretion of our respective boards of directors and depends on a variety of factors, including cash requirements, financial condition and earnings, legal and regulatory considerations and other factors.

**The Merger Will Be Accounted for as a Purchase (Page 74)**

The merger will be treated as a purchase by First Midwest of Standard under generally accepted accounting principles ("GAAP").

**First Midwest's Reasons for the Merger (Page 44)**

For a discussion of the factors considered by First Midwest's board of directors in reaching its decision to approve the merger agreement and the transactions contemplated thereby, including the merger, see "The Merger First Midwest's Reasons for the Mergers".

**Opinion of First Midwest's Financial Advisor (Page 46)**

At the June 20, 2016 meeting at which the First Midwest board of directors considered the merger agreement, Sandler O'Neill & Partners, L.P. ("Sandler O'Neill"), delivered to the First Midwest board of directors its oral opinion, which was subsequently confirmed in writing on June 28, 2016, as to the fairness, from a financial point of view and as of the date of the opinion, to First Midwest of the merger consideration in the proposed merger, subject to procedures followed, assumptions made, matters considered and qualifications and limitations described in Sandler O'Neill's opinion.

The full text of Sandler O'Neill's opinion is attached as *Appendix F* to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion.

Holders of First Midwest common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed transaction.

The opinion was for the information of, and was directed to, the First Midwest board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of First Midwest to engage in the merger or enter into the merger agreement or constitute a recommendation to the First Midwest board of

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directors in connection with the merger, and it does not constitute a recommendation to any holder of First Midwest common stock or any shareholder of any other entity as to how to vote in connection with the stock issuance proposal, the merger or any other matter.

**Standard's Reasons for the Merger (Page 59)**

For a discussion of the factors considered by Standard's board of directors in reaching its decision to approve the merger agreement and the transactions contemplated thereby, including the merger, see "The Merger Standard's Reasons for the Merger and Recommendations of the Board of Standard".

**Opinion of Standard's Financial Advisor (Page 62)**

On June 27, 2016, J.P. Morgan Securities LLC ("J.P. Morgan") rendered its oral and written opinion to the board of directors of Standard that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Standard common stock.

**The full text of the written opinion of J.P. Morgan, dated June 27, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as *Appendix G* to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Standard shareholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the Standard board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed merger and was directed only to the exchange ratio in the proposed merger and did not address any other aspect of the merger. J.P. Morgan expressed no opinion as to the fairness of the consideration to the holders of any other class of securities, creditors or other constituencies of Standard or as to the underlying decision by Standard to engage in the merger. The issuance of J.P. Morgan's opinion was approved by a fairness opinion committee of J.P. Morgan. The opinion does not constitute a recommendation to any Standard shareholders as to how such shareholder should vote with respect to the proposed mergers or any other matter.**

**Certain Directors and Executive Officers May Have Interests in the Merger That Differ from Your Interests (Page 74)**

Certain directors and executive officers of Standard and/or SB&T have interests in the merger other than their interests as shareholders, including:

Per the terms of certain employment agreements, retention agreements and benefit plans, and upon the termination of certain compensation plans under the terms of the merger agreement, Standard and/or SB&T executive officers may become entitled to change in control, severance, or other payments, including acceleration of deferred compensation, upon the occurrence of the merger.

Standard has entered into employment agreements with Lawrence Kelley, its President and Chief Executive Officer, and Timothy Gallagher, its Chairman. The employment agreements provide for certain severance benefits in the event of a qualifying termination of employment in connection with a change in control of Standard. In such instance, Messrs. Kelley and Gallagher, respectively, will be entitled to a payment equal to one times the sum of their respective then-current salary *plus* one-twelfth of their respective then-current salary if terminated without 30 days' notice *plus* their pro-rated annual bonus for the current year, if earned based on actual performance. In addition, their eligible dependents would be entitled to company paid health insurance coverage for 12 months. Following termination for any reason, Messrs. Kelley and

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Gallagher would be subject to non-competition and non-solicitation restrictions for 18 months. Additionally, upon completion of the merger, Messrs. Kelley and Gallagher will receive accelerated vesting and payout of their accounts in certain Standard compensation plans, including deferred bonuses and salary, and to the extent each holds outstanding stock options immediately prior to the completion of the merger, the options will be cancelled and terminated in exchange for a cash payment. It is estimated that Messrs. Kelley and Gallagher will receive a cash payment or stock resulting from the respective cancellation or exercise of their Standard stock options equal to a net cash value of approximately \$5,583,667, in the case of Mr. Kelley, and \$719,306, in the case of Mr. Gallagher, and a special cash payment of \$0.10 per outstanding Standard stock option that is unvested as of immediately prior to the completion of the merger.

In connection with the execution of the merger agreement, First Midwest and Mr. Kelley entered into an employment agreement with respect to Mr. Kelley's proposed employment by First Midwest Bank as its Market President of the Southern Region of Illinois, and a confidentiality and restrictive covenants agreement, each effective immediately following the completion of the merger. The employment agreement provides for the termination of his prior employment agreement with Standard, described above, following the merger. In recognition of termination of his existing agreement with Standard, his agreement to enter into a new confidentiality and restrictive covenants agreement, and as a retention incentive, the new employment agreement with First Midwest will provide for a cash payment to Mr. Kelley by First Midwest of \$250,000 following the merger and for a restricted stock award by First Midwest having a grant date value of \$335,000 and a vesting period of three years. In addition to Mr. Kelley's proposed employment by First Midwest Bank as its Market President of the Southern Region of Illinois, it is anticipated that upon the closing of the merger, Mr. Kelley will serve on the board of directors of First Midwest Bank, but will not receive any additional compensation for such board service.

In addition to the agreement with Mr. Kelley described above, First Midwest entered into employment agreements with two other SB&T executive officers setting forth employment and compensation arrangements that will become effective as of the effective date of the merger. Those employment agreements provide for the executive officers to enter into new confidentiality and restrictive covenants agreements, in return for a cash payment of \$50,000 and a restricted stock award of \$100,000 by First Midwest to each executive officer.

Certain executive officers with one year or more of service with SB&T, and who are not otherwise eligible to receive severance under an employment agreement, are eligible to receive severance benefits upon a termination of employment. Under the SB&T severance policy, if a covered executive officer is terminated due to a reduction in force, downsizing or change in company business strategy, whether before or after the completion of the merger, or resigns within one year following the completion of the merger due to either a reduction in base salary of 10% or greater or a requirement to relocate principal offices to a location more than 25 miles from their current office location, the executive officer will be entitled to severance payments of one week severance per year of service, up to a maximum of 26 weeks' severance, subject to a minimum of four weeks' severance, in addition to other benefits.

To the extent a director or executive officer holds outstanding Standard stock options immediately prior to the completion of the merger, the Standard stock options will be cancelled and terminated in exchange for a cash payment, as discussed in "The Merger Agreement Interest of Certain Persons in the Merger Treatment of Standard Equity-Based Awards". As of the date of the merger agreement, directors and executive officers of Standard and SB&T, as a group, held 4,681,940 outstanding Standard stock options. Option holders will also be entitled to receive a special cash payment upon the completion of the merger, equal to \$0.10 per each

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outstanding Standard stock option that is unvested as of immediately prior to the completion of the merger.

Pursuant to the terms of the merger agreement, directors and officers of Standard will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies following the merger. See "The Merger Interests of Certain Persons in the Merger".

Standard's board of directors was aware of these additional interests and considered them when they adopted the merger agreement and approved the merger.

**Holders of Standard Voting Common Stock Have Dissenters' Rights of Appraisal (Page 95)**

Holders of Standard voting common stock may elect to dissent from the merger and obtain payment for their shares of Standard voting common stock by following the procedures set forth in Section 11.65 and Section 11.70 of the Illinois Business Corporation Act of 1983 (the "IBCA"). For more information regarding the right of holders of Standard voting common stock to dissent from the merger and exercise the right to obtain payments for shares of Standard voting common stock, see "The Merger Agreement Dissenters' Rights of Appraisal of Holders of Standard Voting Common Stock". We have also attached a copy of Section 11.65 and Section 11.70 of the IBCA as *Appendix H* to this joint proxy statement/prospectus.

**We Have Agreed When and How Standard Can Consider Third-Party Acquisition Proposals (Page 85)**

We have agreed that Standard will not, and will cause its subsidiaries and its and its subsidiaries' representatives, agents, advisors and affiliates not to, solicit or encourage proposals from other parties regarding acquiring Standard or its businesses. In addition, we have agreed that Standard will not engage in negotiations with or provide confidential information to a third party regarding acquiring Standard or its businesses. However, if Standard receives an unsolicited acquisition proposal from a third party, Standard can participate in negotiations with and provide confidential information to the third party if, among other steps, Standard's board of directors concludes in good faith that the proposal is superior to First Midwest's merger proposal. Standard's receipt of a superior proposal or participation in such negotiations does not give Standard the right to terminate the merger agreement.

**Approval of the Stock Issuance Proposal Requires the Affirmative Vote of Holders of a Majority of the Votes Cast at the First Midwest Special Meeting**

In order to approve the stock issuance proposal, the majority of the total votes cast by holders of First Midwest common stock at the First Midwest special meeting must vote in favor of the stock issuance proposal. As of the First Midwest record date, [ ], 2016, First Midwest's directors and executive officers and their affiliates held approximately [ ]% of the outstanding shares of First Midwest common stock entitled to vote at the First Midwest special meeting.



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**Approval of the Merger Proposal Requires the Affirmative Vote of the Holders of 55% of the Outstanding Shares of Standard Voting Common Stock and Approval of the Stock Conversion Proposal Requires the Affirmative Vote of the Holders of a Majority of the Outstanding Shares of Standard Non-Voting Common Stock (Page 34)**

Pursuant to Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the shareholders agreement, dated as of February 22, 2013, by and among Standard, SB&T and certain of Standard's shareholders (the "Standard shareholders agreement"), in order to complete the mergers, Standard must obtain (i) the "primary requisite approval", which is the prior affirmative vote or written consent of at least a majority of the entire board of directors of Standard and at least 55% of the outstanding shares of Standard voting common stock and (ii) the "secondary requisite approval", which is either (A) the prior affirmative vote or written consent of at least two-thirds of the entire board of directors of Standard or (B) the prior affirmative vote or written consent of at least a majority of the entire board of directors of Standard and at least a majority of the outstanding shares of Standard voting common stock. The board of directors of Standard has unanimously approved the merger agreement and the transactions contemplated thereby, and, therefore, the secondary requisite approval has been obtained. Accordingly, in order to approve the merger agreement and the transactions contemplated thereby, including the merger, the holders of at least 55% of the outstanding shares of Standard voting common stock as of the record date of [ ], 2016 must vote in favor of the merger proposal.

Pursuant to Section 4.2(a)(ii) of Standard's amended and restated articles of incorporation, the affirmative vote of holders of a majority of the outstanding shares of Standard non-voting common stock is required to amend, alter, change or repeal (including by merger, consolidation or otherwise) any provision of Standard's amended and restated articles of incorporation that significantly and adversely affects the powers, preferences, rights or privileges of Standard non-voting common stock. The conversion of Standard non-voting common stock into First Midwest common stock will constitute such a change to the powers, preferences, rights or privileges of Standard non-voting common stock. Accordingly, in order to approve the stock conversion proposal, the holders of a majority of the outstanding shares of Standard non-voting common stock as of the record date of [ ], 2016 must vote in favor of the stock conversion proposal.

As of the Standard record date, Standard's directors and executive officers and their affiliates held approximately [ ]% of the outstanding shares of Standard voting common stock entitled to vote at the Standard special meeting and [ ]% of the outstanding shares of Standard non-voting common stock entitled to vote at the Standard special meeting. All of the directors and certain officers and large shareholders of Standard, collectively holding an aggregate [ ] shares of Standard voting common stock (or approximately [ ]% of the outstanding shares) and [ ] shares of Standard non-voting common stock (or approximately [ ]% of the outstanding shares) as of the Standard record date, have signed voting agreements with First Midwest agreeing to vote for approval of the merger proposal and the stock conversion proposal.

Per the terms of the Standard Bancshares, Inc. Stock Option Incentive Plan (and its predecessors), and award agreements thereunder, holders of Standard stock options do not have voting rights with respect to the shares underlying unexercised stock options. Per the terms of the Standard Bank and Trust Company 401(k) and Profit Sharing Plan, participants who hold shares of Standard common stock do not have voting rights with respect to such shares held under the plan.

For a list of the number of shares of Standard common stock held by (i) each director of Standard, (ii) each shareholder that is known to Standard as of the date of this joint proxy statement/prospectus to beneficially own more than 5% percent of the outstanding shares of Standard voting common stock and (iii) all directors and executive officers of Standard as a group, see "Security Ownership of Certain Standard Beneficial Owners and Management".

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**The Entry into the Merger Agreement Has Been Approved by Certain Shareholders of Standard and Certain Shareholders of Standard Have Agreed to Vote Their Shares "FOR" the Merger (Page 97 and Appendix D)**

Pursuant to Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the Standard shareholders agreement, the primary requisite approval and secondary requisite approval were required for the entry by Standard into the merger agreement. Therefore, solely for purposes of Standard's amended and restated articles of incorporation and the Standard shareholders agreement, holders of more than 55% of the outstanding shares of Standard voting common stock consented to the entry by Standard into the merger agreement prior to the execution by Standard thereof.

In addition, as an inducement to and condition of First Midwest's willingness to enter into the merger agreement, all of the directors and certain officers and large shareholders of Standard who beneficially owned in the aggregate approximately 52.0% of Standard's outstanding voting common stock and approximately 97.2% of Standard's non-voting common stock, in each case as of June 28, 2016, entered into voting agreements, pursuant to which, among other things, they agreed to vote all of their shares of Standard voting common stock in favor of approval of the merger proposal and all of their shares of Standard non-voting common stock in favor of approval of the stock conversion proposal, as applicable, and other matters required to be approved or adopted to effect the merger and any other transactions contemplated by the merger agreement.

**We Must Meet Several Conditions to Complete the Merger (Page 89)**

Our obligations to complete the merger depend on a number of conditions being met. These include:

the approval of the issuance of First Midwest common stock in the merger by holders of First Midwest common stock;

the approval of the merger agreement and the merger by holders of Standard voting common stock, and the approval of the conversion of Standard non-voting common stock into First Midwest common stock in the merger by holders of Standard non-voting common stock;

the receipt of the required approvals of federal and state regulatory authorities;

the listing on the NASDAQ Stock Market of the shares of First Midwest common stock to be issued in the merger;

the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, for the registration of the shares of First Midwest common stock to be issued in the merger;

the absence of any government action or other legal restraint or prohibition that would prohibit the merger or make it illegal;

as to each of us, the representations and warranties of the other party to the merger agreement being true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be likely to have a material adverse effect on the other party, and the other party to the merger agreement having performed in all material respects all of its obligations and complied in all material respects with all of its agreements and covenants under the merger agreement;

the receipt of legal opinions that, for United States federal income tax purposes, the mergers, taken together, will be treated as a reorganization described in Section 368(a) of the Code and

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that both First Midwest and Standard will be a party to that reorganization. These opinions will be based on customary assumptions and on factual representations made by First Midwest and Standard and will be subject to various limitations;

with regard to First Midwest's obligation (but not Standard's), the number of dissenting shares of Standard common stock must not exceed 10% of the total number of shares of Standard common stock;

with regard to First Midwest's obligation (but not Standard's), the receipt by Standard of certain required third-party approvals;

with regard to First Midwest's obligation (but not Standard's), Standard's closing tangible common equity, as defined in the merger agreement, must be greater than or equal to \$251,000,000;

with regard to First Midwest's obligation (but not Standard's), Standard's consolidated total loans (excluding loans held for sale) must be greater than or equal to \$1,600,000,000;

with regard to First Midwest's obligation (but not Standard's), the receipt by First Midwest of a certificate by Standard stating that it and SB&T are not and have not been United States real property holding corporations (provided that First Midwest's only remedy for failure of this condition will be to withhold from the exchange agent any required withholding tax under Section 1445 of the Code); and

with regard to First Midwest's obligation (but not Standard's), the receipt by First Midwest of a certificate from Standard representing the shares of common stock of SB&T held by Standard.

Where the law permits, either of First Midwest or Standard could choose to waive a condition to its obligation to complete the merger even when that condition has not been satisfied. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. Although the merger agreement allows both parties to waive the tax opinion condition, neither party currently anticipates doing so.

**We Must Obtain Regulatory Approvals to Complete the Merger (Page 93)**

The merger and the related transactions require approval from the Board of Governors of the Federal Reserve System (the "Federal Reserve"), and an application has been filed. The bank merger must also be approved by the Illinois Department of Financial and Professional Regulation (the "IDFPR"), and an application has been filed. In addition, notice of the merger and the related transactions must be provided to the Indiana Department of Financial Institutions ("IDFI"), and such notice has been provided.

**We May Terminate the Merger Agreement (Page 91)**

We can mutually agree at any time to terminate the merger agreement without completing the merger, even if First Midwest has received approval of the stock issuance proposal by its stockholders and Standard has received approval of the merger proposal and the stock conversion proposal by its shareholders. Also, either of us can decide, without the consent of the other, to terminate the merger agreement in certain circumstances, including:

if there is a final denial of a required regulatory approval or an application for a required regulatory approval has been withdrawn upon the request or recommendation of the applicable governmental authority and such governmental authority would not accept the refiling of such application;

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if the merger is not completed on or before the 12 month anniversary of the date of the signing of the merger agreement;

if there is a continuing breach of the merger agreement by a party, and the breaching party has not cured the breach within the earlier of the 12 month anniversary of the date of the signing of the merger agreement and 15 days' written notice to the breaching party, as long as that breach would entitle the non-breaching party not to complete the merger; or

if holders of Standard voting common stock fail to approve the merger proposal or holders of Standard non-voting common stock fail to approve the stock conversion proposal.

In addition, First Midwest may terminate the merger agreement:

if Standard's board of directors fails to recommend approval of the merger agreement and the transactions contemplated thereby, including the merger, and the stock conversion proposal to its shareholders, or withdraws or materially and adversely modifies its recommendation;

if Standard's board of directors recommends an acquisition proposal other than the merger, or if Standard's board of directors negotiates or authorizes negotiations with a third party regarding an acquisition proposal other than the merger and those negotiations continue for at least 10 business days;

if Standard has breached its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal, in circumstances not permitted under the merger agreement;

if the number of dissenting shares exceeds 10% of the outstanding shares of Standard common stock;

if the real property adjustment amount exceeds \$8,000,000, as discussed under "The Merger Agreement Merger Consideration"; or

if the tangible common equity at the expected closing date is less than \$251,000,000.

In addition, Standard may terminate the merger agreement if First Midwest's stockholders fail to approve the First Midwest common stock issuance.

Whether or not the merger is completed, we will each pay our own fees and expenses, except that we will each pay one-half of the costs and expenses that we incur in preparing, printing and mailing this joint proxy statement/prospectus and filing fees paid in connection with the registration statement of which the joint proxy statement/prospectus is a part and all applications for government approvals, except fees paid to counsel, financial advisors and accountants.

The merger agreement also provides that Standard must pay First Midwest a fee and reimburse expenses in certain situations. In particular, Standard will pay First Midwest a fee of \$15,000,000 if, on or prior to the termination of the merger agreement or the 12 month anniversary of the termination of the merger agreement in certain circumstances set forth in the merger agreement, both (i) the merger agreement is terminated and (ii) any of the following occurs:

Standard's board of directors submits the merger agreement and the transactions contemplated thereby, including the merger, to Standard shareholders without a recommendation for approval or with material and adverse conditions on such approval, or withdraws or materially and adversely modifies its recommendation;

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Standard enters into an agreement to engage in a competing acquisition proposal with any person other than First Midwest or any of First Midwest's subsidiaries;

Standard authorizes, recommends or proposes (or publicly announces its intention to authorize, recommend or propose) an agreement to engage in a competing acquisition proposal with any

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person other than First Midwest or its subsidiaries or recommends that Standard shareholders approve or accept such a competing acquisition proposal;

Standard fails to convene a shareholder meeting to approve the merger agreement and the transactions contemplated thereby, including the merger, within 45 days of the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

Standard breaches its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal in circumstances not permitted under the merger agreement, which covenant is described below under "The Merger Agreement Acquisition Proposals by Third Parties";

any of Standard's principal shareholders (as defined in the merger agreement) breach, and remain in breach, of its obligations in the voting agreement entered into by such shareholder to (i) vote in favor of the merger proposal and/or the stock conversion proposal and (ii) comply with certain restrictions on transfer of Standard common stock during the period prior to the effective time of the merger, in each case after being provided with notice of such breach and a 30 day cure period; or

holders of Standard voting common stock fail to approve the merger proposal or holders of Standard non-voting common stock fail to approve the stock conversion proposal.

**We May Amend or Waive Merger Agreement Provisions (Page 93)**

At any time before completion of the merger, either First Midwest or Standard may, to the extent legally allowed, waive in writing compliance by the other with any provision contained in the merger agreement. However, once First Midwest stockholders have approved the stock issuance proposal or holders of Standard voting common stock have approved the merger proposal and holders of Standard non-voting common stock have approved the stock conversion proposal, no waiver of any condition may be made that would require further approval by Standard shareholders unless that approval is obtained.

First Midwest may also change the structure of the merger or the method of effecting the merger before the effective time of the merger, subject to the approval of the board of directors of Standard, so long as any change does not: (i) change the kind, amount or economic value of consideration to be received by Standard shareholders; (ii) adversely affect the tax consequences of the mergers to Standard shareholders; (iii) adversely affect the timing of or capability of completion of the merger; or (iv) cause or could not be reasonably expected to cause any of the conditions to complete the merger to be incapable of being satisfied.

**The Rights of Standard Shareholders Following the Mergers Will Be Different (Page 136)**

The rights of First Midwest stockholders are governed by Delaware law and by First Midwest's restated certificate of incorporation, as amended, and amended and restated by-laws. The rights of Standard's shareholders are governed by Illinois law, and by Standard's amended and restated articles of incorporation, as amended, and amended and restated by-laws. Upon our completion of the merger, the rights of both stockholder groups will be governed by Delaware law and First Midwest's restated certificate of incorporation and amended and restated by-laws.

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**Information About the Companies (Page 109)**

*First Midwest Bancorp, Inc.  
One Pierce Place, Suite 1500  
Itasca, Illinois 60143  
(630) 875-7463*

First Midwest is a Delaware corporation headquartered in the Chicago suburb of Itasca, Illinois. It is a relationship-based financial institution and one of the largest independent publicly traded bank holding companies based on assets headquartered in the Midwest. First Midwest's principal subsidiary, First Midwest Bank, and other affiliates provide a full range of commercial, leasing, retail, wealth management, trust and private banking products and services to commercial and industrial, commercial real estate, municipal and consumer customers through over 110 locations in metropolitan Chicago, northwest Indiana, central and western Illinois, and eastern Iowa. At June 30, 2016, First Midwest had consolidated total assets of approximately \$11.0 billion and over \$8.3 billion in trust assets under management. First Midwest common stock trades on the NASDAQ Stock Market under the symbol "FMBI".

*Standard Bancshares, Inc.  
7800 West 95th Street  
Hickory Hills, Illinois 60457  
(708) 598-7400*

Standard, a corporation incorporated in Illinois, is a registered bank holding company headquartered in Hickory Hills, Illinois. Its primary business is operating its bank subsidiary, SB&T, an Illinois banking organization headquartered in Hickory Hills, Illinois. SB&T is a relationship-focused bank that serves local businesses and individuals through a full range of services, including business and retail banking and trust and wealth management. It provides these financial services through 34 banking locations throughout southwest Chicago and northwest Indiana. At June 30, 2016, SB&T had approximately \$2.5 billion in total assets, \$2.2 billion in deposits and \$1.8 billion in loans. SB&T also had approximately \$300 million under management for their wealth management clients at June 30, 2016. Standard common stock is not registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, accordingly, the company does not file periodic or current reports with the SEC.

*Benjamin Acquisition Corporation  
c/o First Midwest Bancorp, Inc.  
One Pierce Place, Suite 1500  
Itasca, Illinois 60143  
(630) 875-7463*

Merger Sub is an Illinois corporation and a direct wholly-owned subsidiary of First Midwest. Merger Sub was incorporated on June 17, 2016, for the sole purpose of effecting the merger. As of the date of this joint proxy statement/prospectus, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the transactions contemplated by the merger agreement.

See "Information About the Companies" in this joint proxy statement/prospectus.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF FIRST MIDWEST**

You should read the selected consolidated financial data set forth below in conjunction with First Midwest's Management's Discussion and Analysis of Financial Condition and Results of Operations and the First Midwest consolidated financial statements and related notes incorporated by reference into this joint proxy statement/prospectus. The financial data as of and for the fiscal years ended December 31, 2015, 2014, 2013, 2012, and 2011 is derived from First Midwest's audited financial statements. The financial data as of and for the six month periods ended June 30, 2016 and 2015 is derived from First Midwest's unaudited financial statements incorporated by reference into this joint proxy statement/prospectus, which have been prepared on the same basis as First Midwest's audited financial statements. See "Where You Can Find More Information". First Midwest's historical results may not be indicative of First Midwest's future performance. In addition, results for the six month periods ended June 30, 2016 and 2015 may not be indicative of the results that may be expected for the full fiscal year or future periods.

	As of or for the six months ended June 30,		As of or for the years ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(dollars in thousands, except per share information)							
<b>Operating Results</b>							
Net income (loss)	\$ 43,229	\$ 42,456	\$ 82,064	\$ 69,306	\$ 79,306	\$ (21,054)	\$ 36,563
Net income (loss) applicable to common shares	42,727	41,979	81,182	68,470	78,199	(20,748)	25,437
<b>Per Common Share Data</b>							
Basic earnings (loss) per common shares	\$ 0.54	\$ 0.55	\$ 1.05	\$ 0.92	\$ 1.06	\$ (0.28)	\$ 0.35
Diluted earnings (loss) per common shares	0.54	0.55	1.05	0.92	1.06	(0.28)	0.35
Common dividends declared	0.18	0.18	0.36	0.31	0.16	0.04	0.04
Book value at period end	15.38	14.43	14.70	14.17	13.34	12.57	12.93
Market price at period end	17.56	18.97	18.43	17.11	17.53	12.52	10.13
<b>Performance Ratios</b>							
Return on average common equity	7.12%	7.56%	7.17%	6.56%	8.04%	(2.14)%	2.69%
Return on average assets	0.83%	0.90%	0.85%	0.80%	0.96%	(0.26)%	0.45%
Net interest margin tax-equivalent	3.69%	3.77%	3.68%	3.69%	3.68%	3.86%	4.04%
Non-performing loans to total loans <sup>(1)</sup>	0.53%	0.70%	0.45%	0.92%	1.14%	1.80%	3.86%
Non-performing assets to total loans plus other real estate owned ("OREO") <sup>(1)</sup>	0.93%	1.10%	0.86%	1.37%	2.13%	2.68%	4.85%
<b>Balance Sheet Highlights</b>							
Total assets	\$ 10,995,810	\$ 9,863,027	\$ 9,732,676	\$ 9,445,139	\$ 8,253,407	\$ 8,099,839	\$ 7,973,594
Total loans	7,979,537	6,850,185	7,161,715	6,736,853	5,714,360	5,387,570	5,348,615
Deposits	8,971,316	8,212,671	8,097,738	7,887,758	6,766,101	6,672,255	6,479,175
Senior and subordinated debt	162,876	201,039	201,208	200,869	190,932	214,779	252,153
Stockholders' equity	1,250,889	1,124,957	1,146,268	1,100,775	1,001,442	940,893	962,587
<b>Financial Ratios</b>							
Allowance for credit losses to loans <sup>(2)</sup>	1.02%	1.07%	1.05%	1.11%	1.52%	1.91%	2.28%
Net loan charge-offs to average loans, annualized	0.24%	0.41%	0.29%	0.52%	0.55%	3.26%	1.91%
<b>First Midwest Regulatory Capital Ratios<sup>(3)</sup></b>							
Total capital to risk-weighted assets	10.68%	11.37%	11.15%	11.23%	12.39%	11.90%	13.68%
Tier 1 capital to risk-weighted assets	9.83%	10.49%	10.28%	10.19%	10.91%	10.28%	11.61%
Common equity Tier 1 to risk-weighted assets (CET1)	9.32%	9.93%	9.73%	N/A	N/A	N/A	N/A
Tier 1 capital to average assets	8.94%	9.34%	9.40%	9.03%	9.18%	8.40%	9.28%

(1)

Due to the protection provided by loss share agreements between First Midwest and the Federal Deposit Insurance Corporation, covered loans and covered OREO are excluded from these metrics to provide for improved comparability to prior periods and better perspective into asset quality trends.



For a discussion of covered loans, see Notes 1 and 6 of "Notes

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to the Consolidated Financial Statements" in Item 8 of First Midwest's Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated into this proxy statement/prospectus by reference.

- (2) 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. For a discussion of the allowance for acquired loan losses and the related acquisition adjustment, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of First Midwest's Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated into this proxy statement/prospectus by reference.
- (3) Basel III Capital Rules became effective for First Midwest on January 1, 2015. These rules revised the risk-based capital requirements and introduced a new capital measure, common equity Tier 1 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.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF STANDARD**

You should read the selected consolidated financial data set forth below in conjunction with the section titled "Management's Discussion and Analysis of Standard's Financial Condition and Results of Operations" included in this joint proxy statement/prospectus and with Standard's consolidated financial statements and related notes included elsewhere in this joint proxy statement/prospectus. The financial data as of and for the fiscal years ended December 31, 2015, 2014, 2013, 2012 and 2011 is derived from Standard's audited financial statements. The financial data as of and for the six month periods ended June 30, 2016 and 2015 is derived from Standard's unaudited financial statements, which have been prepared on the same basis as Standard's audited financial statements. Standard's historical results may not be indicative of Standard's future performance. In addition, results for the six month periods ended June 30, 2016 and 2015 have not been audited and may not be indicative of the results that may be expected for the full fiscal year or future periods.

	As of or for the six months ended June 30,		As of or for the years ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(dollars in thousands, except per share information)							
<b>Operating Results</b>							
Net income (loss) <sup>(1)</sup>	\$ 8,667	\$ 9,508	\$ 20,454	\$ 14,294	\$ 7,049	\$ (34,852)	\$ (9,346)
<b>Per Common Share Data</b>							
Basic earnings per average common share	\$ 0.18	\$ 0.20	\$ 0.42	\$ 0.29	\$ 0.16	\$ (1.86)	\$ (0.50)
Diluted earnings per average common share	0.18	0.20	0.42	0.29	0.16	(1.86)	(0.50)
Common dividends declared	0.10	0.04	0.78				
Book value at period end	5.24	5.64	5.13	5.47	5.18	6.05	7.92
Market price at period end	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Performance Ratios</b>							
Return on average common equity <sup>(2)</sup>	6.88%	7.02%	7.95%	5.52%	3.86%	(26.61)%	(6.24)%
Return on average assets <sup>(2)</sup>	0.70%	0.78%	0.83%	0.63%	0.33%	(1.60)%	(0.42)%
Net interest margin tax-equivalent <sup>(3)</sup>	3.53%	3.44%	3.51%	3.66%	3.61%	3.68%	3.78%
Non-performing loans to total loans <sup>(4)</sup>	1.37%	1.65%	1.73%	2.39%	2.84%	3.39%	3.70%
Non-performing assets to total loans plus OREO	2.23%	2.66%	2.60%	3.26%	3.59%	4.41%	4.39%
<b>Balance Sheet Highlights</b>							
Total assets	\$ 2,451,974	\$ 2,438,147	\$ 2,444,692	\$ 2,288,203	\$ 2,185,250	\$ 2,155,786	\$ 2,141,967
Total loans net	1,779,945	1,788,573	1,835,341	1,744,331	1,619,995	1,505,942	1,505,544
Deposits	2,171,594	2,131,399	2,160,140	1,993,572	1,919,105	1,918,969	1,869,538
Advances from Federal Home Loan Bank		15,000	15,000	15,000		23,466	32,081
Senior and subordinated debt						16,100	16,100
Shareholder's equity	253,674	273,373	248,396	266,048	251,907	175,610	210,059
<b>Financial Ratios</b>							
Allowance for credit losses as a percentage of loans	1.04%	1.39%	1.22%	1.49%	2.46%	3.78%	2.40%
Net loan charge-off to average loans, annualized	0.87%	0.51%	0.45%	1.02%	1.71%	0.72%	2.64%
Dividend payout ratio	27.78%	10.26%	185.71%	N/A	N/A	N/A	N/A
Average equity to average assets ratio	10.22%	11.21%	10.16%	11.63%	11.54%	8.14%	9.80%
<b>Standard Regulatory Capital Ratios<sup>(5)</sup></b>							
Total capital to risk-weighted assets	12.87%	13.93%	12.54%	14.28%	13.84%	9.55%	10.44%
Tier 1 capital to risk-weighted assets	11.97%	12.74%	11.48%	13.03%	12.56%	8.27%	9.18%
Common equity Tier 1 to risk-weighted assets (CET1)	11.97%	12.74%	11.48%	N/A	N/A	N/A	N/A
Tier 1 leverage to average assets	10.19%	10.85%	10.07%	10.76%	10.34%	6.47%	7.19%

(1)

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Represents the amount of net income (loss) available to holders of Standard voting common stock and Standard non-voting common stock after payment of preferred dividends in connection with the Troubled Asset Relief Program prior to 2013, in applicable years.

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- (2) Ratios for the six months ended June 30, 2016 and 2015 are annualized.
- (3) Net interest margin represents net interest income as a percentage of average interest earning assets.
- (4) Non-performing loans include loans accounted for on a non-accrual basis and accruing loans contractually past due 90 days or more.
- (5) Basel III Capital Rules became effective for Standard on January 1, 2015. These rules revise the risk-based capital requirements and introduce a new capital measure, Tier 1 common equity capital to risk-weighted assets (CET1). 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.

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**SELECTED UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following table shows selected unaudited pro forma condensed combined financial information about the financial condition and results of operations of First Midwest giving effect to the merger with Standard. The selected unaudited pro forma condensed combined financial information assumes that the merger is accounted for under the acquisition method of accounting, with First Midwest treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Standard, as of the effective date of the merger, will be recorded by First Midwest at their respective estimated fair values, and the excess of the merger consideration over the fair value of Standard's net assets will be allocated to goodwill.

The unaudited pro forma condensed combined income statement information for the year ended December 31, 2015 and the six months ended June 30, 2016 is presented as if the merger was consummated on January 1, 2015, the first business day of First Midwest's 2015 fiscal year, and combines the historical results of First Midwest and Standard. The unaudited pro forma condensed combined balance sheet information as of June 30, 2016 gives effect to the merger as if it occurred on June 30, 2016, and combines the historical balance sheets of First Midwest and Standard as of June 30, 2016.

The selected unaudited pro forma condensed combined financial data has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information, including the notes thereto, which is included in this joint proxy statement/prospectus under "Unaudited Pro Forma Condensed Combined Financial Statements".

The selected unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. Further, as explained in more detail in the notes accompanying the more detailed unaudited pro forma condensed combined financial information included under "Unaudited Pro Forma Condensed Combined Financial Information," the pro forma allocation of the purchase price reflected in the selected unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma condensed financial information, which are described in those notes, are preliminary and may be revised.

Table of Contents**Selected Unaudited Pro Forma Financial Information**

	As of or for the six months ended June 30, 2016	For the year ended December 31, 2015
	(dollars in thousands)	
Total interest income	\$ 229,760	\$ 427,437
Total interest expense	15,651	28,639
Net interest income	214,109	398,798
Provision for loan losses	19,578	25,752
Net interest income after provision for loan losses	194,531	373,046
Total non-interest income	85,188	162,507
Total non-interest expense	199,874	378,316
Income before income tax expense	79,845	157,237
Income tax expense	26,654	51,138
<b>Net Income</b>	<b>\$ 53,191</b>	<b>\$ 106,099</b>

**Balance Sheet**

Total assets	\$ 13,557,938
Investment securities	2,031,607
Loans, net of allowance for loan losses	9,629,276
Total deposits	11,142,910
Total borrowings and other debt	612,620
Total stockholders' equity	1,620,758

Table of Contents**COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

Presented below are First Midwest's and Standard's historical per share data for the year ended December 31, 2015 and for the six months ended June 30, 2016, and unaudited pro forma combined per share data for the year ended December 31, 2015 and for the six months ended June 30, 2016. Except for the historical information as of and for the year ended December 31, 2015, the information provided in the table below is unaudited. The unaudited pro forma data and equivalent per share information gives effect to the merger as if the transaction had been effective on the dates presented, in the case of the book value data, and as if the transactions had become effective on June 30, 2016. This information should be read together with the historical consolidated financial statements and related notes of First Midwest and Standard, incorporated by reference or included in this joint proxy statement/prospectus, and with the unaudited pro forma condensed combined financial statements included under "Unaudited Pro Forma Condensed Combined Financial Statements".

The unaudited pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The unaudited pro forma financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

	First Midwest Historical	Standard Historical	Combined Pro Forma Amounts for First Midwest	Pro Forma Standard Equivalent Share <sup>(1)</sup>
Book value per common share at June 30, 2016	\$ 15.38	\$ 5.24	\$ 15.83 <sup>(2)</sup>	\$ 6.89
Book value per common share at December 31, 2015	14.70	5.13	15.26 <sup>(2)</sup>	6.64
Cash dividends paid per common share for the six months ended June 30, 2016	0.18	0.10	0.18 <sup>(3)</sup>	0.08
Cash dividends paid per common share for the year ended December 31, 2015	0.36	0.78	0.36 <sup>(3)</sup>	0.16
Basic earnings per common share for the six months ended June 30, 2016	0.54	0.18	0.53	0.23
Basic earnings per common share for the year ended December 31, 2015	1.05	0.42	1.07	0.47
Diluted earnings per common share for the six months ended June 30, 2016	0.54	0.18	0.53	0.23
Diluted earnings per common share for the year ended December 31, 2015	1.05	0.42	1.07	0.47

(1) Calculated by multiplying the "Combined Pro Forma Amounts for First Midwest" due by 0.435, which is the exchange ratio for the stock consideration payable to the holders of Standard common stock in the merger.

(2) Calculated based on pro forma total stockholders' equity of \$1,620,785,000 and \$1,510,859,000 as of June 30, 2016 and December 31, 2015, respectively, *divided by* pro forma shares of common stock outstanding of 102,375,594 and 99,015,528 at June 30, 2016 and December 31, 2015, respectively.

(3) The combined pro forma cash dividends per common share for the six months ended June 30, 2016 and the year ended December 31, 2015 represent the actual cash dividends per share paid by First Midwest for those periods.



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus, as well as First Midwest's other filings with the SEC and Standard's other communications with its shareholders, may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to be materially different from any results, levels of activity, performance, or achievements expressed or implied by any forward-looking statement. These factors include, among other things, the factors listed below.

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 or guarantees of future performance or outcomes, 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. We caution you not to place undue reliance on these statements. Forward-looking statements are made only as of the date of this joint proxy statement/prospectus, and First Midwest and Standard undertake no obligation to update any forward-looking statements to reflect new information or events or conditions after the date hereof.

In connection with the safe harbor provisions of the PSLRA, we are hereby identifying important factors that could affect our financial performance and could cause our actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any forward-looking statements.

Among the factors that could have an impact on our ability to achieve operating results, growth plan goals, and the beliefs expressed or implied in forward-looking statements are:

the risk that the business of First Midwest and Standard will not be integrated successfully or such integration may be more difficult, time consuming or costly than expected;

expected revenue synergies, cost savings and other financial or other benefits of the proposed transaction between First Midwest and Standard might not be realized within the expected time frames or might be less than projected;

revenues following the mergers may be lower than expected;

deposit attrition, operating costs, customer loss and business disruption following the mergers, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

the ability to obtain governmental approvals of the mergers, or the ability to obtain such regulatory approvals in a timely manner;

the potential impact of announcement or completion of the mergers on relationships with third parties, including customers, employees, and competitors;

business disruption following the mergers, including diversion of management's attention from ongoing business operations and opportunities;

the failure of First Midwest's stockholders to approve the stock issuance proposal;

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the failure of holders of Standard voting common stock to approve the merger proposal or the failure of holders of Standard non-voting common stock to approve the stock conversion proposal;

changes in the level of non-performing assets and charge offs;

First Midwest's potential exposure to unknown contingent liabilities of Standard;

any interruption or breach of security resulting in failures or disruptions in customer account management, general ledger, deposit, loan, or other systems;

changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

changes in First Midwest's stock price before closing, including as a result of the financial performance of Standard prior to closing;

inflation, interest rate, securities market and monetary fluctuations;

credit and interest rate risks associated with First Midwest's and Standard's respective businesses, customer borrowing, repayment, investment and deposit practices;

general economic conditions, either internationally, nationally or in the market areas in which First Midwest and Standard operate or anticipate doing business, may be less favorable than expected;

changes in the economic environment, competition or other factors that may influence the anticipated growth of loans and deposits, the quality of the loan portfolio and loan and deposit pricing;

changes in the competitive environment among financial holding companies and banks;

new regulatory or legal requirements or obligations with which First Midwest and Standard must comply; and

other economic, competitive, governmental, regulatory and technological factors affecting First Midwest's and Standard's operations, products, services and prices.

The foregoing list of important factors may not be all inclusive, and we specifically decline to undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. For a further discussion of these and other risks, uncertainties and other factors applicable to First Midwest and Standard, see "Risk Factors" in this joint proxy statement/prospectus and First Midwest's other filings with the SEC incorporated by reference into this joint proxy statement/prospectus.

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**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the heading "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote on the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in, and the other documents incorporated by reference into, this joint proxy statement/prospectus, including in particular the risk factors associated with First Midwest's business contained under the heading "Risk Factors" in First Midwest's Annual Report on Form 10-K for the year ended December 31, 2015. See "Where You Can Find More Information".*

**Because the market price of First Midwest common stock will fluctuate, Standard shareholders cannot be certain of the market value of the merger consideration they will receive.**

Upon completion of the merger, Standard shareholders will receive for each share of Standard voting common stock and Standard non-voting common stock they hold immediately prior to the completion of the merger a fixed exchange ratio of 0.435 of a share of fully paid and non-assessable First Midwest common stock (subject to potential adjustment for certain environmental conditions and/or title defects, as described under "The Merger Terms of the Merger"). Any change in the market price of First Midwest common stock prior to completion of the merger will affect the value of any shares of First Midwest common stock Standard shareholders receive as consideration in the merger. The market price of First Midwest common stock may fluctuate as a result of a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are outside our control. Accordingly, at the time of the Standard special meeting, Standard shareholders will not know or be able to calculate the market price of First Midwest common stock that they will receive upon completion of the merger.

**Standard will be subject to business uncertainties and contractual restrictions while the merger is pending.**

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Standard and consequently on First Midwest. These uncertainties may impair Standard's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Standard to seek to change existing business relationships with Standard. Retention of certain employees may be challenging during the pendency of the merger, as employees may experience uncertainty about their future roles with First Midwest. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with First Midwest, First Midwest's business following the merger could be harmed. In addition, the merger agreement restricts Standard from making certain acquisitions and taking other specified actions without the consent of First Midwest, and generally requires Standard to continue its operations in the ordinary course, until the merger occurs. These restrictions may prevent Standard from pursuing attractive business opportunities that may arise prior to the completion of the merger. For a description of the restrictive covenants to which Standard is subject, see "The Merger Agreement Conduct of Business Pending the Merger".

**Combining our two companies may be more difficult, costly or time-consuming than we currently expect, and we may fail to realize the anticipated benefits and cost savings of the merger.**

First Midwest and Standard have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on First Midwest's ability to successfully combine and integrate the Standard business into its own in a manner that permits growth opportunities and does not materially disrupt existing customer relationships or result in decreased revenues due to loss of customers. It is possible

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that the integration process could result in the loss of key employees, the disruption of either company's ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers and employees. As with any merger of banking institutions, there also may be business disruptions that cause us to lose customers or cause customers to take their deposits out of our banks. The success of the combined company following the mergers and the bank merger may depend, in part, on the ability of First Midwest to integrate the two businesses, business models and cultures. If First Midwest experiences difficulties in the integration process, including those listed above, First Midwest may fail to realize the anticipated benefits of the merger in a timely manner or at all. First Midwest's business or results of operations or the value of its common stock may be materially and adversely affected as a result.

**The market price of First Midwest common stock after the merger may be affected by factors different from those currently affecting First Midwest common stock.**

The businesses of First Midwest and Standard differ in some respects and, accordingly, the results of operations of the combined company and the market price of First Midwest common stock after the merger may be affected by factors different from those currently affecting the independent results of operations of each of First Midwest or Standard. For a discussion of the business of First Midwest and of certain factors to consider in connection with the business of First Midwest, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under "Where You Can Find More Information," including in particular the section titled "Risk Factors" in First Midwest's Annual Report on Form 10-K for the year ended December 31, 2015.

**Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the mergers.**

Before the mergers and the bank merger may be completed, First Midwest and Standard must obtain approvals from the Federal Reserve and the IDFP. Prior notice of the mergers and the bank merger must also be provided to the IDFI. Other approvals, waivers or consents from regulators may also be required. In determining whether to grant these approvals the regulators consider a variety of factors, including the regulatory standing of each party and the factors described under "The Merger Regulatory Approvals Required for the Mergers". An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay their receipt. These regulators may impose conditions on the completion of the mergers or the bank merger or require changes to the terms of the mergers or the bank merger. Such conditions or changes could have the effect of delaying or preventing completion of the mergers or the bank merger or imposing additional costs on or limiting the revenues of the combined company following the mergers and the bank merger, any of which might have an adverse effect on the combined company following the mergers. See "The Merger Agreement Regulatory Approvals Required for the Mergers". Regulatory approvals could also be adversely impacted based on the status of any ongoing investigation of either party or its customers, including subpoenas to provide information or investigations, by a federal, state or local governmental agency. We cannot guarantee that we will be able to obtain all required regulatory approvals, the timing of those approvals or whether any conditions will be imposed.

**Some Standard directors and officers may have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger.**

Standard's shareholders should be aware that some of Standard's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Standard's shareholders generally. These interests and arrangements may create potential conflicts of interest. Standard's board of directors was aware of these interests and considered these interests,

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among other matters, when making its decision to approve the merger agreement, and in recommending that holders of Standard voting common stock vote in favor of the merger proposal and that holders of Standard non-voting common stock vote in favor of the stock conversion proposal.

For a more complete description of these interests, see "The Merger Interests of Certain Persons in the Merger".

**The merger agreement limits Standard's ability to pursue alternatives to the merger.**

The merger agreement contains provisions that limit Standard's ability to solicit, encourage or discuss competing third-party proposals to acquire all or a significant part of Standard. These provisions, which include a \$15,000,000 termination fee, might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Standard from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Standard than it might otherwise have proposed to pay.

**Termination of the merger agreement could negatively impact First Midwest or Standard.**

In the event the merger agreement is terminated, First Midwest's or Standard's business may be adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the mergers. The market price of First Midwest common stock might decline to the extent that the current market price reflects a market assumption that the merger will be completed. If the merger agreement is terminated and Standard's board of directors seeks another merger or business combination, Standard shareholders cannot be certain that Standard will be able to find a party willing to offer equivalent or more attractive consideration than the merger consideration provided in the merger. If the merger agreement is terminated under certain circumstances, Standard may be required to pay First Midwest a termination fee of \$15,000,000. If the merger agreement is terminated, First Midwest or Standard may experience negative reactions from its customers, vendors and employees. See "The Merger Agreement Termination of the Merger Agreement".

**If the merger is not completed, First Midwest and Standard will have incurred substantial expenses without realizing the expected benefits of the merger.**

Each of First Midwest and Standard has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, First Midwest and Standard would have to recognize these expenses without realizing the expected benefits of the merger.

**Holders of Standard common stock will have a reduced ownership and voting interest after the merger and will exercise less influence over management.**

Holders of Standard voting common stock currently have the right to vote on matters affecting Standard. Upon the completion of the merger, each Standard shareholder who receives shares of First Midwest common stock will become a stockholder of First Midwest with a percentage ownership of First Midwest with respect to such shares that is smaller than the shareholder's current percentage ownership of Standard. Upon receiving 0.435 of a share of First Midwest common stock per issued and outstanding share of Standard voting common stock and Standard non-voting common stock following the effective time of the merger, the former shareholders of Standard as a group would receive shares in the merger constituting approximately [ ]% of the outstanding shares of First Midwest common

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stock immediately after the merger based on the number of shares of First Midwest common stock and Standard common stock outstanding as of [ ], 2016, the latest practicable date before the printing of this joint proxy statement/prospectus. Because of this, Standard shareholders will have less influence on the management and policies of First Midwest than they now have on the management and policies of Standard.

**The opinions of First Midwest's financial advisor and of Standard's financial advisor will not reflect changes in circumstances between the signing of the merger agreement and the completion of the merger.**

First Midwest and Standard have not obtained updated opinions from their respective financial advisors as of the date of this joint proxy statement/prospectus. The opinions of First Midwest's and Standard's financial advisors were each based on certain facts and assumptions regarding the operations and prospects of First Midwest and Standard, general market and economic conditions and other factors as of the dates of such opinions. Changes in the operations and prospects of First Midwest or Standard, general market and economic conditions and other factors that may be beyond the control of First Midwest or Standard may significantly alter the value of First Midwest or Standard, the prices of the shares of First Midwest common stock by the time the merger is completed or the future price at which First Midwest common stock trades. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. Because First Midwest and Standard do not currently anticipate asking their respective financial advisors to update their opinions, the opinions will not address the fairness of the merger consideration or exchange ratio, as applicable, from a financial point of view at the time a First Midwest stockholder or Standard shareholder votes or at the time the merger is completed. However, First Midwest's board of directors' recommendation that First Midwest stockholders vote "**FOR**" the First Midwest stock issuance, and Standard's board of directors' recommendations that holders of Standard voting common stock vote "**FOR**" the merger proposal and that holders of Standard non-voting common stock vote "**FOR**" the stock conversion proposal, are made as of the date of this joint proxy statement/prospectus. For descriptions of the opinions that First Midwest and Standard received from their respective financial advisors, please refer to "The Merger Opinion of First Midwest's Financial Advisor" and "The Merger Opinion of Standard's Financial Advisor".

**The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus is preliminary and the actual financial condition and results of operation after the merger may differ materially.**

The unaudited pro forma financial information included in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the date(s) indicated. The preparation of the pro forma financial information is based upon available information and certain assumptions and estimates that First Midwest and Standard currently believe are reasonable. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Standard's net assets. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Standard as of the date of the completion of the merger. In addition, following the completion of the merger, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus. See "Unaudited Pro Forma Condensed Combined Financial Information".

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**The shares of First Midwest common stock that Standard shareholders will receive as a result of the merger will have different rights from shares of Standard common stock.**

The rights associated with Standard common stock are different from the rights associated with First Midwest common stock. For a discussion of the different rights associated with First Midwest common stock, see "Comparison of Stockholder Rights".

**Under certain circumstances, the merger consideration may be reduced due to environmental conditions and/or title defects on Standard's real property.**

Under certain circumstances, if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total cost to remediate and/or cure such conditions or defects (after taking into account any tax credits, deductions or benefits or insurance coverage, in each case, that the parties agree are reasonably likely to be available) is greater than \$2,000,000, the exchange ratio will be reduced by an amount equal to (i) the lesser of (x) the real property adjustment amount and (y) \$8,000,000, *divided by* (ii) the fully diluted number of shares of Standard common stock immediately prior to the effective time of the merger, *divided by* (iii) the First Midwest common stock 15-day VWAP. If the real property adjustment amount exceeds \$8,000,000, First Midwest may terminate the merger agreement. If the merger is approved by holders of Standard voting common stock, the merger consideration to be received by individual shareholders may be subject to this reduction without their further consent. See "The Merger Agreement Merger Consideration".

**Completion of the merger is subject to certain conditions, and if these conditions are not satisfied or waived, the merger will not be completed.**

The obligations of First Midwest and Standard to complete the merger are subject to satisfaction or waiver (if permitted) of a number of conditions. The satisfaction of all of the required conditions could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause the combined company not to realize some or all of the benefits that the combined company expects to achieve if the merger is successfully completed within its expected time frame. Further, there can be no assurance that the conditions to the closing of the merger will be satisfied or waived or that the merger will be completed. See "The Merger Agreement Conditions to Completion of the Merger".

In addition, if the merger is not completed on or before June 28, 2017, either First Midwest or Standard may choose not to proceed with the merger. First Midwest and/or Standard may also terminate the merger agreement under certain circumstances. See "The Merger Agreement Termination of the Merger Agreement".

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**FIRST MIDWEST SPECIAL MEETING**

This section contains information from First Midwest for First Midwest stockholders about the special meeting First Midwest has called to consider and approve the issuance of First Midwest common stock in the merger. We are mailing this joint proxy statement/prospectus to First Midwest stockholders on or about [ ], 2016. Together with this joint proxy statement/prospectus, we are also sending to First Midwest stockholders a notice of the First Midwest special meeting and a form of proxy card that First Midwest's board of directors is soliciting for use at the special meeting of First Midwest stockholders and at any adjournments of the meeting.

**Date, Time and Place**

The special meeting of First Midwest stockholders will be held at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time.

**Matters to Be Considered**

At the First Midwest special meeting, First Midwest stockholders as of the First Midwest record date will be asked to consider and vote on the following matters:

Approval of the issuance of First Midwest common stock in the merger as contemplated by the merger agreement, a copy of which is attached as *Appendix A* to this joint proxy statement/prospectus.

Approval of one or more adjournments of the First Midwest special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the stock issuance proposal.

Transaction of such other business as may properly come before the First Midwest special meeting and any adjournments or postponements thereof.

**Recommendation of First Midwest's Board of Directors**

First Midwest's board of directors recommends that you vote "**FOR**" the stock issuance proposal and "**FOR**" the First Midwest adjournment proposal (if necessary or appropriate).

**First Midwest Record Date and Quorum**

First Midwest's board of directors has fixed the close of business on [ ], 2016 as the record date for determining the First Midwest stockholders entitled to receive notice of and to vote at the First Midwest special meeting. Each share of First Midwest common stock held of record at the close of business on the First Midwest record date entitles the holder thereof to one vote on each matter considered and voted on at the First Midwest special meeting. As of the First Midwest record date, [ ] shares of First Midwest common stock were issued and outstanding and held by approximately [ ] record holders.

If you hold shares of First Midwest common stock that are registered in your name through First Midwest's transfer agent, Computershare Trust Company, N.A., as of the First Midwest record date, you are the stockholder of record with respect to those shares. If you hold shares of First Midwest common stock indirectly through a bank, broker, trustee or other nominee (a "broker"), you are considered a beneficial owner of those shares but are not the stockholder of record. In this circumstance, you are a stockholder whose shares are held in "street name" and your broker is considered the stockholder of record. We sent copies of this joint proxy statement/prospectus directly to all stockholders of record. If you are a beneficial owner whose shares are held in street name, these materials were sent to you by the broker through which you hold your shares. As the beneficial owner,



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you may direct your broker how to vote your shares at the First Midwest special meeting, and the broker is obligated to provide you with a voting instruction form for you to use for this purpose.

A quorum is required to transact business at the First Midwest special meeting. The holders of a majority of the outstanding shares of First Midwest common stock on the First Midwest record date, present in person or represented by proxy and entitled to vote, will constitute a quorum for the transaction of business at the First Midwest special meeting. Abstentions and broker non-votes are treated as present for quorum purposes.

**Vote Required; Treatment of Abstentions and Failure to Vote**

Approval of each of the stock issuance proposal and the First Midwest adjournment proposal requires the affirmative vote of a majority of the total votes cast by holders of First Midwest common stock on each such proposal at the First Midwest special meeting. If a First Midwest stockholder marks "ABSTAIN" with respect to the stock issuance proposal or the First Midwest adjournment proposal, it will have the same effect as a vote "AGAINST" the stock issuance proposal or the First Midwest adjournment proposal, respectively. If a First Midwest stockholder fails to submit a proxy card or vote in person at the First Midwest special meeting or fails to instruct the stockholder's broker with respect to the stock issuance proposal or the First Midwest adjournment proposal, it will have no effect on such proposal.

**Shares Held by Directors and Officers**

As of the First Midwest record date, directors and officers of First Midwest and their affiliates owned and were entitled to vote [ ] shares of First Midwest common stock, representing approximately [ ]% of the shares of First Midwest common stock outstanding on that date. First Midwest currently expects that its directors and executive officers will vote their shares in favor of the stock issuance proposal and the First Midwest adjournment proposal (if necessary or appropriate), although none of them has entered into any agreements obligating them to do so. As of the First Midwest record date, Standard and its subsidiaries beneficially owned [ ] shares of First Midwest common stock.

**Shares Held in First Midwest Benefit Plans**

Employees who participate in the First Midwest Bancorp, Inc. Savings and Profit Sharing Plan, First Midwest Bancorp, Inc. Nonqualified Retirement Plan, First Midwest Bancorp, Inc. Stock Option Gain Deferral Plan and/or the First Midwest Bancorp, Inc. Dividend Reinvestment Plan, and have a First Midwest e-mail address, will receive an e-mail from Broadridge Financial Solutions, Inc. describing how to access this joint proxy statement/prospectus and proxy card and vote via the Internet or by telephone. One e-mail will be sent for all accounts registered in the same employee name. If the employee's accounts are registered in different names, he or she will receive a separate e-mail for each account. This e-mail will be titled: FIRST MIDWEST BANCORP, INC. SPECIAL MEETING OF STOCKHOLDERS AND PROXY VOTE.

The trustees under these plans are the stockholders of record of all shares of First Midwest common stock held in the plans, and the trustees will vote the shares held for the account of each employee in accordance with the instructions received from the employee. Employees should instruct the trustees how to vote their shares by using the instructions provided in the e-mail and vote via the Internet or by telephone. If the trustees do not receive voting instructions by the specified deadline, the trustees will vote the shares proportionally in the same manner as those shares for which instructions were received. Because the employees are not the record owners of the related shares, the employees may not vote these shares in person at the First Midwest special meeting. Individual voting instructions

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to the plan trustees will be kept confidential and will not be disclosed to any of First Midwest's directors, officers or employees.

**Solicitation of Proxies; Payment of Solicitation Expenses**

Proxies are being solicited by First Midwest's board of directors from First Midwest stockholders. Shares of First Midwest common stock represented by properly executed proxies, and that have not been revoked, will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated, such proxies will be voted "FOR" approval of the stock issuance proposal, "FOR" the First Midwest adjournment proposal (if necessary or appropriate), and in the discretion of the individuals named as proxies as to any other matter that may come before the First Midwest special meeting, which will be voted in accordance with the best judgment of the named proxies.

First Midwest and Standard have agreed to each pay for one-half of the costs and expenses (excluding the fees and disbursements of counsel, financial advisors and accountants) of copying, printing and distributing this joint proxy statement/prospectus and all listing, filing or registration fees, including fees paid for filing the registration statement of which this joint proxy statement/prospectus is a part with the SEC and any other fees paid for filings with governmental authorities. In addition to the solicitation of proxies by mail, solicitation may be made by certain directors, officers or employees of First Midwest or its affiliates telephonically, electronically or by other means of communication. Directors, officers and employees will receive no additional compensation for such solicitation. Although First Midwest does not anticipate using a paid proxy solicitor in connection with the First Midwest special meeting, First Midwest may do so if it believes this to be appropriate. First Midwest will reimburse brokers for costs incurred by them in mailing proxy materials to beneficial owners in accordance with applicable rules.

**Voting Your Shares**

First Midwest stockholders may vote in person or by proxy at the First Midwest special meeting. If you hold your shares of First Midwest common stock in your name as a stockholder of record, you may cast your vote in one of four ways:

*By Internet.* The web address for Internet voting can be found on the enclosed proxy card. Internet voting is available 24 hours a day. To be valid, your vote by Internet must be received by the deadline specified on the proxy card.

*By Telephone.* The telephone number for telephone voting can be found on the enclosed proxy card and is available 24 hours a day. To be valid, your vote by telephone must be received by the deadline specified on the proxy card.

*By Mail.* Mark the enclosed proxy card, sign and date it, and return it in the postage prepaid envelope provided. To be valid, your vote by mail must be received by the deadline specified on the proxy card.

*At the First Midwest Special Meeting.* You can vote your shares in person at the First Midwest special meeting. You must present an acceptable form of identification (such as a valid driver's license) in order to enter the First Midwest special meeting and vote in person.

If you hold your shares in street name, you may vote by following your broker's instructions or, in order to vote in person at the First Midwest special meeting, you must obtain from the broker through which you hold your shares, both an account statement showing that you owned shares of First Midwest common stock as of the First Midwest record date and a "legal proxy" form, and bring them to the meeting. **YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES OF FIRST MIDWEST COMMON STOCK YOU OWN. Accordingly, each First Midwest stockholder should sign, date and return the enclosed proxy card, or vote via the Internet or by**

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**telephone, whether or not the First Midwest stockholder plans to attend the First Midwest special meeting in person.**

**Shares Held in Street Name**

Under stock exchange rules, brokers who hold shares of First Midwest common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker that are represented at the First Midwest special meeting, but with respect to which the broker is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker holds your shares of First Midwest common stock in "street name," your broker will vote your shares of First Midwest common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus. We believe that the stock issuance proposal and the First Midwest adjournment proposal are both "non-routine" proposals and your broker can vote your shares of First Midwest common stock only with your specific voting instructions.

**Revocability of Proxies and Changes to First Midwest Stockholder's Vote**

If you have submitted a proxy and would like to revoke it, you may revoke your proxy or change your vote at any time before your shares are voted at the First Midwest special meeting by timely:

resubmitting your vote via the Internet or by telephone;

executing and mailing a proxy card that is dated and received on a later date;

giving written notice of revocation to First Midwest's Corporate Secretary at One Pierce Place, Suite 1500, Itasca, Illinois 60413; or

voting in person at the First Midwest special meeting.

If your shares are held in street name, you should contact your broker to change your vote.

**Attending the First Midwest Special Meeting**

All First Midwest stockholders of record, are invited to attend the First Midwest special meeting. All stockholders must bring an acceptable form of identification, such as a valid driver's license, in order to attend the First Midwest special meeting in person. If you hold shares in street name and would like to attend the First Midwest special meeting, you also will need to bring an account statement and a "legal proxy" form from the broker, or other acceptable evidence of ownership of First Midwest common stock as of the close of business on the First Midwest record date.

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**STANDARD SPECIAL MEETING**

This section contains information from Standard for Standard shareholders about the special meeting Standard has called to consider and approve (i) the merger agreement and the transactions contemplated thereby, by holders of Standard voting common stock, and (ii) the conversion of Standard non-voting common stock into First Midwest common stock in the merger, by holders of Standard non-voting common stock. We are mailing this joint proxy statement/prospectus to Standard shareholders on or about [ ], 2016. Together with this joint proxy statement/prospectus, we are also sending to Standard shareholders a notice of the Standard special meeting and a form of proxy card that Standard's board of directors is soliciting for use at the special meeting of Standard shareholders and at any adjournments of the meeting.

This joint proxy statement/prospectus is also being furnished by First Midwest to Standard shareholders as a prospectus in connection with the issuance of shares of First Midwest common stock upon completion of the merger.

**Date, Time and Place**

The special meeting of holders of Standard voting common stock and Standard non-voting common stock will be held at [ ], located at [ ] on [ ], 2016 at [ ] [a.m.][p.m.] Central time.

**Matters to Be Considered**

At the Standard special meeting, holders of Standard voting common stock and Standard non-voting common stock as of the Standard record date will be asked to consider and vote on the following matters:

Approval by the holders of Standard voting common stock of the merger agreement, a copy of which is attached as *Appendix A* to this joint proxy statement/prospectus, and the transactions contemplated by the merger agreement, including the mergers, for purposes of the IBCA, Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the Standard shareholders agreement, which sections are attached as *Appendix B* to this joint proxy statement/prospectus.

Approval by the holders of Standard non-voting common stock of the conversion of Standard non-voting common stock into First Midwest common stock in the merger, for purposes of Section 4.2(a)(ii) of Standard's amended and restated articles of incorporation, which is attached as *Appendix C* to this joint proxy statement/prospectus.

Approval by the holders of Standard voting common stock and Standard non-voting common stock of one or more adjournments of the Standard special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the merger proposal or the stock conversion proposal.

Transaction of such other business as may properly come before the Standard special meeting and any adjournments or postponements thereof.

**Recommendation of Standard's Board**

The Standard board of directors recommends that holders of Standard voting common stock vote "**FOR**" the merger proposal, that holders of Standard non-voting common stock vote "**FOR**" the stock conversion proposal and that all Standard shareholders vote "**FOR**" the Standard adjournment proposal (if necessary or appropriate).

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**Standard Record Date and Quorum**

Standard's board of directors has fixed the close of business on [ ], 2016 as the record date for determining the Standard shareholders entitled to receive notice of and to vote at the Standard special meeting. Each share of Standard voting common stock or Standard non-voting common stock held of record at the close of business on the Standard record date entitles the holder thereof to one vote on each matter considered and voted on by holders of Standard voting common stock or Standard non-voting common stock, respectively, at the Standard special meeting. As of the Standard record date, [ ] shares of Standard voting common stock were issued and outstanding and held by approximately [ ] record holders, and [ ] shares of Standard non-voting common stock were issued and outstanding and held by approximately [ ] record holders.

If you hold shares of Standard common stock indirectly through a broker, you are considered a beneficial owner of those shares but are not the shareholder of record. In this circumstance, you are a shareholder whose shares are held in "street name" and your broker is considered the shareholder of record. We sent copies of this joint proxy statement/prospectus directly to all shareholders of record. If you are a beneficial owner whose shares are held in street name, these materials were sent to you by the broker through which you hold your shares. As the beneficial owner, you may direct your broker how to vote your shares at the Standard special meeting, and the broker is obligated to provide you with a voting instruction form for you to use for this purpose.

*Quorum Requirements*

A quorum is required to transact business and consider each proposal at the Standard special meeting.

The holders of a majority of the outstanding shares of Standard voting common stock on the Standard record date, present in person or represented by proxy and entitled to vote, will constitute a quorum for the consideration of the merger proposal.

The holders of a majority of the outstanding shares of Standard non-voting common stock on the Standard record date, present in person or represented by proxy and entitled to vote, will constitute a quorum for the consideration of the stock conversion proposal.

The holders of a majority of the outstanding shares of Standard common stock on the Standard record date, present in person or represented by proxy and entitled to vote, will constitute a quorum for the consideration of the Standard adjournment proposal.

All shares of Standard common stock present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Standard special meeting but shares represented by a proxy from a broker indicating that such person has not received instructions from the beneficial owner or other person entitled to vote the shares, which we refer to as "broker non-votes," will not be counted as shares present.

**Vote Required; Treatment of Abstentions and Failure to Vote**

*Merger Proposal*

Pursuant to Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the Standard shareholders agreement, in order to complete the mergers, Standard must obtain the "primary requisite approval", which is the prior affirmative vote or written consent of at least a majority of the entire board of directors of Standard and at least 55% of the outstanding shares of Standard voting common stock and (ii) the "secondary requisite approval", which is either (A) the prior affirmative vote or written consent of at least two-thirds of the entire board of directors of

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Standard or (B) the prior affirmative vote or written consent of at least a majority of the entire board of directors of Standard and at least a majority of the outstanding shares of Standard voting common stock. The board of directors of Standard has unanimously approved the merger agreement and the transactions contemplated thereby, and, therefore, the secondary requisite approval has been obtained. Sections 8.1 and 8.2 of Standard's amended and restated articles of incorporation and Section 2.8 of the Standard shareholders agreement also required the primary requisite approval and secondary requisite approval in order for Standard to enter into the merger agreement. Therefore, solely for purposes of Standard's amended and restated articles of incorporation and the Standard shareholders agreement, holders of more than 55% of the outstanding shares of Standard voting common stock consented to the entry by Standard into the merger agreement prior to the execution by Standard thereof.

Accordingly, approval of the merger proposal requires the affirmative vote of the holders of at least 55% of the outstanding shares of Standard voting common stock. If a holder of Standard voting common stock fails to submit a proxy card or vote in person at the Standard special meeting, marks "**ABSTAIN**" on the shareholder's proxy card or fails to instruct the shareholder's broker with respect to the merger proposal, it will have the same effect as a vote "**AGAINST**" approval of the merger proposal.

*Stock Conversion Proposal*

Pursuant to Section 4.2(a)(ii) of Standard's amended and restated articles of incorporation, the affirmative vote of holders of a majority of the outstanding shares of Standard non-voting common stock is required to amend, alter, change or repeal (including by merger, consolidation or otherwise) any provision of Standard's amended and restated articles of incorporation that significantly and adversely affects the powers, preferences, rights or privileges of Standard non-voting common stock. The conversion of Standard non-voting common stock into First Midwest common stock will constitute such a change to the powers, preferences, rights or privileges of Standard non-voting common stock. Accordingly, in order to approve the stock conversion proposal, the holders of a majority of the outstanding shares of Standard non-voting common stock as of the Standard record date must vote in favor of the stock conversion proposal.

Accordingly, approval of the stock conversion proposal requires the affirmative vote of a majority of the outstanding shares of Standard non-voting common stock. If a holder of Standard non-voting common stock fails to submit a proxy card or vote in person at the Standard special meeting, marks "**ABSTAIN**" on the shareholder's proxy card or fails to instruct the shareholder's broker with respect to the proposal to approve the stock conversion proposal, it will have the same effect as a vote "**AGAINST**" approval of the stock conversion proposal.

*Standard Adjournment Proposal*

Approval of the Standard adjournment proposal requires the affirmative vote of a majority of the shares of Standard voting common stock and Standard non-voting common stock present in person or represented by proxy at the Standard special meeting. If a Standard shareholder marks "**ABSTAIN**" with respect to the Standard adjournment proposal, it will have the same effect as a vote "**AGAINST**" the Standard adjournment proposal. If a Standard shareholder fails to submit a proxy card or vote in person at the Standard special meeting or fails to instruct the shareholder's broker with respect to the Standard adjournment proposal, it will have no effect on such proposal.

**Shares Held by Directors and Officers**

As of the Standard record date, Standard's directors and executive officers and their affiliates held approximately [ ]% of the outstanding shares of Standard voting common stock entitled to vote

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at the Standard special meeting and [ ]% of the outstanding shares of Standard non-voting common stock entitled to vote at the Standard special meeting. All of the directors and certain officers and large shareholders of Standard, collectively holding an aggregate [ ] shares of Standard voting common stock (or approximately [ ]% of the outstanding shares) and [ ] shares of Standard non-voting common stock (or approximately [ ]% of the outstanding shares) as of the Standard record date, have signed voting agreements with First Midwest agreeing to vote for approval of the merger proposal and the stock conversion proposal. See "The Merger Interests of Certain Persons in the Merger".

As of the Standard record date, First Midwest and its subsidiaries held [ ] shares of Standard common stock and [ ] of its directors and executive officers and their affiliates held, collectively, [ ] shares of Standard common stock.

**Shares Held in the Standard Bank and Trust Company 401(k) and Profit Sharing Plan**

The trustees of the Standard Bank and Trust Company 401(k) and Profit Sharing Plan are the shareholders of record for the shares of Standard voting common stock held by the plan. Under the terms of the plan, the trustees will vote the shares of Standard voting common stock held in the plan in their discretion, subject to their fiduciary duties. Standard employees may not vote, or instruct the trustees how to vote, the shares of Standard voting common stock credited to their accounts under the plan with respect to any of the proposals to be voted upon by holders of Standard voting common stock at the Standard special meeting.

**Solicitation of Proxies; Payment of Solicitation Expenses**

Proxies are being solicited by Standard's board of directors from Standard shareholders. Shares of Standard common stock represented by properly executed proxies, and that have not been revoked, will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated, such proxies representing shares of Standard voting common stock will be voted "**FOR**" the merger proposal, proxies representing shares of Standard non-voting common stock will be voted "**FOR**" the stock conversion proposal and proxies representing shares of Standard voting common stock and Standard non-voting common stock will be voted "**FOR**" the Standard adjournment proposal (if necessary or appropriate), and in the discretion of the individuals named as proxies as to any other matter that may come before the Standard special meeting, which will be voted in accordance with the best judgment of the named proxies.

First Midwest and Standard have agreed to each pay for one-half of the costs and expenses (excluding the fees and disbursements of counsel, financial advisors and accountants) of copying, printing and distributing this joint proxy statement/prospectus and all listing, filing or registration fees, including fees paid for filing the registration statement of which this joint proxy statement/prospectus is a part with the SEC and any other fees paid for filings with governmental authorities. In addition to the solicitation of proxies by mail, solicitation may be made by certain directors, officers or employees of Standard or its affiliates telephonically, electronically or by other means of communication. Directors, officers and employees will receive no additional compensation for such solicitation.

**Voting Your Shares**

Standard shareholders may vote in person or by proxy at the Standard special meeting on the proposals upon which they are entitled to vote. Standard shareholders may also vote by completing, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided. To be valid, your vote by mail must be received by the deadline specified on the proxy card.

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES OF STANDARD VOTING COMMON STOCK AND/OR STANDARD NON-VOTING COMMON STOCK**

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**YOU OWN. Accordingly, each Standard shareholder should sign, date and return the enclosed proxy card whether or not the Standard shareholder plans to attend the Standard special meeting in person.**

**Revocability of Proxies and Changes to a Standard Shareholder's Vote**

A Standard shareholder who has submitted a proxy may revoke it or change the shareholder's vote at any time before the shares are voted at the Standard special meeting by (i) giving a written notice of revocation to Patrick J. Hunt, Secretary of the Board of Standard, (ii) attending the Standard special meeting in person and voting by ballot at the Standard special meeting, or (iii) by properly submitting to Standard a duly executed proxy bearing a later date. All written notices of revocation and other communications with respect to revocation of proxies should be addressed to Standard as follows: 7800 West 95th Street, Hickory Hills, IL 60457, Attention: Patrick J. Hunt, Secretary of the Board.

**Attending the Standard Special Meeting**

All holders of record of Standard voting common stock and Standard non-voting common stock are invited to attend the Standard special meeting. All shareholders must bring an acceptable form of identification, such as a valid driver's license, in order to attend the Standard special meeting in person. If you hold shares in street name and would like to attend the Standard special meeting, you will also need to bring an account statement and a "legal proxy" form from the broker, or other acceptable evidence of ownership of Standard common stock as of the close of business on the Standard record date.



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**THE MERGER**

*The following discussion describes certain material information about the merger. We urge you to read carefully this entire document, including the merger agreement, the financial advisor opinion of Sandler O'Neill delivered to the First Midwest board of directors and the financial advisor opinion of J.P. Morgan delivered to the Standard board of directors, attached as Appendices A, F and G, respectively, to this joint proxy statement/prospectus, for a more complete understanding of the merger.*

**Terms of the Merger**

First Midwest's board of directors and Standard's board of directors have each unanimously approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. The merger agreement provides for combining our companies through the merger of Merger Sub with and into Standard, with Standard being the surviving company, and immediately thereafter and as part of a single integrated transaction, the merger of Standard with and into First Midwest, with First Midwest being the surviving company. As a result of the mergers, the separate existence of Standard will terminate. Following the parent merger at such time as First Midwest may determine in its sole discretion, SB&T, Standard's wholly owned bank subsidiary, will merge with and into First Midwest Bank, First Midwest's wholly owned bank subsidiary, with First Midwest Bank being the surviving bank. Following the bank merger, First Midwest Bank will continue its corporate existence as a commercial bank organized under the laws of the State of Illinois. We expect to complete the mergers and the bank merger in the fourth quarter of 2016 or the first quarter of 2017, although delays may occur.

Upon completion of the merger, each holder of Standard voting common stock and Standard non-voting common stock will receive for each share of Standard voting common stock or Standard non-voting common stock that they own immediately prior to the completion of the merger, 0.435 of a fully paid and non-assessable share of First Midwest common stock. However, if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total cost to remediate and/or cure such conditions or defects (after taking into account any tax credits, deductions or benefits or insurance coverage, in each case, that the parties agree are reasonably likely to be available) is greater than \$2,000,000, the exchange ratio will be reduced by an amount equal to (i) the lesser of (x) the real property adjustment amount and (y) \$8,000,000, *divided by* (ii) the fully diluted number of shares of Standard common stock immediately prior to the effective time of the merger, *divided by* (iii) the First Midwest common stock 15-day VWAP. If the real property adjustment amount exceeds \$8,000,000, First Midwest may terminate the merger agreement. First Midwest will not issue fractional shares of First Midwest common stock in the merger. Instead, First Midwest will pay to each Standard shareholder who would otherwise be entitled to receive fractional shares an amount in cash for the cash value of any fractional shares based on the First Midwest common stock 15-day VWAP.

Upon completion of the merger, each outstanding Standard stock settled right will be redeemed at a redemption price equal to the amount by which the following clause (1) exceeds clause (2), where: (1) is the sum of (x) the product of the exchange ratio and \$17.99 and (y) all cash dividends paid on a share of Standard common stock from February 22, 2013 until the effective time of the merger (which as of the date of this joint proxy statement/prospectus is \$[           ]); and (2) is \$4.65, accreting on a daily basis at a rate of 12% from February 22, 2013 until three days after the date on which (A) First Midwest has received all required regulatory approvals, (B) Standard has received all required approvals from its shareholders and (C) Standard has otherwise satisfied or is capable of satisfying its conditions to closing the merger (which accretion as of the date of this joint proxy statement/prospectus results in a value of \$[           ]).

Upon completion of the merger, each outstanding Standard stock option (vested or unvested) will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject

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to any required withholding tax, in an amount equal to the merger consideration value per share minus the applicable exercise price per share of such outstanding Standard stock option. In the event that the exercise price of any Standard stock option outstanding immediately prior to the completion of the merger is greater than or equal to the merger consideration value per share, no cash payment or other consideration for such Standard stock option will be due or payable in respect thereof and such Standard stock option will be cancelled as of the completion of the merger. In addition, upon completion of the merger, each outstanding share or fractional share of Standard phantom stock will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, or an equivalent fraction thereof in the case of fractional shares of Standard phantom stock.

For additional and more detailed information regarding the legal documents that govern the mergers, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement, see "The Merger Agreement".

**Background of the Merger**

The board of directors of Standard has engaged in a periodic strategic review process during which the board discusses Standard's strategic direction, performance and prospects in the context of trends and developments in the markets that Standard serves, the banking industry and the regulatory environment. Among other things, these discussions have focused on the competitive landscape and recent bank acquisition transactions in the Chicago metropolitan market, and possible strategic alternatives available to Standard. From time to time, the Standard board has invited J.P. Morgan to participate in these discussions.

On November 17, 2015, J.P. Morgan was invited to a strategic review meeting of the Standard board of directors and was asked to present information regarding the current market for initial public offerings, mergers and acquisitions of financial institutions in the United States and in the Chicago metropolitan market and J.P. Morgan's views concerning the valuation that the Company may receive in the context of the foregoing. In its evaluation of strategic alternatives, the Standard board of directors considered the information presented by J.P. Morgan at the November 17 meeting of the board, the apparent accelerating pace of acquisition activity in the Chicago metropolitan market and the perceived interest in a potential transaction with Standard conveyed by financial institutions at a banking industry conference hosted by J.P. Morgan.

Following the year-end holidays, the Standard board determined that it would be in the best interests of Standard and its shareholders to continue its evaluation of strategic alternatives, including pursuing discussions with possible merger partners. In connection with this on-going initiative, the board assembled a "working group" consisting of four members of the board of directors. The working group met telephonically on an as-needed basis in order to manage the on-going discussions and with J.P. Morgan and Kirkland & Ellis, Standard's outside legal counsel, as well as to make decisions concerning Standard's strategic efforts. Although all the members of the Standard board were invited to join this effort, the working group consisted of Messrs. Lawrence Kelley, Timothy Gallagher, Christopher Doody and Charles Shomo.

In early January, with the concurrence of the board, certain members of Standard senior management had discussions with a number of institutions that they thought might have an interest in entering into a strategic transaction with Standard. At the direction of the Standard board of directors, on January 5, 2016, J.P. Morgan contacted one institution based on the Standard board of directors' understanding of such institutions' interest and financial capacity to complete a possible acquisition of Standard, prior to engaging in a broader process, to give the institution an opportunity to submit a pre-emptive non-binding proposal. As part of this invitation, the institution entered into a

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confidentiality agreement and was granted early access to a limited amount of due diligence materials, including financial information concerning Standard.

During mid-January 2016, following discussions with the working group, J.P. Morgan contacted seven additional financial institutions that it believed were potentially interested in an acquisition of Standard, including First Midwest. J.P. Morgan spoke with First Midwest on January 15, 2016, in advance of reaching out to the other six institutions. First Midwest and two of the other institutions expressed interest in conducting due diligence on Standard. After confidentiality agreements were signed with these three interested parties, including First Midwest, information was made available to permit the interested parties the opportunity to conduct preliminary due diligence.

J.P. Morgan reached out to various other parties on January 27 and 28 and no other party that was contacted at that time expressed an interest in pursuing a potential transaction with Standard.

On February 9, 2016, Standard held multiple meetings with First Midwest. At those meetings Standard management made presentations to First Midwest management regarding its operations, financial condition and prospects. In addition, First Midwest was given the opportunity to conduct supplemental due diligence prior to the February 17 deadline that had been established for the presentation of preliminary expressions of interest. Two of the other institutions that had executed confidentiality agreements and had expressed an initial interest in conducting diligence also were invited to participate in similar meetings, but after initially agreeing to attend, both elected not to move forward with similar meetings. Ultimately, each of the other potentially interested parties to whom J.P. Morgan reached out indicated it was not interested in proceeding in a process for a potential acquisition of Standard.

On February 17, 2016, First Midwest submitted an initial non-binding indication of interest. First Midwest's initial indication of interest was submitted in the form requested by J.P. Morgan and proposed a stock for stock exchange at an exchange ratio that would range from 0.4200 to 0.4400 shares of First Midwest common stock for each share of Standard common stock, which represented an implied valuation range of \$7.07 to \$7.41 per share of Standard common stock based on First Midwest's closing stock price of \$16.83 on February 16, 2016. Stock options and other common stock equivalents would be paid out in cash. The initial indication of interest also requested that Standard enter into an exclusivity period to permit the parties to more fully explore and negotiate the terms of a potential transaction. No other indications of interest were received by Standard.

On February 18, 2016, Standard convened a meeting of its board and J.P. Morgan described First Midwest's proposal. Kirkland & Ellis explained to the directors their fiduciary duties in connection with their review and consideration of the proposed transaction with First Midwest. At the conclusion of the meeting, the Standard board instructed J.P. Morgan to discuss and ask for clarification concerning various aspects of the proposal with First Midwest's financial adviser, Sandler O'Neill. Also on February 18, 2016, the Standard board approved, and Standard executed, the engagement letter with J.P. Morgan.

Following the discussions between J.P. Morgan and Sandler O'Neill that occurred over the next few days, J.P. Morgan reported to the working group of the Standard board of directors that Sandler O'Neill confirmed the exchange ratio included in the non-binding indication of interest submitted by First Midwest on February 17, and further confirmed the possibility that the exchange ratio might be increased to 0.4550 shares of First Midwest common stock for each share of Standard common stock subject to further due diligence.

On February 24, 2016, the Standard board met and following extensive discussion of a potential transaction with First Midwest, including the financial terms of First Midwest's proposal and the expected impact on Standard and its shareholders, employees and other constituencies, the Standard board determined to pursue the indication of interest submitted by First Midwest and authorized and

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directed the working group of the Standard board of directors and Standard management to pursue further discussions with First Midwest regarding the terms of its proposal. Kirkland & Ellis reviewed with directors their fiduciary duties in connection with their review and consideration of the proposed transaction with First Midwest. Although First Midwest again requested exclusivity, it was not granted at this time.

During March and April 2016, First Midwest conducted extensive due diligence on Standard. On April 1, 2016, First Midwest submitted a revised non-binding indication of interest, updating its exchange ratio range to 0.4250 to 0.4400 shares of First Midwest common stock for each share of Standard common stock, which represented an implied valuation range of \$7.66 to \$7.93 per share of Standard common stock based on First Midwest's closing stock price of \$18.02 on March 31, 2016. On April 5, 2016, the Standard board agreed to proceed with a limited, 30-day exclusivity period, if First Midwest would agree to increase its range. On April 7, 2016, First Midwest increased the lower end of the range to 0.4300 and the parties began to negotiate the terms of the exclusivity arrangements.

On April 11, 2016, the Standard board met and after extensive discussion regarding the merits of First Midwest's indication of interest, the board authorized senior management to continue to negotiate the terms of a sale transaction with First Midwest. Standard and First Midwest entered into exclusive negotiations on April 22, 2016.

During April, May and early June 2016, First Midwest continued to conduct extensive due diligence of non-public information related to Standard, including through face-to-face meetings and conference calls between First Midwest management and selected officers of Standard and SB&T who were responsible for various aspects of Standard's and SB&T's operations. During the same time period, Standard and Kirkland & Ellis conducted reverse due diligence concerning First Midwest, which included meetings with management, accountants, and legal officers of First Midwest and further documentary due diligence including both non-public and public information.

On May 6, 2016, Sullivan & Cromwell, First Midwest's legal counsel, sent a draft merger agreement to Kirkland & Ellis, which included drafts of a form voting agreement, pursuant to which Standard directors, officers and large shareholders would vote in favor of the merger and other matters to be voted upon in connection with the merger, and a form confidentiality, non-solicitation and non-competition agreement. Following receipt of the initial draft, Kirkland & Ellis worked with Sullivan & Cromwell towards negotiating the merger agreement and the other transaction documents.

On May 9, 2016, members of the senior management teams of First Midwest and Standard met at the offices of First Midwest, along with representatives of Sandler O'Neill and J.P. Morgan, to facilitate First Midwest's due diligence investigation of Standard.

On May 17, 2016 and May 18, 2016, during regularly scheduled meetings of the First Midwest board of directors, First Midwest management discussed the potential transaction with Standard with the First Midwest board of directors. During the meeting, First Midwest management described the discussions, meetings and activities relating to the potential transaction to date, including due diligence findings and meetings, and provided the First Midwest board of directors with a high level overview of Standard. The First Midwest board of directors determined that First Midwest should continue a comprehensive due diligence review and work towards a potential transaction with Standard.

On May 21, 2016, Kirkland & Ellis provided a revised draft of the merger agreement to Sullivan & Cromwell.

On May 24, 2016, First Midwest sent Standard a revised pricing letter proposing an exchange ratio of 0.4300 shares of First Midwest common stock for each share of Standard common stock, which represented an implied value of \$7.71 per share of Standard common stock based on First Midwest's closing stock price of \$17.94 on May 23, 2016. On May 30, 2016, Mr. Kelley met with Michael Scudder, the President and Chief Executive Officer of First Midwest, to discuss open transaction action issues

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and agreed that Messrs. Scudder and Mark Sander, the Chief Operating Officer of First Midwest, should meet with the Standard board to discuss the proposed transaction, the shareholder value that could be created by combining First Midwest and Standard and any other matters that any member of the Standard board desired to discuss.

On May 31, 2016, First Midwest agreed to a revised exchange ratio of 0.435, subject to Standard's agreement on certain outstanding transaction terms, including (i) the execution of employment agreements by Messrs. Kelley, Robert Kelly and Kelly Beaty upon execution of the merger agreement, (ii) the adjustment to the merger consideration proposed by First Midwest in the event that certain environmental conditions and/or title defects exist with respect to Standard's real property, (iii) the terms during which the non-solicitation and non-competition obligations would be applicable for various signatories of the confidentiality, non-solicitation and non-competition agreements (a final form of which is attached as *Appendix E*) and (iv) the applicability of certain transfer restrictions for various signatories of the voting agreements (a final form of which is attached as *Appendix D*).

On May 31, 2016, the Standard board of directors met and J.P. Morgan presented an updated analysis on the proposed exchange ratio and the merits of the First Midwest proposal. After extensive discussions, the Standard board instructed the working group, J.P. Morgan and Kirkland & Ellis to continue discussions with First Midwest and its representatives with a goal of increasing the proposed exchange ratio, then finalizing the definitive transaction documents.

During the week of May 30, 2016, Standard continued its reverse due diligence investigation of First Midwest through meetings with First Midwest management and the review of documents at the offices of First Midwest.

On June 6, 2016, Messrs. Scudder and Sander met with the Standard board and separately with certain significant shareholders and senior executives to discuss the proposed transaction, as discussed between Messrs. Kelley and Scudder at their May 30 meeting.

Throughout the month of June, the parties negotiated drafts of the transaction documents and Kirkland & Ellis coordinated the review of the proposed documents by Standard, Standard's officers and directors and certain significant shareholders of Standard. As proposed by First Midwest, at the time of the execution of the merger agreement, directors and certain executive officers and significant shareholders of Standard would be required to agree to non-compete and non-solicitation arrangements and to voting requirements, transfer and disposition restrictions and standstill arrangements with respect to their respective holdings of Standard common stock, as reflected in a form of voting agreement and form of confidentiality, non-solicitation and non-competition agreement being negotiated by the parties. Similarly, Messrs. Kelley, Kelly and Beaty would be required to enter into employment agreements with First Midwest, and non-compete and non-solicitation obligations relating to their employment with First Midwest, in each case, that would become effective concurrently with the completion of the merger with First Midwest.

On June 20, 2016, the First Midwest board of directors met with members of First Midwest's executive management team and its financial and legal advisors to review the proposed transaction. Members of First Midwest's executive management discussed with the First Midwest board of directors the strategic rationale, financial terms, consideration and integration risk for the proposed transaction with Standard. Members of First Midwest's executive management team and representatives of Sullivan & Cromwell updated the First Midwest board of directors on the progression of negotiations with Standard and the material open negotiation points remaining with respect to these transaction documents. Representatives of Sandler O'Neill presented to the First Midwest board of directors on the financial aspects of the proposed transaction, and delivered its oral opinion to the First Midwest board of directors, subsequently confirmed in writing on June 28, 2016, as to the fairness, from a financial point of view and as of the date of the opinion, to First Midwest of the merger consideration in the proposed merger, subject to procedures followed, assumptions made, matters considered and

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qualifications and limitations described in Sandler O'Neill's opinion. See "Opinion of First Midwest's Financial Advisor". Sullivan & Cromwell reviewed the key terms of the draft merger agreement and other transaction documents, and reviewed with the First Midwest board of directors its fiduciary duties in connection with a potential transaction.

Following these discussions, as well as review and discussion among First Midwest's directors, including consideration of the factors described under "First Midwest's Reasons for the Merger," and consideration of the above referenced presentations, the First Midwest board of directors unanimously approved and adopted the merger agreement and the transactions contemplated thereby, and declared the merger and other transactions contemplated by the merger agreement to be advisable and in the best interests of First Midwest and its stockholders. The First Midwest board of directors then directed management and its advisors to finalize and execute a definitive merger agreement, subject to further approval by the advisory committee of the board of directors, so long as the definitive merger agreement resolved the material open negotiation points in a manner materially consistent with the discussion at the meeting and contained substantially the same economic terms for Standard shareholders as set forth in the draft merger agreement reviewed at the meeting.

Over the course of the next week, Sullivan & Cromwell and Kirkland & Ellis continued to engage in negotiations to finalize the terms of the proposed transaction.

On June 27, 2016, the advisory committee of the First Midwest board of directors met with members of First Midwest's management team and representatives from Sandler O'Neill. Members of First Midwest's executive management discussed the terms of the revised merger agreement, and the resolution of the material open negotiation points discussed with the First Midwest board of directors at the June 20, 2016 meeting. Representatives of Sandler O'Neill updated the advisory committee on the financial aspects of the proposed transaction. Following review and discussion among the members of the advisory committee, the advisory committee of the First Midwest board of directors approved a revised merger agreement, consistent with the terms of approval approved by the First Midwest board of directors at its meeting on June 20, 2016.

On June 27, 2016, Standard held a board meeting to consider the transaction with First Midwest and the definitive transaction documents, including the merger agreement. As an initial matter, Kirkland & Ellis reviewed with directors their fiduciary duties in connection with their review and consideration of the transaction and the terms of the proposed merger agreement with First Midwest. The board was reminded that this information had been provided and discussed at prior board meetings.

During the meeting, Standard's management and legal advisors reported on, and the Standard board of directors discussed in detail, the reverse due diligence process undertaken by Standard and its advisors with respect to First Midwest. Management reported favorably regarding the complementary culture and business objectives of First Midwest and Standard, noting that the respective customer focus, geographic coverage and historical relationships with borrowers and customers of First Midwest and Standard evidenced that the two companies shared a similar business orientation.

Following this discussion, representatives of J.P. Morgan reviewed the financial aspects of the proposed merger and discussed in detail their financial analyses as of the date of the meeting, including those described under "Opinion of Standard's Financial Advisor". At this meeting, J.P. Morgan delivered its oral opinion to the board, subsequently confirmed in writing, to the effect that as of June 27th and based upon and subject to various assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Standard common stock, as described under "Opinion of Standard's Financial Advisor".

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After further discussion among members of the board, Kirkland & Ellis led a comprehensive review of the definitive transaction documents, including the merger agreement, and directed the Standard board's attention to a comprehensive summary of the merger agreement, the voting agreements, and the confidentiality, non-solicitation and non-competition agreements that had been provided to each member of the board.

Following extensive discussion at the June 27, 2016 meeting and after considering the foregoing and the proposed terms of the transaction documents, and taking into consideration the factors described under "The Merger Standard's Reasons for the Merger and Recommendations of the Board of Standard," the Standard board of directors, having determined that the terms of First Midwest's proposal, the related merger agreement and the transactions contemplated thereby, including the merger, were fair to and in the best interests of Standard and its shareholders, approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger and the exchange ratio of 0.435. The board directed that the merger agreement be submitted to its shareholders for approval, and recommended that shareholders vote in favor of the approval of the merger agreement.

The merger agreement and related documents were executed by the parties on June 28, 2016. The transaction was announced the evening of June 28, 2016 by a press release issued by First Midwest.

**First Midwest's Reasons for the Merger and Recommendation of the Board of First Midwest**

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its stockholders approve the stock issuance proposal, the First Midwest board of directors evaluated the merger in consultation with First Midwest management, as well as First Midwest's financial and legal advisors, and considered a number of factors, including the following material factors:

management's view that the acquisition of Standard provides an attractive opportunity to strengthen First Midwest's presence in south metropolitan Chicago and further expand into desirable markets in Northwest Indiana;

Standard's community banking orientation and its compatibility with First Midwest and its subsidiaries;

management's assessment that Standard presents a strong commercial banking franchise that is consistent with First Midwest Bank's relationship-based banking model while adding talent and depth to First Midwest Bank's operations;

management's review of the business, operations, earnings and financial condition, including capital levels and asset quality, of Standard and SB&T;

management's due diligence review of Standard and SB&T and the discussions thereof with Sandler O'Neill and Sullivan & Cromwell;

the projected earnings per share accretion of \$0.18 expected to occur as a result of the proposed transactions;

the projected dilution of \$0.57 in First Midwest's tangible book value per share, which is an important investor metric, and projected earn-back period;

the expectation of management that First Midwest will maintain its strong capital ratios upon completion of the proposed transactions;

the commitment of Standard's and SB&T's key executives to First Midwest Bank in leadership positions following closing of the proposed transaction;





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the fact that shareholders of Standard who hold Standard voting common stock will have an opportunity to approve the merger, and that First Midwest's stockholders will have an opportunity to vote on the issuance of First Midwest's common stock in connection with the merger;

projected efficiencies to come from integrating certain of Standard's operations into First Midwest's existing operations;

the financial and other terms of the merger agreement, including the exchange ratio for the merger consideration, the expected tax treatment and the deal protection and termination fee provisions, which First Midwest reviewed with its outside financial and legal advisors;

the opinion, dated June 28, 2016, of Sandler O'Neill to the First Midwest board of directors (which was delivered orally to the board of directors on June 20, 2016) as to the fairness, from a financial point of view as of the date of the opinion, to First Midwest of the merger consideration in the proposed merger, subject to procedures followed, assumptions made, matters considered and qualifications and limitations described in Sandler O'Neill's opinion, as more fully described under "Opinion of First Midwest's Financial Advisor" below;

SB&T's compatibility with First Midwest Bank, which First Midwest management believes should facilitate integration and implementation of the mergers and the bank merger, and the complementary nature of the products and customers of SB&T and First Midwest Bank, which First Midwest management believes should provide the opportunity to mitigate integration risks and increase potential returns;

the nature and amount of payments and other benefits to be received by Standard and SB&T management in connection with the transactions pursuant to existing Standard benefit plans and compensation arrangements and the merger agreement;

The fact that, concurrently with the execution of the merger agreement, all of the directors and certain officers and large shareholders of Standard who beneficially owned in the aggregate approximately 52.0% of Standard's outstanding voting common stock and approximately 97.2% of Standard's non-voting common stock, in each case as of June 28, 2016, were entering into (i) voting agreements with First Midwest agreeing to vote for approval of the merger proposal and the stock conversion proposal and (ii) confidentiality, non-solicitation and, except with respect to certain shareholders, non-competition agreements with First Midwest;

The potential impact of the "Brexit" referendum in the United Kingdom in June 2016, in which the majority of voters voted in favor of an exit from the European Union, on the global financial markets and the market for mergers and acquisitions; and

the regulatory and other approvals required in connection with the transactions and the expected likelihood that such regulatory approvals will be received in a reasonably timely manner and without the imposition of unacceptable conditions.

First Midwest's board of directors believes that the merger and the merger agreement are advisable and in the best interests of First Midwest and its stockholders and recommends that First Midwest stockholders vote "**FOR**" the stock issuance proposal and "**FOR**" the First Midwest adjournment proposal.

The above discussion of the information and factors considered by First Midwest's board of directors is not intended to be exhaustive, but includes a description of all material factors considered by First Midwest's board. First Midwest's board of directors further considered various risks and uncertainties related to each of these factors and the ability to complete the mergers. In view of the wide variety of factors considered by First Midwest's board of directors in connection with its evaluation of the mergers, First Midwest's board did not consider it practical to, nor did it attempt to,



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quantify, rank or otherwise assign relative weights to the specific factors that it considered. In considering the factors described above, individual directors may have given differing weights to different factors. First Midwest's board of directors collectively made its determination with respect to the mergers based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the mergers are in the best interests of First Midwest stockholders and that the benefits expected to be achieved from the mergers outweigh the potential risks and vulnerabilities.

It should be noted that this explanation of the First Midwest board of directors' reasoning and all other information presented in this section is forward-looking in nature, and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements".

**Opinion of First Midwest's Financial Advisor**

By letter dated June 16, 2016, First Midwest and its board of directors retained Sandler O'Neill to act as an independent financial advisor to First Midwest and its board of directors in connection with First Midwest's consideration of a possible business combination involving the acquisition of Standard by First Midwest. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is advising financial institutions and First Midwest selected Sandler O'Neill as its financial advisor on that basis. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement. At the June 20, 2016 meeting at which the First Midwest board of directors considered and approved the merger agreement and the transactions contemplated thereby (subject to the subsequent approval by the advisory committee of the First Midwest board of directors of any changes to the merger agreement following the June 20, 2016 meeting of the full board of directors), Sandler O'Neill delivered to the First Midwest board of directors its oral opinion, which was subsequently confirmed in writing, that, as of such date, the merger consideration per share of Standard common stock was fair to First Midwest from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Appendix F to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of First Midwest common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed issuance of First Midwest common stock in the merger.**

**Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the First Midwest board of directors in connection with its consideration of the merger agreement and is directed only to the fairness, from a financial point of view, of the merger consideration per share of Standard common stock to First Midwest. Sandler O'Neill's opinion does not constitute a recommendation to any holder of First Midwest common stock as to how such holder of First Midwest common stock should vote at any meeting of stockholders called to consider and vote upon the proposed issuance of First Midwest common stock in the merger or any other matter. It does not address the underlying business decision of First Midwest to engage in the merger, the form or structure of the merger or any other transactions contemplated by the merger agreement, the relative merits of the merger as compared to any other alternative transactions or business strategies that might exist for First Midwest or other terms contemplated by the merger agreement. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any First Midwest or Standard officer, director, or employee, or class of such**

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persons, if any, relative to the amount of any compensation to be received by any other shareholder. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

a draft of the merger agreement dated June 17, 2016, for purposes of Sander's O'Neill's oral opinion, and a draft of the merger agreement dated June 28, 2016, for purposes of Sandler O'Neill's written opinion;

certain publicly available financial statements and other historical financial information of First Midwest that Sandler O'Neill deemed relevant;

certain publicly available financial statements and other historical financial information of Standard that Sandler O'Neill deemed relevant;

publicly available consensus mean and median analyst earnings per share estimates for First Midwest for the years ending December 31, 2016 and December 31, 2017;

internal financial projections for First Midwest for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest;

internal financial projections for Standard for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest;

the pro forma financial impact of the merger on First Midwest based on assumptions related to transaction expenses, purchase accounting adjustments, the cost of cancelling the outstanding Standard stock options, Standard phantom stock and Standard stock settled rights, cost savings, the reversal of certain consolidated loan loss provision expense of Standard, a core deposit intangible asset, a possible debt refinancing by First Midwest, and the consolidation or closure of certain branch offices following the closing of the merger, as provided by and confirmed with the senior management of First Midwest;

the publicly reported historical price and trading activity for First Midwest common stock, including a comparison of certain stock market information for First Midwest common stock with a certain stock index, as well as similar publicly available information for certain other similar companies, the securities of which are publicly traded;

a comparison of certain financial information for First Midwest and Standard with similar banks for which information is publicly available;

the financial terms of certain recent mergers and business combinations in the commercial banking industry (on a regional and nationwide basis), to the extent publicly available;

the current market environment generally and the commercial banking environment in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

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Sandler O'Neill also discussed with certain members of the executive management of First Midwest the business, financial condition, results of operations and prospects of First Midwest and held similar discussions with certain members of the senior management of Standard regarding the business, financial condition, results of operations and prospects of Standard.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by First Midwest, Standard or their respective

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representatives or that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill also relied on the assurances of the respective managements of First Midwest and Standard that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of First Midwest or Standard, or any of their respective subsidiaries, and Sandler O'Neill was not furnished with any such evaluations or appraisals prepared by others. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of First Midwest or Standard, or any of their respective subsidiaries. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of First Midwest or Standard, or any of their respective subsidiaries, or the combined entity after the merger and did not review any individual credit files relating to First Midwest or Standard, or any of their respective subsidiaries. Sandler O'Neill assumed, with First Midwest's consent, that the respective consolidated allowances for loan losses for both First Midwest and Standard were adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections for First Midwest for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest. In addition, in preparing its analyses Sandler O'Neill used internal financial projections for Standard for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, the cost of cancelling the outstanding Standard stock options, Standard phantom stock and Standard stock settled rights, cost savings, the reversal of certain consolidated loan loss provision expense of Standard, a core deposit intangible asset, a possible debt refinancing by First Midwest, and the consolidation or closure of certain branch offices following the closing of the merger, as provided by and confirmed with the senior management of First Midwest. With respect to the foregoing information, the respective managements of First Midwest and Standard confirmed to Sandler O'Neill that such information reflected the best currently available projections, estimates and judgments of those respective managements of the future financial performance of First Midwest and Standard, respectively, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expressed no opinion as to such projections, estimates or judgments, or the assumptions on which they are based. Sandler O'Neill also assumed that there has been no material change in First Midwest's or Standard's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Sandler O'Neill. Sandler O'Neill assumed in all respects material to its analysis that First Midwest and Standard will remain as going concerns for all periods relevant to its analyses.

In arriving at its opinion, Sandler O'Neill assumed that the executed merger agreement would be in all material respects identical to the last draft reviewed by it. Sandler O'Neill also assumed, with First Midwest's consent, in all respects material to its analysis, that (i) each of the parties to the merger agreement will comply with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements are, subject to the standards contained therein, true and correct, that each of the parties to such agreements will timely perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements have not and will not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the mergers, no delay, limitation, restriction or condition will be imposed that would, individually or in the aggregate, have a material adverse effect on

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First Midwest, Standard or the contemplated benefits of the merger or any related transaction, (iii) the merger and any related transaction would be completed in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the mergers will qualify as a tax-free reorganization for federal income tax purposes. Sandler O'Neill, with the consent of First Midwest, has relied upon the advice that First Midwest has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler O'Neill's analyses and opinion are necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date thereof. Events occurring after the date thereof could materially affect its opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date thereof. Sandler O'Neill expressed no opinion as to the trading values of First Midwest common stock or Standard common stock at any time or what the value of First Midwest common stock would be once it is actually received by the holders of Standard common stock.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The summary below is not a complete description of all of the analyses underlying Sandler O'Neill's opinion or the presentation made by Sandler O'Neill to the First Midwest board of directors, but is a summary of the material analyses performed and presented by Sandler O'Neill. The summary includes information presented in tabular format.

**In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to First Midwest or Standard and no transaction is identical to the mergers. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of First Midwest and Standard and the companies to which they are being compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion, rather, Sandler O'Neill made its determination as to the fairness of the merger consideration to First Midwest on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of First Midwest, Standard and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the First Midwest board of directors at its June 20, 2016 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be

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materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of First Midwest common stock or the prices at which First Midwest common stock or Standard common stock may be sold at any time. The analyses of Sandler O'Neill and its opinion were among a number of factors taken into consideration by the First Midwest board of directors in making its determination to approve the merger agreement and the analyses described below should not be viewed as determinative of the decision of the First Midwest board of directors or senior management with respect to the fairness of the merger.

*Summary of Proposed Merger Consideration and Implied Transaction Metrics.* Sandler O'Neill reviewed the financial terms of the merger. As described in the merger agreement, each share of Standard common stock issued and outstanding immediately prior to the effective time, other than certain shares described in the merger agreement, will be converted into the right to receive 0.435 of a share of First Midwest common stock. Using the closing stock price of First Midwest common stock as of June 28, 2016, or \$16.11, Sandler O'Neill calculated an aggregate implied transaction value (inclusive of the value of the cash to be paid the holders of currently outstanding in-the-money Standard stock options and Standard stock settled rights pursuant to the terms of the merger agreement) of approximately \$364.7 million,<sup>1</sup> or a transaction price per share of approximately \$7.01. Based upon financial information for Standard as of or for the 12-month period ending March 31, 2016 (unless otherwise indicated), Sandler O'Neill calculated the following implied transaction metrics:

Transaction price per share/LTM earnings	18.4x
Transaction price per share/2016 estimated earnings <sup>(1)</sup>	19.2x
Transaction price per share/2017 estimated earnings <sup>(1)</sup>	19.2x
Transaction price per share/book value per share	135%
Transaction price per share/tangible book value per share	135%
Transaction price per share/normalized tangible book value per share <sup>(2)</sup>	140%
Tangible book premium/core deposits <sup>(3)</sup>	5.8%

(1) Calculated using estimated earnings for Standard, as provided by First Midwest management following due diligence review.

(2) Calculated using a tangible book value of \$4.53 per share for Standard (based on 8.94% tangible common equity/tangible assets level, consistent with Standard's publicly-traded peer median) and total per share consideration of \$6.35, excluding per share consideration of \$0.66 for "excess capital" (capital above Standard's publicly-traded peer median).

(3) Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000.

*Stock Trading History.* Sandler O'Neill reviewed the history of the publicly reported trading prices of First Midwest common stock for the one-year period ended June 28, 2016. Sandler O'Neill then compared the relationship between the movements in the price of First Midwest common stock to

<sup>1</sup> Reflects stock consideration with a value of \$339.3 million to the holders of 48,416,265 shares of Standard common stock, cash value of \$14.8 million to the holders of 5,327,782 Standard stock options with a weighted average strike price of \$4.30 (inclusive of special stock option cash payments in the aggregate amount of \$357,000 concurrent with the merger), aggregate cash redemption price with a value of \$10.6 million to the holders of 7,293,407 stock settled rights, and cash consideration with immaterial aggregate value to the holders of Standard phantom stock.



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movements in its peer group (as described in the "Comparable Company Analysis" section), as well as a certain stock index.

<b>First Midwest's One-Year Stock Performance</b>		
	<b>Beginning Value June 28, 2015</b>	<b>Ending Value June 28, 2016</b>
First Midwest	100%	83.3%
First Midwest peer group	100%	94.1%
SNL U.S. Bank Index	100%	80.8%

Source: SNL Financial

*Comparable Company Analysis.* Sandler O'Neill used publicly available information to compare selected financial information for First Midwest with a group of financial institutions selected by Sandler O'Neill. The First Midwest peer group included 11 Midwest banks whose securities are publicly traded on major United States exchanges with assets between \$5.0 billion and \$20.0 billion, excluding mutual holding companies, merger targets and thrifts. The First Midwest peer group consisted of the following companies:

Chemical Financial Corporation	MB Financial, Inc.
First Financial Bancorp	Old National Bancorp
First Merchants Corporation	Park National Corporation
Ist Source Corporation	PrivateBancorp, Inc.
Great Western Bancorp, Inc.	UMB Financial Corporation
Heartland Financial USA, Inc.	

The analysis compared publicly available financial information for First Midwest with the corresponding data for the First Midwest Peer Group as of or for the 12-month period ending March 31, 2016 (unless otherwise indicated), with pricing data as of June 28, 2016. The table below sets

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forth the data for First Midwest and the high, low, mean and median data for the First Midwest peer group. Regulatory data was used when GAAP data was unavailable.

### Comparable Company Analysis

	First Midwest Peer Group				
	First Midwest	High	Low	Mean	Median
Total assets (in millions)	\$ 10,729	\$ 19,303	\$ 5,246	\$ 10,877	\$ 9,304
Tangible common equity/tangible assets	8.25%	10.96%	6.32%	8.59%	8.72%
Leverage ratio	9.56%	12.10%	8.22%	9.49%	9.20%
Total risk-based capital ratio	10.64%	14.94%	11.53%	13.12%	12.85%
LTM return on average assets <sup>(1)</sup>	0.81%	1.26%	0.64%	1.04%	1.06%
LTM return on average tangible common equity <sup>(1)</sup>	10.1%	16.5%	7.9%	12.9%	12.5%
LTM net interest margin	3.65%	4.02%	2.73%	3.60%	3.67%
LTM efficiency ratio <sup>(1)</sup>	63.3%	75.9%	46.0%	61.4%	61.5%
Loan loss reserves/gross loans	0.99%	2.21%	0.72%	1.12%	0.97%
Non-performing assets <sup>(2)</sup> /total assets	0.57%	1.62%	0.30%	0.71%	0.63%
Net charge-offs/average loans	0.22%	0.25%	(0.02)%	0.09%	0.08%
Price/tangible book value	153%	207%	142%	174%	171%
Price/book value	107%	183%	90%	129%	124%
Price/LTM EPS	15.6x	20.8x	11.3x	14.7x	14.6x
Price/2016 estimated EPS	13.9x	16.3x	10.8x	13.7x	13.3x
Price/2017 estimated EPS	12.3x	15.5x	10.5x	12.6x	12.3x
Current dividend yield	2.2%	4.4%	0.1%	2.5%	2.3%
LTM dividend ratio	35.0%	71.8%	1.7%	34.6%	32.5%
Market value (in millions)	\$ 1,310	\$ 2,852	\$ 803	\$ 1,603	\$ 1,362

(1) Based on exclusion of \$15.0 million of pre-tax non-recurring expense, First Midwest LTM return on average assets, First Midwest LTM return on average tangible common equity, and First Midwest LTM efficiency ratio would have been 0.91%, 11.3% and 60.0%, respectively.

(2) Non-performing assets defined as nonaccrual loans, real estate owned and repossessed assets.

Source: SNL Financial

Sandler O'Neill used publicly available information to perform a similar analysis for Standard and a group of financial institutions selected by Sandler O'Neill. The Standard peer group consisted of 21 Midwest banks whose securities are publicly traded on major United States exchanges with assets between \$1.5 billion and \$3.5 billion, excluding mutual holding companies, merger targets and thrifts. The Standard peer group consisted of the following companies:

Civista Bancshares, Inc.	Macatawa Bank Corporation
Equity Bancshares, Inc.	MainSource Financial Group, Inc.
Farmers Capital Bank Corporation	Mercantile Bank Corporation
Farmers National Banc Corporation	Midland States Bancorp, Inc.
First Business Financial Services, Inc.	MidwestOne Financial Group, Inc.
First Financial Corporation	Old Second Bancorp, Inc.
First Internet Bancorp	People's Bancorp, Inc.
First Mid-Illinois Bancshares, Inc.	QCR Holdings, Inc.
German American Bancorp, Inc.	Stock Yards Bancorp, Inc.
Horizon Bancorp	West Bancorporation, Inc.
Independent Bank Corporation	

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The analysis compared publicly available financial information for Standard with the corresponding data for the Standard peer group as of or for the 12-month period ending March 31, 2016 (unless otherwise indicated), with pricing data as of June 28, 2016. The table below sets forth the data for Standard and the high, low, mean and median data for the Standard peer group. Regulatory data was used when GAAP data was unavailable.

	Comparable Company Analysis				
	Standard Peer Group				
	Standard	High	Low	Mean	Median
Total assets (in millions)	\$ 2,455	\$ 3,414	\$ 1,507	\$ 2,357	\$ 2,487
Tangible common equity/tangible assets	10.23%	12.92%	5.38%	8.67%	8.94%
Leverage ratio	10.12%	13.05%	7.25%	9.77%	9.45%
Total risk-based capital ratio	12.78%	19.09%	11.24%	13.94%	13.57%
LTM return on average assets	0.80%	1.43%	0.61%	0.93%	0.90%
LTM return on average tangible common equity	7.9%	18.4%	8.2%	11.4%	11.5%
LTM net interest margin	3.54%	4.22%	2.84%	3.60%	3.61%
LTM efficiency ratio	65.3%	76.7%	46.7%	64.0%	64.2%
Loan loss reserves/gross loans	1.06%	1.46%	0.64%	1.04%	1.02%
Non-performing assets <sup>(1)</sup> /total assets	1.69%	1.61%	0.07%	0.65%	0.58%
Net charge-offs/average loans	0.99%	0.49%	(0.12)%	0.08%	0.04%
Price/tangible book value		209%	101%	142%	140%
Price/book value		207%	91%	123%	115%
Price/LTM EPS		21.5x	9.9x	14.1x	13.5x
Price/2016 estimated EPS		15.8x	8.9x	12.6x	12.4x
Price/2017 estimated EPS		15.3x	7.8x	11.7x	11.7x
Current dividend yield		3.8%	0.0%	2.0%	2.3%
LTM dividend ratio		56.1%	0.0%	26.6%	31.7%
Market value (in millions)		\$ 614	\$ 102	\$ 304	\$ 298

<sup>(1)</sup> Non-performing assets defined as nonaccrual loans, real estate owned and repossessed assets.

Source: SNL Financial

*Analysis of Selected Merger Transactions.* Sandler O'Neill reviewed two groups of recent merger and acquisition transactions consisting of a national group as well as a regional group. The national group consisted of 21 nationwide bank and thrift transactions announced between January 1, 2015 and June 28, 2016 with reported deal values of \$200 million to \$1 billion and where the price to tangible book value was disclosed (the "Nationwide Precedent Transactions"). The regional group consisted of 11 Midwest bank and thrift transactions announced between January 1, 2014 and June 28, 2016 with reported deal values of \$150 million to \$1.5 billion (the "Regional Precedent Transactions").

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The Nationwide Precedent Transactions group was composed of the following transactions:

<b>Acquiror</b>	<b>Target</b>
Bank of the Ozarks, Inc.	C1 Financial Inc.
Bank of the Ozarks, Inc.	Community & Southern Holdings Inc.
Capital Bank Financial Corporation	CommunityOne Bancorp
First Busey Corporation	Pulaski Financial Corporation
F.N.B. Corporation	Metro Bancorp Inc.
MB Financial, Inc.	American Chartered Bancorp Inc.
Mechanics Bank	California Republic Bancorp
OceanFirst Financial Corporation	Cape Bancorp Inc.
Old National Bancorp	Anchor BanCorp Wisconsin Inc.
PacWest Bancorp	Square 1 Financial Inc.
People's United Financial Inc.	Suffolk Bancorp
Pinnacle Financial Partners	Avenue Financial Holdings, Inc.
South State Corporation	Southeastern Bank Financial Corporation
TowneBank	Monarch Financial Holdings
United Bankshares Inc.	Bank of Georgetown
United Community Banks Inc.	Palmetto Bancshares Inc.
Univest Corporation of Pennsylvania	Fox Chase Bancorp Inc.
Valley National Bancorp	CNLBancshares Inc.
WesBanco Inc.	Your Community Bankshares Inc.
Western Alliance Bancorp	Bridge Capital Holdings
Yadkin Financial Corporation	NewBridge Bancorp

Using the latest publicly available information prior to the announcement of the merger, Sandler O'Neill reviewed the following transaction metrics: transaction price to last 12 months earnings per share, transaction price to estimated earnings per share, transaction price to book value per share, transaction price to tangible book value per share, tangible book premium to core deposits, and gross mark on loan portfolio. Sandler O'Neill compared the indicated transaction metrics for the merger, based on an aggregate implied transaction value of approximately \$364.7 million, or a transaction price per share of \$7.01, resulting from the closing stock price of First Midwest common stock on June 28, 2016 of \$16.11, to the high, low, mean and median metrics of the Nationwide Precedent Transactions group.

	<b>First Midwest/ Standard</b>	<b>Nationwide Precedent Transactions</b>			
		<b>High</b>	<b>Low</b>	<b>Mean</b>	<b>Median</b>
Transaction price/LTM earnings per share	18.4x	29.0x	14.5x	21.7x	22.9x
Transaction price/estimated earnings per share	19.2x <sup>(1)</sup>	32.0x	13.7x	21.5x	20.0x
Transaction price/book value per share	135%	262%	119%	182%	179%
Transaction price/tangible book value per share	135%	263%	123%	186%	191%
Core deposit premium <sup>(2)</sup>	5.8%	20.5%	4.7%	12.2%	11.7%
Gross mark/loans	2.75%	4.90%	0.99%	2.15%	1.90%

<sup>(1)</sup> Calculated using 2016 estimated earnings for Standard, as provided by First Midwest management.

<sup>(2)</sup> Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000.

Source: SNL Financial

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The Regional Precedent Transactions group was composed of the following transactions:

<b>Acquiror</b>	<b>Target</b>
BB&T Corp.	Bank of Kentucky Financial Corp.
Chemical Financial Corp.	Lake Michigan Financial Corp.
Chemical Financial Corp.	Talmer Bancorp Inc.
First Busey Corp.	Pulaski Financial Corp.
MB Financial, Inc.	American Chartered Bancorp Inc.
Northwest Bancshares, Inc.	LNB Bancorp Inc.
Old National Bancorp	Anchor BanCorp Wisconsin Inc.
Old National Bancorp	United Bancorp Inc.
Simmons First National Corp.	Liberty Bancshares Inc.
UMB Financial Corp.	Marquette Financial Companies
WesBanco Inc.	Your Community Bankshares Inc.

Using the latest publicly available information prior to the announcement of the merger, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-12-months earnings per share, transaction price to estimated earnings per share, transaction price to book value per share, transaction price to tangible book value per share, tangible book premium to core deposits, and gross mark on loan portfolio. Sandler O'Neill compared the indicated transaction metrics for the merger, based on an aggregate implied transaction value of approximately \$364.7 million, or a transaction price per share of \$7.01, resulting from the closing stock price of First Midwest common stock on June 28, 2016 of \$16.11, to the high, low, mean and median metrics of the Regional Precedent Transactions group.

	First Midwest/ Standard	Regional Precedent Transactions			
		High	Low	Mean	Median
Transaction price/LTM earnings per share	18.4x	25.8x	13.2x	18.4x	17.4x
Transaction price/estimated earnings per share	19.2x <sup>(1)</sup>	27.5x	13.1x	18.6x	17.4x
Transaction price/book value per share	135%	221%	123%	177%	171%
Transaction price/tangible book value per share	135%	221%	123%	187%	195%
Core deposit premium <sup>(2)</sup>	5.8%	18.0%	4.7%	11.3%	11.2%
Gross mark/loans	2.75%	8.60%	0.97%	2.67%	2.10%

(1) Calculated using 2016 estimated earnings for Standard, as provided by First Midwest management.

(2) Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000.

Source: SNL Financial

*Net Present Value Analyses.* Sandler O'Neill performed an analysis that estimated the net present value per share of First Midwest common stock, assuming that First Midwest performed in accordance with internal financial projections for First Midwest for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest. To approximate the terminal value of First Midwest common stock at December 31, 2020, Sandler O'Neill applied price to 2020 earnings multiples ranging from 13.0x to 18.0x and multiples of December 31, 2020 tangible book value ranging from 150% to 225%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 13.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Midwest common stock. As illustrated in the following tables, the analysis indicated an imputed range of values

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per share of First Midwest common stock of \$12.30 to \$20.25 when applying earnings multiples and \$14.00 to \$24.95 when applying multiples of tangible book value.

Discount Rate	Earnings Per Share Multiples					
	13.0x	14.0x	15.0x	16.0x	17.0x	18.0x
8.0%	\$ 15.09	\$ 16.12	\$ 17.16	\$ 18.19	\$ 19.22	\$ 20.25
9.0%	\$ 14.48	\$ 15.46	\$ 16.45	\$ 17.44	\$ 18.42	\$ 19.41
10.0%	\$ 13.89	\$ 14.83	\$ 15.78	\$ 16.73	\$ 17.67	\$ 18.62
11.0%	\$ 13.33	\$ 14.24	\$ 15.14	\$ 16.05	\$ 16.96	\$ 17.86
12.0%	\$ 12.80	\$ 13.67	\$ 14.54	\$ 15.41	\$ 16.28	\$ 17.14
13.0%	\$ 12.30	\$ 13.13	\$ 13.97	\$ 14.80	\$ 15.63	\$ 16.46

Discount Rate	Tangible Book Value Multiples					
	150%	165%	180%	195%	210%	225%
8.0%	\$ 17.20	\$ 18.75	\$ 20.30	\$ 21.85	\$ 23.40	\$ 24.95
9.0%	\$ 16.49	\$ 17.97	\$ 19.46	\$ 20.94	\$ 22.43	\$ 23.91
10.0%	\$ 15.82	\$ 17.24	\$ 18.66	\$ 20.08	\$ 21.50	\$ 22.93
11.0%	\$ 15.18	\$ 16.54	\$ 17.90	\$ 19.27	\$ 20.63	\$ 21.99
12.0%	\$ 14.57	\$ 15.88	\$ 17.18	\$ 18.49	\$ 19.79	\$ 21.10
13.0%	\$ 14.00	\$ 15.25	\$ 16.50	\$ 17.75	\$ 19.00	\$ 20.25

Sandler O'Neill also considered and discussed with the First Midwest board of directors how the analysis above would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming First Midwest's net income varied from 25% above projections to 25% below projections. This analysis resulted in the following range of per share values for First Midwest common stock, applying the price to 2019 earnings multiples range of 13.0x to 18.0x referred to above and a discount rate of 10.0%.

Annual Estimate Variance	Earnings Per Share Multiples					
	13.0x	14.0x	15.0x	16.0x	17.0x	18.0x
(25.0)%	\$ 10.82	\$ 11.53	\$ 12.24	\$ 12.94	\$ 13.65	\$ 14.36
(20.0)%	\$ 11.43	\$ 12.19	\$ 12.94	\$ 13.70	\$ 14.46	\$ 15.21
(15.0)%	\$ 12.05	\$ 12.85	\$ 13.65	\$ 14.46	\$ 15.26	\$ 16.06
(10.0)%	\$ 12.66	\$ 13.51	\$ 14.36	\$ 15.21	\$ 16.06	\$ 16.91
(5.0)%	\$ 13.27	\$ 14.17	\$ 15.07	\$ 15.97	\$ 16.87	\$ 17.77
0.0%	\$ 13.89	\$ 14.83	\$ 15.78	\$ 16.73	\$ 17.67	\$ 18.62
5.0%	\$ 14.50	\$ 15.50	\$ 16.49	\$ 17.48	\$ 18.47	\$ 19.47
10.0%	\$ 15.12	\$ 16.16	\$ 17.20	\$ 18.24	\$ 19.28	\$ 20.32
15.0%	\$ 15.73	\$ 16.82	\$ 17.91	\$ 18.99	\$ 20.08	\$ 21.17
20.0%	\$ 16.35	\$ 17.48	\$ 18.62	\$ 19.75	\$ 20.88	\$ 22.02
25.0%	\$ 16.96	\$ 18.14	\$ 19.32	\$ 20.51	\$ 21.69	\$ 22.87

Sandler O'Neill also performed two analyses that estimated the net present value per share of Standard common stock under various circumstances. The first analysis assumed Standard performed in accordance with internal financial projections for Standard for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest ("Standard Stand Alone NPV Analysis"). For the second analysis, Sandler O'Neill used the same assumptions as the Standard Stand Alone NPV Analysis, but also included assumptions related to after-tax cost savings to First Midwest as a result of the mergers, as provided by the senior management of First Midwest ("Standard Adjusted NPV Analysis").

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For both the Standard Stand Alone NPV Analysis and Standard Adjusted NPV Analysis, to approximate the terminal value of Standard common stock at December 31, 2020, Sandler O'Neill applied price to 2020 earnings multiples ranging from 12.0x to 17.0x and multiples of December 31, 2020 tangible book value ranging from 120% to 170%. The terminal values were then discounted to present values using different discount rates ranging from 9.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Standard common stock.

As illustrated in the following tables, the Standard Stand Alone NPV Analysis indicated an imputed range of values per share of Standard common stock of \$4.25 to \$7.26 when applying multiples of earnings and the Standard Adjusted NPV Analysis indicated an imputed range of values per share of Standard common stock of \$6.76 to \$11.86 when applying multiples of earnings. In addition, as illustrated in the following tables, the Standard Stand Alone NPV Analysis indicated an imputed range of values per share of Standard common stock of \$4.65 to \$7.97 when applying multiples of tangible book value and the Standard Adjusted NPV Analysis indicated an imputed range of values per share of Standard common stock of \$5.89 to \$10.23 when applying multiples of tangible book value.

Discount Rate	Earnings Per Share Multiples (Standard Stand Alone NPV Analysis)					
	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
9.0%	\$ 5.39	\$ 5.76	\$ 6.14	\$ 6.14	\$ 6.89	\$ 7.26
10.0%	\$ 5.17	\$ 5.53	\$ 5.89	\$ 6.25	\$ 6.61	\$ 6.97
11.0%	\$ 4.97	\$ 5.31	\$ 5.66	\$ 6.00	\$ 6.34	\$ 6.69
12.0%	\$ 4.77	\$ 5.10	\$ 5.43	\$ 5.76	\$ 6.09	\$ 6.42
13.0%	\$ 4.59	\$ 4.91	\$ 5.22	\$ 5.54	\$ 5.85	\$ 6.17
14.0%	\$ 4.41	\$ 4.72	\$ 5.02	\$ 5.32	\$ 5.63	\$ 5.93
15.0%	\$ 4.25	\$ 4.54	\$ 4.83	\$ 5.12	\$ 5.41	\$ 5.70

Discount Rate	Earnings Per Share Multiples (Standard Adjusted NPV Analysis)					
	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
9.0%	\$ 8.63	\$ 9.27	\$ 9.92	\$ 10.57	\$ 11.21	\$ 11.86
10.0%	\$ 8.28	\$ 8.90	\$ 9.51	\$ 10.13	\$ 10.75	\$ 11.37
11.0%	\$ 7.94	\$ 8.53	\$ 9.13	\$ 9.72	\$ 10.31	\$ 10.90
12.0%	\$ 7.62	\$ 8.19	\$ 8.76	\$ 9.33	\$ 9.89	\$ 10.46
13.0%	\$ 7.32	\$ 7.87	\$ 8.41	\$ 8.95	\$ 9.50	\$ 10.04
14.0%	\$ 7.04	\$ 7.56	\$ 8.08	\$ 8.60	\$ 9.12	\$ 9.64
15.0%	\$ 6.76	\$ 7.26	\$ 7.76	\$ 8.26	\$ 8.76	\$ 9.26

Discount Rate	Tangible Book Value Multiples (Standard Stand Alone NPV Analysis)					
	120%	130%	140%	150%	160%	170%
9.0%	\$ 5.90	\$ 6.31	\$ 6.73	\$ 7.14	\$ 7.56	\$ 7.97
10.0%	\$ 5.66	\$ 6.06	\$ 6.46	\$ 6.85	\$ 7.25	\$ 7.65
11.0%	\$ 5.44	\$ 5.82	\$ 6.20	\$ 6.58	\$ 6.96	\$ 7.34
12.0%	\$ 5.23	\$ 5.59	\$ 5.95	\$ 6.32	\$ 6.68	\$ 7.05
13.0%	\$ 5.02	\$ 5.37	\$ 5.72	\$ 6.07	\$ 6.42	\$ 6.77
14.0%	\$ 4.83	\$ 5.17	\$ 5.50	\$ 5.84	\$ 6.17	\$ 6.51
15.0%	\$ 4.65	\$ 4.97	\$ 5.29	\$ 5.61	\$ 5.93	\$ 6.25

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Discount Rate	Tangible Book Value Multiples (Standard Adjusted NPV Analysis)					
	120%	130%	140%	150%	160%	170%
9.0%	\$ 7.50	\$ 8.04	\$ 8.59	\$ 9.14	\$ 9.69	\$ 10.23
10.0%	\$ 7.19	\$ 7.72	\$ 8.24	\$ 8.77	\$ 9.29	\$ 9.81
11.0%	\$ 6.90	\$ 7.41	\$ 7.91	\$ 8.41	\$ 8.91	\$ 9.42
12.0%	\$ 6.63	\$ 7.11	\$ 7.59	\$ 8.07	\$ 8.56	\$ 9.04
13.0%	\$ 6.37	\$ 6.83	\$ 7.29	\$ 7.75	\$ 8.22	\$ 8.68
14.0%	\$ 6.12	\$ 6.57	\$ 7.01	\$ 7.45	\$ 7.89	\$ 8.34
15.0%	\$ 5.89	\$ 6.31	\$ 6.74	\$ 7.16	\$ 7.59	\$ 8.01

Sandler O'Neill also considered and discussed with the First Midwest board of directors how the analysis above would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming Standard's net income varied from 25% above projections to 25% below projections for the Standard Stand Alone NPV Analysis and Standard Adjusted NPV Analysis. This analysis resulted in the following range of per share values for Standard common stock, applying the price to 2020 earnings multiples range of 12.0x to 17.0x referred to above and a discount rate of 12.0%.

Annual Estimate Variance	Earnings Per Share Multiples (Standard Stand Alone NPV Analysis)					
	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
(25.0)%	\$ 3.78	\$ 4.03	\$ 4.28	\$ 4.53	\$ 4.77	\$ 5.02
(20.0)%	\$ 3.98	\$ 4.25	\$ 4.51	\$ 4.77	\$ 5.04	\$ 5.30
(15.0)%	\$ 4.18	\$ 4.46	\$ 4.74	\$ 5.02	\$ 5.30	\$ 5.58
(10.0)%	\$ 4.38	\$ 4.67	\$ 4.97	\$ 5.27	\$ 5.56	\$ 5.86
(5.0)%	\$ 4.58	\$ 4.89	\$ 5.20	\$ 5.52	\$ 5.83	\$ 6.14
0.0%	\$ 4.77	\$ 5.10	\$ 5.43	\$ 5.76	\$ 6.09	\$ 6.42
5.0%	\$ 4.97	\$ 5.32	\$ 5.66	\$ 6.01	\$ 6.36	\$ 6.70
10.0%	\$ 5.17	\$ 5.53	\$ 5.89	\$ 6.26	\$ 6.62	\$ 6.98
15.0%	\$ 5.37	\$ 5.75	\$ 6.13	\$ 6.50	\$ 6.88	\$ 7.26
20.0%	\$ 5.56	\$ 5.96	\$ 6.36	\$ 6.75	\$ 7.15	\$ 7.54
25.0%	\$ 5.76	\$ 6.17	\$ 6.59	\$ 7.00	\$ 7.41	\$ 7.82

Annual Estimate Variance	Earnings Per Share Multiples (Standard Adjusted NPV Analysis)					
	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
(25.0)%	\$ 6.64	\$ 7.12	\$ 7.61	\$ 8.09	\$ 8.58	\$ 9.06
(20.0)%	\$ 6.83	\$ 7.33	\$ 7.84	\$ 8.34	\$ 8.84	\$ 9.34
(15.0)%	\$ 7.03	\$ 7.55	\$ 8.07	\$ 8.58	\$ 9.10	\$ 9.62
(10.0)%	\$ 7.23	\$ 7.76	\$ 8.30	\$ 8.83	\$ 9.37	\$ 9.90
(5.0)%	\$ 7.43	\$ 7.98	\$ 8.53	\$ 9.08	\$ 9.63	\$ 10.18
0.0%	\$ 7.62	\$ 8.19	\$ 8.76	\$ 9.33	\$ 9.89	\$ 10.46
5.0%	\$ 7.82	\$ 8.41	\$ 8.99	\$ 9.57	\$ 10.16	\$ 10.74
10.0%	\$ 8.02	\$ 8.62	\$ 9.22	\$ 9.82	\$ 10.42	\$ 11.02
15.0%	\$ 8.22	\$ 8.83	\$ 9.45	\$ 10.07	\$ 10.69	\$ 11.30
20.0%	\$ 8.42	\$ 9.05	\$ 9.68	\$ 10.32	\$ 10.95	\$ 11.58
25.0%	\$ 8.61	\$ 9.26	\$ 9.91	\$ 10.56	\$ 11.21	\$ 11.86

In connection with its analyses, Sandler O'Neill considered and discussed with the First Midwest board of directors how the present value analyses would be affected by changes in the underlying assumptions. Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous



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assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Pro Forma Merger Analysis.* Sandler O'Neill analyzed certain potential pro forma effects of the merger, based on the following assumptions: (i) the merger closes on December 31, 2016 and (ii) 100% of the outstanding shares of Standard common stock are converted into the merger consideration at the fixed exchange ratio of 0.435. Sandler also utilized the following: (a) estimated earnings per share for First Midwest and Standard for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of First Midwest; (b) purchase accounting adjustments provided by the senior management of First Midwest consisting of (i) a negative credit mark on loans, (ii) a negative interest rate mark on loans, accreted through earnings over three years, (iii) other net negative purchase accounting marks, and (iv) a core deposit intangible asset amortized over 10 years using the straight line method; (c) cost savings projections as provided by First Midwest senior management; (d) estimated pre-tax one-time transaction costs and expenses as provided by First Midwest senior management; (e) a possible debt refinancing by First Midwest; and (f) the consolidation or closure of certain branch offices following the closing of the merger. The analysis indicated that the merger could be accretive to First Midwest's estimated earnings per share (excluding one-time transaction costs and expenses) in the years ended December 31, 2017 through 2020, dilutive to estimated tangible book value per share at close and at the year-end of 2017 through 2019, and accretive to estimated tangible book value per share at the year-end of 2020.

In connection with this analysis, Sandler O'Neill considered and discussed with the First Midwest board of directors how the analysis would be affected by changes in the underlying assumptions, including the impact of final purchase accounting adjustments determined at the closing of the transaction, and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

*Sandler O'Neill's Relationship.* Sandler O'Neill is acting as First Midwest's financial advisor in connection with the merger and First Midwest has agreed to pay Sandler O'Neill a fee for such services in an amount equal to \$2.7 million, which fee is contingent upon the closing of the merger. Sandler O'Neill also received a fee from First Midwest in an amount equal to \$250,000 upon rendering its opinion, which opinion fee will be credited in full towards the fee that will become payable on the day of closing of the merger. First Midwest has also agreed to indemnify Sandler O'Neill against certain liabilities arising out of Sandler O'Neill's engagement and to reimburse Sandler O'Neill for certain of its out-of-pocket expenses incurred in connection with its engagement.

In the two years preceding the date of its opinion, Sandler O'Neill provided certain other investment banking services to First Midwest, including acting as the financial advisor in connection with First Midwest's acquisition of Popular, Inc.'s Chicago branches, which closed on August 8, 2014, acting as the financial advisor in connection with First Midwest's acquisition of Great Lakes Financial Resources, Inc., which closed on December 2, 2014, and acting as the financial advisor in connection with First Midwest's acquisition of NI Bancshares Corporation, which closed on March 8, 2016, for which Sandler received fees of \$1.5 million in the aggregate. In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from or sell securities to First Midwest, Standard or their respective affiliates. Sandler O'Neill may also actively trade the equity or debt securities of First Midwest or its affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

**Standard's Reasons for the Merger and Recommendation of the Board of Standard**

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that holders of Standard voting common stock approve the merger proposal and that holders of Standard non-voting common stock

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approve the stock conversion proposal, the Standard board of directors evaluated the merger in consultation with Standard management, as well as Standard's financial and legal advisors, and considered a number of factors, including the following material factors:

the approximately \$364.7 million implied value of the merger consideration as of June 28, 2016, based on the closing price of First Midwest common stock on that date of \$16.11. The implied value of the merger consideration as of the date of this joint proxy statement/prospectus is \$[            ];

the fact that the merger consideration offers Standard shareholders the opportunity to participate in the future growth and opportunities of the combined company, and the receipt of the merger consideration will generally be tax-free to Standard's shareholders based on the expected tax treatment of the mergers as a "reorganization" for U.S. federal income tax purposes, as further described under "The Merger Material Federal Income Tax Consequences of the Mergers";

the opportunity for Standard shareholders to have increased liquidity upon receipt of First Midwest common stock in exchange for their shares of Standard common stock because Standard is a private company with no public trading market for its shares whereas First Midwest common stock trades on the NASDAQ Stock Market under the symbol "FMBI";

the reverse due diligence conducted on First Midwest during the negotiation of the transaction and its understanding of First Midwest's business, operations, financial condition, earnings and prospects;

the complementary aspects of the Standard and First Midwest businesses, including customer focus, geographic coverage, business orientation and historical relationships with borrowers and customers;

the similarity of Standard's and First Midwest's company cultures and their commitments to employees and other constituencies in the communities in which they operate, including the compatibility of the companies' management and operating styles;

First Midwest's understanding of Standard's business, operations, financial condition, earnings and prospects;

First Midwest's understanding of the current environment in the financial services industry, including national and regional economic conditions, regulatory environment, evolving trends in technology, increasing competition, the current financial market and regulatory conditions and the likely effects of these factors on the potential growth of Standard's and First Midwest's development, productivity, profitability and strategic options following the completion of the mergers;

the potential expense saving opportunities in connection with the merger, the related potential impact on the combined company's earnings, and the fact that Standard's shareholders would receive First Midwest common stock, which would allow former Standard shareholders to participate as First Midwest stockholders in the benefits of such savings opportunities and the future performance of the combined company generally;

the financial presentation of Standard's financial advisor, J.P. Morgan, to the Standard board of directors on June 27, 2016, and the delivery of the written opinion of J.P. Morgan, dated June 27, 2016, to the Standard board, to the effect that as of such date and based on and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken described in its opinion, the exchange ratio was fair, from a financial point of view, to holders of Standard common stock, as further described under " Opinion of Standard's Financial Advisor";

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the Standard board's evaluation, with the assistance of management and Standard's financial and legal advisors, of strategic alternatives available to Standard for facilitating liquidity and enhancing value over the long term for Standard shareholders and the potential risks, rewards and uncertainties associated with such alternatives, and the Standard board's belief that the proposed merger with First Midwest was the best option available to Standard and its shareholders;

the regulatory and other approvals required in connection with the merger, consideration of the relevant factors assessed by the regulators for the approvals and the parties' evaluation of those factors (including First Midwest's record of successfully receiving regulatory approvals for acquisitions), and the expectation that such approvals could be received in a reasonably timely manner and without the imposition of unacceptable conditions;

the course of negotiations of the merger agreement, the fiduciary duties of the board in negotiating and entering into the merger agreement, and the terms and conditions of the merger agreement, all of which it reviewed with its outside legal advisor;

the risk that the merger may not be consummated or that the closing may be unduly delayed, including as a result of factors outside either party's control;

the potential risk of diverting management attention and resources from the operation of Standard's business to the merger, and the possibility of employee attrition or adverse effects on client and business relationships as a result of the announcement and pendency of the merger;

the potential risks and costs associated with successfully integrating Standard's business, operations and workforce with those of First Midwest, including the risk of not realizing all of the anticipated benefits of the merger or not realizing them in the expected time frame; and

the other risks described under the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements".

Standard's board of directors believes that the merger and the merger agreement are fair to, and in the best interests of, Standard and its shareholders and recommends that the holders of Standard voting common stock vote **"FOR"** the merger proposal, holders of Standard non-voting common stock **"FOR"** the stock conversion proposal and all Standard shareholders vote **"FOR"** the Standard adjournment proposal (if necessary or appropriate). In considering the recommendation of the Standard board of directors, you should be aware that the directors and executive officers of Standard have interests in the merger that are different from, or in addition to, interests of shareholders of Standard generally and may create potential conflicts of interest. The Standard board of directors was aware of these interests and considered them when evaluating and negotiating the merger agreement, the merger and the other transactions contemplated by the merger agreement, and in recommending that holders of Standard voting common stock vote in favor of the merger proposal. See "The Merger Interests of Certain Persons in the Merger".

This discussion of the information and factors considered by the Standard board of directors includes the material factors considered by the board, but it is not intended to be exhaustive and may not include all the factors considered by the board. In view of the wide variety of factors considered, and the complexity of these matters, the Standard board of directors did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement. Rather, the Standard board of directors viewed its position and recommendation as being based on the totality of the information presented to and factors considered by it, including discussions with, and questioning of, Standard's management and its financial and legal advisors. In addition, individual members of the Standard board may have given differing weights to different factors.

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It should be noted that this explanation of the reasoning of the Standard board of directors and certain information presented in this section is forward-looking in nature and, therefore, that information should be read in light of the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements".

**Opinion of Standard's Financial Advisor**

Pursuant to an engagement letter dated February 18, 2016, Standard retained J.P. Morgan as its financial advisor in connection with the proposed merger.

On June 27, 2016, J.P. Morgan rendered its oral and written opinion to the board of directors of Standard that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Standard common stock.

**The full text of the written opinion of J.P. Morgan, dated June 27, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, is attached as *Appendix G* to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Standard shareholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the Standard board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the merger and was directed only to the exchange ratio in the proposed merger and did not address any other aspect of the merger. J.P. Morgan expressed no opinion as to the fairness of the consideration to the holders of any other class of securities, creditors or other constituencies of Standard or as to the underlying decision by Standard to engage in the merger. The issuance of J.P. Morgan's opinion was approved by a fairness opinion committee of J.P. Morgan. The opinion does not constitute a recommendation to any Standard shareholders as to how such shareholder should vote with respect to the proposed mergers or any other matter.**

In arriving at its opinion, J.P. Morgan, among other things:

reviewed a draft of the merger agreement dated June 24, 2016;

reviewed certain publicly available business and financial information concerning Standard and First Midwest and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration paid for such companies;

compared the financial and operating performance of Standard and First Midwest with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of First Midwest common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts relating to Standard prepared by the management of Standard and certain financial analyses and forecasts relating to First Midwest prepared by the management of First Midwest, as adjusted by the management of Standard, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the merger (the "Synergies"); and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

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In addition, J.P. Morgan held discussions with certain members of the management of Standard and First Midwest with respect to certain aspects of the merger, the past and current business operations of Standard and First Midwest, the financial condition, future prospects and operations of Standard and First Midwest, the expected effects of the merger on the financial condition and future prospects of Standard and First Midwest, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Standard or First Midwest or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify (and pursuant to its engagement letter did not assume any obligation to undertake any such independent verification) any such information or its accuracy or completeness. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities of Standard or First Midwest, nor did J.P. Morgan conduct any review of individual credit files of Standard or First Midwest or evaluate the solvency of Standard or First Midwest under any applicable laws relating to bankruptcy, insolvency or similar matters. J.P. Morgan is not an expert in the evaluation of loan and lease portfolios or assessing the adequacy of the allowances for losses with respect thereto and, accordingly, J.P. Morgan did not make an independent evaluation of the adequacy of the allowance for loan and lease losses of Standard or First Midwest and J.P. Morgan assumed, with Standard's consent, that the respective allowances for loan and lease losses for both Standard and First Midwest, respectively, are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, including the Synergies, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Standard and First Midwest to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. J.P. Morgan also assumed that the merger will qualify as a tax-free reorganization for United States federal income tax purposes and will be consummated as described in the merger agreement and this joint proxy statement/prospectus and that the definitive merger agreement would not differ in any material respect from the draft thereof provided to J.P. Morgan, that the representations and warranties made by Standard and First Midwest in the merger agreement and the related agreements were and will be true and correct in all respects material to its analysis, and that the potential exchange ratio adjustment for certain expenses related to environmental conditions and/or title defects with respect to Standard's real property will not result in any adjustment to exchange ratio that is material to its analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Standard with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the completion of the merger will be obtained without any adverse effect on Standard or First Midwest or on the contemplated benefits of the merger.

J.P. Morgan's opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. J.P. Morgan's opinion noted that subsequent developments may affect J.P. Morgan's opinion, and that J.P. Morgan does not have any obligation to update, revise or reaffirm its opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, of the exchange ratio in the proposed merger, and J.P. Morgan has expressed no opinion as to the fairness of any consideration to be paid in connection with the merger to the holders of any other class of securities, creditors or other constituencies of Standard or as to the underlying decision by Standard to engage in the merger. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to the exchange ratio applicable to the holders of Standard common stock in the proposed merger or with

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respect to the fairness of any such compensation. J.P. Morgan expressed no opinion as to the price at which First Midwest common stock will trade at any future time.

The terms of the merger, including the consideration, were determined through arm's-length negotiations between Standard and First Midwest, and the decision to enter into the merger agreement was solely that of the Standard board of directors and the First Midwest board of directors. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the Standard board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the Standard board of directors or management with respect to the proposed merger or the exchange ratio.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodology in rendering its opinion to the Standard board of directors and contained in the presentation delivered to the Standard board of directors in connection with rendering such opinion. The following summary, however, does not purport to be a complete description of the analyses or data presented by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. **The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary.** Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's analyses.

#### *Standard Public Trading Multiples Analysis*

Using publicly available information, J.P. Morgan compared selected financial and market data of Standard with similar data for selected publicly traded companies engaged in businesses which J.P. Morgan judged to be analogous to Standard. The companies selected by J.P. Morgan were:

1st Source Corporation;

First Merchants Corporation;

First Midwest;

MB Financial, Inc.;

PrivateBancorp, Inc.; and

Wintrust Financial Corporation.

Multiples were based on closing stock price on June 24, 2016. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' public filings and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information J.P. Morgan presented included:

multiple of price to estimated earnings per share for the fiscal year 2016 (Price/2016E EPS);

multiple of price to estimated earnings per share for the fiscal year 2017 (Price/2017E EPS);

multiple of price to tangible book value per share (Price/TBV); and

the 2017 estimated return on average tangible common equity (2017E ROATCE).

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In the case of MB Financial, the financial information was pro forma for a pending acquisition, and, in the case of Wintrust, the financial information was pro forma for an equity securities offering. Results of the analysis were presented for the selected companies, as indicated in the following table:

	Selected Companies' Median
Price/2016E EPS	14.3x
Price/2017E EPS	13.2x
Price/2016Q1 TBV	1.62x
2017E ROATCE	11.5%

J.P. Morgan also performed a regression analysis to review, for the selected companies identified above, the relationship between (i) Price/2016Q1 TBV and (ii) the 2017E ROATCE based on available estimates obtained from public filings, SNL Financial and FactSet Research Systems and Standard management projections. Based on this analysis, J.P. Morgan derived a reference range for the implied Price/2016Q1 TBV multiple of Standard common stock of 1.24x to 1.54x.

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 13.0x to 15.0x for Price/2016E EPS, 12.0x to 13.5x for Price/2017E EPS, and 1.24x to 1.54x for Price/2016Q1 TBV to Standard's management estimate of Standard's earnings for the fiscal years 2016 and 2017 and Standard's tangible book, respectively. The analysis indicated the following equity values per share of Standard common stock, as compared to the implied value of the merger consideration of \$7.28 per share of Standard common stock based on the closing price of First Midwest common stock on June 24, 2016 and \$7.75 per share of Standard common stock based on the 15-day volume weighted average price of First Midwest common stock through June 24, 2016:

	Equity Value Per Share
Price/2016E EPS	\$6.25 - \$7.05
Price/2017E EPS	\$6.36 - \$7.03
Price/2016Q1 TBV	\$6.22 - \$7.48

#### *Standard Dividend Discount Analysis*

J.P. Morgan calculated a range of implied values for Standard common stock by discounting to present value estimates of Standard's future dividend stream and terminal value. In performing its analysis, J.P. Morgan utilized, among others, the following assumptions, which were reviewed and approved by Standard management:

December 31, 2016 valuation date, which was discounted to June 24, 2016;

a terminal value based on 2027 estimated net income and a multiple range of 12.0x to 14.0x;

earnings and asset assumptions based on Standard management long-term projections for 2016-2019 and on growth rates provided by Standard management thereafter;

cost of excess capital of 2.0% (pre-tax);

35% marginal tax rate, based on Standard management projections;

dividends per share of \$0.19 in 2016 and increasing yearly to \$0.28 in 2019 with a constant 42.9% dividend payout ratio thereafter;

discount rates from 7.25% to 9.25%;



target tangible common equity to tangible assets ratio of 8.0%; and

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mid-year discounting convention.

These calculations resulted in a range of implied values of \$7.67 to \$9.36 per share of Standard common stock, as compared to the implied value of the merger consideration of \$7.28 per share of Standard common stock based on the closing price of First Midwest common stock on June 24, 2016 and \$7.75 per share of Standard common stock based on the 15-day volume weighted average price of First Midwest common stock through June 24, 2016, as illustrated by the following table:

Discount Rate	Terminal Multiple		
	12.0x	13.0x	14.0x
7.25%	\$ 8.66	\$ 9.01	\$ 9.36
8.25%	8.14	8.46	8.77
9.25%	7.67	7.96	8.24

***Sensitivity of Standard Dividend Discount Analysis to Variations in Target Tangible Common Equity to Tangible Assets Ratio***

J.P. Morgan also performed a dividend discount analysis to determine the sensitivity of Standard's equity value to variations in Standard's target tangible common equity to tangible assets ratio upward and downward from the assumed ratio of 8.0% referred to above. The analysis was based on a discount rate of 8.25% and indicated a range of equity values by varying the target tangible common equity to tangible assets ratio from 7.5% to 8.5%. The analysis indicated the following equity values per share of Standard common stock, as compared to the implied value of the merger consideration of \$7.28 per share of Standard common stock based on the closing price of First Midwest common stock on June 24, 2016 and \$7.75 per share of Standard common stock based on the 15-day volume weighted average price of First Midwest common stock through June 24, 2016:

Target Tangible Common Equity/Tangible Assets	Terminal Multiple		
	12.0x	13.0x	14.0x
7.5%	\$ 8.40	\$ 8.71	\$ 9.03
8.0%	8.14	8.46	8.77
8.5%	7.88	8.19	8.51

***First Midwest Public Trading Multiples Analysis***

Using publicly available information, J.P. Morgan compared selected financial and market data of First Midwest with similar data for selected publicly traded companies engaged in businesses which J.P. Morgan judged to be analogous to First Midwest. The companies selected by J.P. Morgan were:

1st Source Corporation;

Associated Banc-Corp;

First Merchants Corporation;

MB Financial, Inc.;

PrivateBancorp, Inc.; and

Wintrust Financial Corporation.

Multiples were based on closing stock price on June 24, 2016. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' public filings and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.



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With respect to the selected companies, the information J.P. Morgan presented included:

Price/2016E EPS;

Price/2017E EPS;

Price/2016Q1 TBV; and

2017E ROATCE.

In the case of MB Financial, the financial information was pro forma for a pending acquisition, and, in the case of Wintrust, the financial information was pro forma for an equity securities offering. Results of the analysis were presented for the selected companies, as indicated in the following table:

	Selected Companies' Median	First Midwest (Management Estimates, As Adjusted By Standard Management)	First Midwest (Street Estimates)
Price/2016E EPS	14.1x	14.8x	14.4x
Price/2017E EPS	13.2x	13.1x	12.8x
Price/2016Q1TBV	1.54x	1.59x	1.59x
2017E ROATCE	10.8%	11.1%	11.4%

J.P. Morgan also performed a regression analysis to review, for the selected companies identified above, the relationship between (i) Price/2016Q1 TBV and (ii) the 2017E ROATCE based on available estimates obtained from public filings, SNL Financial and FactSet Research Systems and First Midwest management projections as adjusted by Standard management. Based on this analysis, J.P. Morgan derived a reference range for the implied Price/2016Q1 TBV multiple of First Midwest common stock of 1.42x to 1.73x.

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 13.0x to 15.0x for Price/2016E EPS, 12.0x to 13.5x for Price/2017E EPS and 1.42x to 1.73x for Price/2016 Q1 TBV to First Midwest management's estimated earnings per share, as adjusted by Standard's management, for the fiscal years 2016 and 2017 and First Midwest's tangible book value per share, respectively. The analysis indicated the following equity values per share of First Midwest common stock, as compared to the closing price of First Midwest common stock of \$16.73 on June 24, 2016 and the 15-day volume weighted average price of First Midwest common stock through June 24, 2016 of \$17.82:

	Equity Value Per Share
Price/2016E EPS	\$14.67 - \$16.93
Price/2017E EPS	\$15.36 - \$17.28
Price/2016Q1 TBV	\$14.94 - \$18.19

#### *First Midwest Dividend Discount Analysis*

J.P. Morgan calculated a range of implied values for First Midwest common stock by discounting to present value estimates of First Midwest's future dividend stream and terminal value. In performing its analysis, J.P. Morgan utilized, among others, the following assumptions, which were reviewed and approved by Standard management:

December 31, 2016 valuation date, which was discounted to June 24, 2016;

a terminal value based on 2027 estimated net income and a multiple range of 12.0x to 14.0x;



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earnings and asset assumptions based on First Midwest management long-term projections, as adjusted by Standard management, for 2016-2018 and on growth rates provided by Standard management thereafter;

cost of excess capital of 2.0% (pre-tax);

35% marginal tax rate;

dividends per share of \$0.34 in 2016, \$0.43 in 2017 and \$0.46 in 2018 with a constant 32.8% dividend payout ratio thereafter;

discount rates from 7.25% to 9.25%;

target tangible common equity to tangible assets ratio of 8.0%; and

mid-year discounting convention.

These calculations resulted in a range of implied values of \$18.56 to \$23.56 per share of First Midwest common stock, as compared to the closing price of First Midwest common stock of \$16.73 on June 24, 2016 and the 15-day volume weighted average price of First Midwest common stock through June 24, 2016 of \$17.82 as illustrated by the following table:

Discount Rate	Terminal Multiple		
	12.0x	13.0x	14.0x
7.25%	\$ 21.52	\$ 22.54	\$ 23.56
8.25%	19.97	20.89	21.81
9.25%	18.56	19.39	20.23

#### *Sensitivity of First Midwest Dividend Discount Analysis to Variations in Target Tangible Common Equity to Tangible Assets Ratio*

J.P. Morgan also performed a dividend discount analysis to determine the sensitivity of First Midwest's equity value to variations in First Midwest's target beginning common equity ratio upward and downward from the assumed beginning ratio of 8.0% referred to above. The analysis used a discount rate of 8.25% and indicated a range of equity values by varying the target tangible common to tangible assets ratio from 7.5% to 8.5%. The analysis indicated the following equity values per share of First Midwest common stock:

Target Tangible Common Equity/Tangible Assets	Terminal Multiple		
	12.0x	13.0x	14.0x
7.5%	\$ 20.70	\$ 21.62	\$ 22.54
8.0%	19.97	20.89	21.81
8.5%	19.23	20.15	21.08

#### *Relative Valuation Analysis*

Based upon the implied valuations for each of Standard and First Midwest as derived above under "Standard Public Trading Multiples Analysis," " Standard Dividend Discount Analysis," " First Midwest Public Trading Multiples Analysis" and " First Midwest Dividend Discount Analysis," J.P. Morgan calculated a range of implied exchange ratios of a share of Standard common stock to an First Midwest common stock, and then compared that range of implied exchange ratios to the exchange ratio

For each of the analyses referred to above, J.P. Morgan calculated the ratio implied by dividing the low end of each range of implied equity values of Standard by the high end of each range of implied equity values of First Midwest. J.P. Morgan also calculated the ratio implied by dividing the high end of each range of implied equity values of Standard by the low end of each range of implied equity values of First Midwest.



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In each case, the implied exchange ratios were compared to the exchange ratio of 0.4350x and did not include any Synergies. This analysis indicated the following implied exchange ratios:

Comparison	Range of Implied Exchange Ratios
<b>Public Trading Multiple Analysis</b>	
Price/2016E EPS	0.3689x - 0.4804x
Price/2017E EPS	0.3681x - 0.4576x
Price/2016Q1 TBV	0.3419x - 0.5011x
<b>Dividend Discount Analysis</b>	0.3255x - 0.5041x
<i>Value Creation Analysis</i>	

At Standard management's direction and based on Standard management's projections, First Midwest's projections as adjusted by Standard's management, Standard and First Midwest public filings, SNL Financial and FactSet Research Systems, J.P. Morgan prepared a value creation analysis that compared the equity value of Standard (based on the dividend discount analysis) to the Standard shareholders' portion of the pro forma combined company equity value *plus* the aggregate cash consideration to be paid to holders of Standard stock options, Standard phantom stock and Standard stock settled rights. J.P. Morgan determined the pro forma combined company equity value by calculating (x) the sum of (i) the equity value of First Midwest derived using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in " First Midwest Dividend Discount Analysis," (ii) the equity value of Standard derived using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in " Standard Dividend Discount Analysis" (the "Standalone Value") and (iii) the estimated present value of expected Synergies, net of restructuring charges (using synergy net of restructuring charges amounts reviewed and approved by Standard management, the midpoint of a discount rate range of 7.25-9.25% and the midpoint of an exit multiple range of 12.0x-14.0x), less (y) the aggregate cash consideration to be paid to holders of stock options, phantom stock and stock settled rights of Standard in the merger. There can be no assurance that the Synergies and transaction-related expenses will not be substantially greater or less than the estimate described above. The value creation analysis, at the exchange ratio of 0.4350x with \$27 million of cash consideration to be paid to holders of stock options, phantom stock and stock settled rights of Standard, and cost savings of 40% of 2016E forecasted Standard non-interest expense, yielded accretion to the holders of Standard common stock of 15.3% or \$68 million in aggregate, as compared to the Standalone Value.

*Certain Other Information*

J.P. Morgan also reviewed and presented other information, solely for informational purposes, including:

information with respect to certain Midwest bank transactions with transaction values in excess of \$150 million since 2013, based on which information J.P. Morgan applied a reference range of transaction price to next 12 months (NTM) earnings per share multiples of 13.0x to 16.5x to Standard management's estimate of NTM earnings of \$24.8 million to derive a range of equity values per share of Standard common stock of \$6.39 to \$7.83;

historical trading prices of First Midwest common stock for the one-year period ending June 24, 2016 and for the period from November 11, 2015 (which is the date of J.P. Morgan's analyses that were presented to the Standard board of directors at its meeting on November 17, 2015, as described in "The Merger Background of the Merger" in this joint proxy statement/prospectus) through June 24, 2016;



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analyst share price targets for First Midwest common stock in recently published, publicly available research analysts' reports, with share price targets ranging from \$18.00 to \$21.00 and noting a median share price target of \$19.00.

*Miscellaneous*

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of Standard or First Midwest. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be acquired or sold. None of the selected companies reviewed as described in the above summary is identical to Standard or First Midwest, and none of the selected transactions reviewed is identical to the merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Standard or First Midwest, as applicable. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of J.P. Morgan's analysis, may be considered similar to the merger. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Standard and First Midwest and the transactions compared to the merger.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes. J.P. Morgan was selected to advise Standard with respect to the merger on the basis of, among other things, such experience and its qualifications and reputation in connection with such matters and its familiarity with Standard, First Midwest and the industries in which they operate.

For financial advisory services rendered in connection with the merger, Standard has agreed to pay J.P. Morgan a fee of 0.95% of the total consideration in the merger *plus* an additional 1.00% of any amount of consideration in excess of \$450 million, which includes the merger consideration to be issued to holders of Standard common stock and the cash to be paid to holders of Standard stock options, Standard phantom stock and Standard stock settled rights at the completion of the merger. Based on the closing stock price of First Midwest common stock on June 24, 2016, the J.P. Morgan fee would be approximately \$3.6 million, of which \$1 million was payable at the time J.P. Morgan delivered its opinion to the Standard board of directors and the remainder of which will become payable if the

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merger is consummated. In addition, Standard has agreed to reimburse J.P. Morgan for certain expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan for certain liabilities arising out of J.P. Morgan's engagement, including liabilities arising under the federal securities laws.

During the two years preceding the date of J.P. Morgan's opinion, J.P. Morgan and its affiliates have not had any other material financial advisory or other material commercial or investment banking relationships with Standard or First Midwest. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of First Midwest for its or their own accounts or for the accounts of customers and, accordingly, J.P. Morgan and its affiliates may at any time hold long or short positions in such securities. In addition, J. P. Morgan and its affiliates owned on a proprietary basis on June 27, 2016 less than 1% of the outstanding common stock of Standard and First Midwest.

**Material Federal Income Tax Consequences of the Mergers**

The following discussion addresses the material United States federal income tax consequences of the mergers to U.S. holders (as defined below) of Standard common stock. The discussion is based on the provisions of the Code, its legislative history, U.S. Treasury regulations, administrative rulings and judicial decisions, all as currently in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect) and all of which are subject to differing interpretations. Tax considerations under foreign, state, local or federal laws other than those pertaining to income tax are not addressed in this joint proxy statement/prospectus.

For purposes of this discussion, we use the term "U.S. holder" to mean a beneficial owner that is:

an individual citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;

a trust that (i) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

an estate that is subject to United States federal income taxation on its income regardless of its source.

This discussion applies only to Standard shareholders that hold their Standard common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment), and does not address all aspects of United States federal taxation that may be relevant to a particular U.S. holder in light of its personal circumstances or to U.S. holders subject to special treatment under the United States federal income tax laws, including:

financial institutions;

investors in pass-through entities;

persons liable for the alternative minimum tax;

insurance companies;

tax-exempt organizations;

dealers in securities or currencies;

traders in securities that elect to use a mark to market method of accounting;

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persons that hold Standard common stock as part of a straddle, hedge, constructive sale or conversion transaction;

regulated investment companies;

real estate investment trusts;

persons whose "functional currency" is not the U.S. dollar;

persons who are not citizens or residents of the United States; and

stockholders who acquired their shares of Standard common stock through the exercise of an employee stock option, as a restricted stock award, or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds Standard common stock, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partner and partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the mergers to them.

The actual tax consequences of the mergers to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult with your own tax advisor as to the tax consequences of the mergers in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

*Tax Consequences of the Mergers.* Based upon the facts and representations contained in the representation letters received from First Midwest and Standard in connection with the filing of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part, it is the opinion of Sullivan & Cromwell and Kirkland & Ellis, that the mergers will qualify as a reorganization within the meaning of Section 368(a) of the Code, and accordingly, the material United States federal income tax consequences will be as follows:

no gain or loss will be recognized by First Midwest or Standard as a result of the mergers;

no gain or loss will be recognized by shareholders of Standard who receive shares of First Midwest common stock in exchange for shares of Standard common stock pursuant to the merger (except for any gain or loss that may result from the receipt of cash in lieu of fractional shares of First Midwest common stock that the shareholder of Standard would otherwise be entitled to receive as discussed below under "Cash Received In Lieu of a Fractional Share of First Midwest Common Stock");

the aggregate basis of the First Midwest common stock received in the merger will be the same as the aggregate basis of the Standard common stock for which it is exchanged, decreased by any basis attributable to fractional share interests in First Midwest common stock for which cash is received; and

the holding period of First Midwest common stock received in exchange for shares of Standard common stock will include the holding period of the Standard common stock for which it is exchanged.

If U.S. holders of Standard common stock acquired different blocks of shares of Standard common stock at different times or at different prices, such holders' basis and holding period may be determined with reference to each block of Standard common stock. Any such holders should consult their tax advisors regarding the manner in which First Midwest common stock received in the exchange should be allocated among different blocks of Standard common stock and with respect to identifying the bases or holding periods of the particular shares of First Midwest common stock received in the merger.



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It is a condition to Standard's obligation to complete the merger that Standard receives a written opinion of its counsel, Kirkland & Ellis, dated as of the closing date, to the effect that the mergers will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to First Midwest's obligation to complete the merger that First Midwest receives an opinion of its counsel, Sullivan & Cromwell, dated as of the closing date, to the effect that the mergers will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on the assumption that the merger will be completed in the manner set forth in the merger agreement and the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part, and on representation letters provided by First Midwest and Standard to be delivered at the time of the closing. Those opinions will also be based on the assumption that the representations found in the representation letters are, as of the effective time, true and complete without qualification and that the representation letters are executed by appropriate and authorized officers of First Midwest and Standard. If any of the assumptions or representations upon which such opinions are based is inconsistent with the actual facts with respect to the mergers, the United States federal income tax consequences of the mergers could be adversely affected.

In addition, neither of the tax opinions given in connection with the merger or in connection with the filing of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part will be binding on the Internal Revenue Service or any court. Neither First Midwest nor Standard intends to request any ruling from the Internal Revenue Service as to the United States federal income tax consequences of the mergers, and consequently, there is no guarantee that the Internal Revenue Service will treat the merger as a "reorganization" within the meaning of Section 368(a) of the Code or that a court would not sustain a position to the contrary to any of the positions set forth herein.

*Cash Received In Lieu of a Fractional Share.* A U.S. holder of Standard common stock who receives cash in lieu of a fractional share of First Midwest common stock will be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in a redemption by First Midwest. As a result, such U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest as set forth above. This gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, such U.S. holder's holding period for such shares is greater than one year. For U.S. holders of Standard common stock that are non-corporate holders, long-term capital gain generally will be taxed at a U.S. federal income tax rate that is lower than the rate for ordinary income or for short-term capital gains. In addition, net investment income of certain high-income taxpayers may also be subject to an additional 3.8% tax (i.e., the net investment income tax). The deductibility of capital losses is subject to limitations. See the above discussion regarding blocks of stock that were purchased at different times or at different prices.

*Backup Withholding and Information Reporting.* Payments of cash to a U.S. holder of Standard common stock pursuant to the merger are subject to information reporting and may, under certain circumstances, be subject to backup withholding, unless such shareholder provides First Midwest with its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder of Standard common stock under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against such U.S. holder's federal income tax liability; provided that such U.S. holder timely furnishes the required information to the Internal Revenue Service.

A U.S. holder of Standard common stock who receives First Midwest common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder of Standard common stock who is required to file a U.S. federal income tax return and who is a "significant holder" that receives First Midwest common stock in the merger will be required to file a statement with such U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3 setting forth information regarding the parties to the merger, the date of the merger, such holder's

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basis in the Standard common stock surrendered and the fair market value of First Midwest common stock and cash received in the merger. A "significant holder" is a holder of Standard common stock who, immediately before the merger, owned at least 1% of the outstanding stock of Standard or securities of Standard with a basis for federal income tax purposes of at least \$1 million.

**The preceding discussion is intended only as a summary of material United States federal income tax consequences of the mergers. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the mergers, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws.**

**Accounting Treatment**

First Midwest will account for the merger as a purchase by First Midwest of Standard under GAAP. Under the purchase method of accounting, the total consideration paid in connection with the merger is allocated among Standard's assets, liabilities and identified intangibles based on the fair values of the assets acquired, the liabilities assumed and the identified intangibles. The difference between the total consideration paid in connection with the merger and the fair values of the assets acquired, the liabilities assumed and the identified intangibles, if any, is allocated to goodwill. The results of operations of Standard will be included in First Midwest's results of operations from the date of acquisition.

**Interests of Certain Persons in the Merger**

*General*

In considering the recommendations of Standard's board of directors with respect to the mergers, you should be aware that certain directors and executive officers of Standard and/or SB&T have agreements or arrangements that provide them with interests in the merger, including financial interests, that may be different from, or in addition to, the interests of the other shareholders of Standard. Standard's board of directors was aware of these interests during its deliberations of the merits of the merger and in determining to recommend that holders of Standard voting common stock vote in favor of the merger proposal (and thereby approve the transactions contemplated by the merger agreement, including the merger) and that holders of Standard non-voting common stock vote in favor of the stock conversion proposal. These interests are described in more detail below, and certain of them are quantified in the narrative below.

*Stock Ownership*

As of August 19, 2016, Standard's directors and executive officers beneficially owned, in the aggregate, 19,049,236 shares of Standard voting common stock, representing approximately 50.2% of the outstanding shares of Standard voting common stock, and 9,606,623 shares of Standard non-voting common stock, representing approximately 92.1% of the outstanding shares of Standard non-voting common stock. For more information, see "Security Ownership of Certain Standard Beneficial Owners and Management".

*Treatment of Standard Equity-Based Awards*

*Stock Options.* To the extent a director or executive officer of Standard and/or SB&T holds outstanding Standard stock options, upon completion of the merger, such Standard stock options, whether vested or unvested, will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, minus the applicable exercise price of such outstanding Standard stock

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option, multiplied by the number of shares of Standard common stock covered by such outstanding Standard stock option as discussed in the "The Merger Merger Consideration". As of the date of the merger agreement, directors and executive officers of Standard and SB&T, as a group, held 4,681,940 outstanding Standard stock options, and, assuming the closing of the merger occurred on June 28, 2016 and merger consideration of \$7.43 per share of Standard common stock (based on the volume-weighted average price per share of First Midwest common stock as quoted on NASDAQ over the first five business days following the first public announcement of the merger on June 28, 2016 multiplied by 0.435, the exchange ratio), with an estimated aggregate net cash value of approximately \$14,708,358. In the event that the exercise price of any such Standard stock option outstanding immediately prior to the completion of the merger is greater than the merger consideration value per share, no cash payment or other consideration for such Standard stock option will be due or payable in respect thereof and such Standard stock option will be cancelled as of the completion of the merger. It is anticipated that Messrs. Kelley and Gallagher will receive accelerated vesting and payout of outstanding Standard stock options upon completion of the merger, as described below in " Employment Agreements and Selected Standard Director and Executive Officer Compensation".

*Stock Option Special Cash Payment.* To the extent a director or executive officer of Standard and/or SB&T holds outstanding Standard stock options, upon completion of the merger, such director or executive officer will be entitled to a special cash payment of \$0.10 per Standard stock option that is unvested as of immediately prior to completion of the merger. It is estimated that upon completion of the merger, special cash payments to directors and executive officers will total approximately \$310,405. It is anticipated that Messrs. Kelley and Gallagher will receive special cash payments related to the acceleration of their outstanding Standard stock options upon completion of the merger, as described below in " Employment Agreements and Selected Standard Director and Executive Officer Compensation".

*Phantom Stock.* To the extent a director or executive officer of Standard and/or SB&T holds Standard phantom stock, upon completion of the merger, each outstanding share or fractional share of Standard phantom stock will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, or an equivalent fraction thereof in the case of fractional shares of phantom stock.

*Other Compensation Matters*

*Bonus Deferral Plan.* Other than James Carroll and Matthew Dana, all of Standard and SB&T's executive officers are participants in the SB&T Bonus Deferral Plan, which provides for mandatory deferral of one-third of the annual bonuses of \$50,000 or more awarded under the SB&T Annual Incentive Compensation Plan. Under the SB&T Bonus Deferral Plan, deferred amounts vest ratably over two years. Upon the completion of the merger, all unvested participant accounts will immediately vest and be paid out within 30 days of vesting. It is anticipated that Messrs. Kelley and Gallagher will receive payout of their accounts in the SB&T Bonus Deferral Plan upon completion of the merger, as described below in " Employment Agreements and Selected Standard Director and Executive Officer Compensation".

*Non-Qualified Deferred Compensation Plan.* Other than Mr. Beaty, Thomas Marvinac and Messrs. Carroll and Dana, all of Standard and SB&T's executive officers are participants in the Standard Bancshares, Inc. Non-Qualified Deferred Compensation Plan, which provides for elective compensation deferrals and company contributions. In accordance with the merger agreement, it is anticipated that this plan will be terminated upon the completion of the merger, and all accounts will be paid out promptly after the completion of the merger. It is anticipated that Messrs. Kelley and Gallagher will receive payout of their accounts in the Standard Bancshares, Inc. Non-Qualified



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Deferred Compensation Plan upon completion of the merger, as described below in " Employment Agreements and Selected Standard Director and Executive Officer Compensation".

*Stay Bonuses.* Standard has entered into a stay bonus agreement with one SB&T executive officer, Mr. Marvinac, which provides for a cash payment of \$55,000 in return for continued service with Standard through the completion of the merger, and following the merger, with First Midwest and/or First Midwest Bank until the later of 120 days after the completion of the merger or February 28, 2017.

*Employment Agreements and Selected Standard Director and Executive Officer Compensation*

Standard is party to two employment agreements: (i) with its President and CEO, Mr. Kelley, and (ii) with its Chairman, Mr. Gallagher (whom we will refer to both individually and collectively as the "senior executive"). The employment agreements provide for certain severance benefits in the event the senior executive's employment is terminated by Standard without cause or by the senior executive for good reason. Good reason includes a materially adverse assignment of duties inconsistent with the senior executive's position, authority, duties or responsibilities, a material reduction in annual base salary or target bonus opportunity (other than a reduction generally applicable to all senior executive officers or as required by a regulator's final order, and in the case of annual base salary, a reduction of not more than 20%), or a requirement for the senior executive to relocate, in the case of Mr. Kelley, to an office 15 miles or more from Mr. Kelley's current office location and his principal residence, and in the case of the Mr. Gallagher, to any other office or location other than Mr. Gallagher's current office. In the event of a qualifying termination, among other benefits, the senior executive would be entitled to one times his base salary *plus* one-twelfth of his base salary if terminated without 30 days' notice, *plus* his pro-rated annual bonus, if earned based on actual performance. In addition, as described above under " Treatment of Standard Equity-Based Awards," the senior executives will receive accelerated vesting of any outstanding Standard stock options at the completion of the merger, which to the extent not otherwise exercised, such Standard stock options will be converted to cash, as discussed in "The Merger Agreement Merger Consideration". The merger will constitute a change in control under the employment agreements.

As a result, if Mr. Kelley has a qualifying termination under his employment agreement in 2016, he would be entitled to a severance payment equal to approximately \$480,000 in base salary *plus* \$288,000 target bonus opportunity for 2016 (pro-rated based on when the termination date falls within the calendar year), if earned, subject to potential reduction for compliance with Code section 280G. In addition, he would be entitled to company paid health insurance coverage for the greater of 12 months or the remainder of his term of employment, but not more than 36 months. Mr. Kelley would be subject to non-competition and non-solicitation restrictions for 18 months following termination of employment for any reason. Further, upon the completion of the merger, Mr. Kelley would receive, (i) a cash payment or stock resulting from the respective cancellation or exercise of his Standard stock options for the purchase of shares of Standard common stock in the estimated net amount of \$5,583,667, (ii) a special cash payment related to the acceleration of his outstanding Standard stock options of approximately \$117,725, (iii) automatic vesting and payment of the unvested portion of company contributions to his bonus deferral account worth approximately \$130,639, and (iv) accelerated vesting and payout of his accounts upon termination of the Standard Bancshares, Inc. Non-Qualified Deferred Compensation Plan, as contemplated by the merger agreement, in the amount of \$32,228, each as described above in " Treatment of Standard Equity-Based Awards" and " Other Compensation Matters".

If Mr. Gallagher has a qualifying termination under his employment agreement in 2016, he would be entitled to a severance payment equal to approximately \$299,000 in base salary *plus* \$179,000 target bonus opportunity for 2016 (pro-rated based on when the termination date falls within the calendar year), if earned, subject to potential reduction for compliance with Code section 280G. In addition, he

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would be entitled to company paid health insurance coverage for the greater of 12 months or the remainder of his term of employment, but not more than 36 months. Mr. Gallagher would be subject to non-competition and non-solicitation restrictions for 18 months following termination of employment for any reason. Further, upon the occurrence of a change in control, Mr. Gallagher would receive, (i) a cash payment or stock resulting from the respective cancellation or exercise of his Standard stock options for the purchase of shares of Standard common stock in the estimated net amount of \$719,306, (ii) a special cash payment related to the acceleration of his outstanding Standard stock options of approximately \$15,271, (iii) automatic vesting and payment of the unvested portion of company contributions to his bonus deferral account worth approximately \$80,199, and (iv) accelerated vesting and payout of his accounts upon termination of the Standard Bancshares, Inc. Non-Qualified Deferred Compensation Plan, as contemplated by the merger agreement, in the amount of \$23,070, each as described above in " Treatment of Standard Equity-Based Awards" and " Other Compensation Matters".

In connection with the execution of the merger agreement, First Midwest and Mr. Kelley entered into an employment agreement with respect to Mr. Kelley's proposed employment by First Midwest Bank as its Market President of the Southern Region of Illinois and his compensation arrangements, that will become effective immediately following the completion of the merger. The employment agreement provides for the termination of his existing employment agreement with Standard as described above, following the merger. The proposed compensation arrangements for Mr. Kelley as an employee of First Midwest include an initial annual base salary of \$300,000, participation in First Midwest's customary short-term cash incentive compensation and long-term equity incentive compensation programs, perquisites of up to \$20,000 annually, as well as participation in other customary employee benefits for employees at Mr. Kelley's level. Mr. Kelley will be eligible to receive initial awards in 2017 under the short-term and long-term compensation programs at target levels of 40% and 35% of his annual base salary, respectively. In addition, First Midwest and Mr. Kelley entered into a confidentiality and restrictive covenants agreement, which in addition to other obligations contained therein, provides for a non-solicitation of First Midwest customers and employees and a non-competition restriction for a period of 24 months, to be reduced by each full month Mr. Kelley serves as an employee of First Midwest beyond 24 months, up to a maximum reduction of 12 months following termination of his employment. In addition to Mr. Kelley's proposed employment by First Midwest Bank as its Market President of the Southern Region of Illinois, it is anticipated that upon the closing of the mergers, Mr. Kelley will serve on the board of directors of First Midwest Bank, but will not receive any additional compensation for such board service.

In recognition of the cancellation of Mr. Kelley's existing employment agreement with Standard, his agreement to enter into a new confidentiality and restrictive covenants agreement, and as a retention incentive, the new employment agreement with First Midwest will provide for a cash payment to Mr. Kelley by First Midwest of \$250,000 following the merger and for a restricted stock award by First Midwest having a grant date value of \$335,000 and a vesting period of three years. Under Mr. Kelley's employment agreement with First Midwest, he is also entitled to receive an aggregate amount equal to 100% of the severance benefit Mr. Kelley would have been entitled to receive upon a qualifying termination in connection with the merger under the terms of his existing employment agreement with Standard, comprised of the following amounts: (i) a lump sum payment of \$480,000; (ii) an amount equal to the pro-rated bonus payable under the SB&T Annual Incentive Compensation Plan for the year in which the completion of the merger occurs, based on achievement of pre-determined annual performance goals; and (iii) an amount equal to 12 months of health insurance coverage at the existing rate applicable to Mr. Kelley as of immediately prior to the completion of the merger for Mr. Kelley and his dependents.

In connection with the execution of the merger agreement, two other SB&T executive officers, Kelly Beaty and Robert Kelly, entered into employment agreements with First Midwest setting forth

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the terms and conditions of employment with First Midwest Bank following the merger, in addition to new confidentiality and restrictive covenants agreements. As such, following the merger and employment with First Midwest, Messrs. Beaty and Kelly will not be entitled to any cash termination payments under the severance policy described below. The terms and conditions of the employment agreements include base salaries of \$240,000 for Mr. Beaty and \$262,500 for Mr. Kelly, and participation in First Midwest's short-term and long-term incentive programs. In recognition of their individual agreements to enter into a new confidentiality and restrictive covenants agreement, and as a retention incentive, the new employment agreements with First Midwest provide for a cash payment to Messrs. Beaty and Kelly by First Midwest of \$50,000 each and for restricted stock awards by First Midwest having a grant date value of \$100,000, each, and a vesting period of three years.

*Potential Severance Payments and Benefits to Executive Officers*

SB&T maintains a severance policy applicable to all employees with one year or more of service with SB&T, including those executive officers who do not have employment agreements with Standard. Executive officers with employment agreements are eligible to receive severance under those agreements, as described above under " Employment Agreements and Selected Standard Director and Executive Officer Compensation".

Under the SB&T severance policy, in the event that (i) an eligible executive officer's employment is terminated by SB&T due to a reduction in force, downsizing or change in company business strategy, whether before or after the completion of the merger, or (ii) during the one-year period following the completion of the merger, if an eligible executive officer resigns from employment following either (a) a reduction of 10% or more in base salary or (b) a requirement to relocate to an office more than 25 miles from the executive officer's current office location, each within 30 days after the occurrence of such reduction in base salary or requirement to relocate, then the executive officer will be entitled to the following compensation and benefits under the severance policy:

one week of severance for each full year of service up to a maximum of 26 weeks' severance pay, subject to a minimum of four weeks of severance pay;

all accrued, unused vacation days through the date of the executive officer's termination of employment;

commissions earned as of the date of the executive officer's termination of employment will be paid in accordance with the terms of the applicable commission plan; and

a lump sum payment (less applicable taxes) paid to those electing continued COBRA coverage equal to the amount by which the COBRA premium for medical and dental continuation coverage for the first three months of such COBRA coverage exceeds the amount the executive officer would pay for such coverage if still employed.

*Indemnification and Insurance*

The merger agreement provides that, upon completion of the merger, First Midwest will indemnify, defend and hold harmless the directors and officers of Standard and SB&T (when acting in such capacity) against all costs and liabilities arising out of actions or omissions occurring at or before the completion of the merger, in accordance with Standard's restated certificate of incorporation and amended and restated by-laws to the extent permitted by law.

The merger agreement also provides that for a period of six years after the merger is completed, First Midwest will maintain directors' and officers' liability insurance that provides at least the same coverage and amounts, and contains terms and conditions no less advantageous, as that portion of coverage currently provided by Standard that serves to reimburse the present and former officers and directors of Standard and/or SB&T with respect to claims against such directors and officers arising from facts or events which occurred before the completion of the merger, provided that the total premium therefor is not in excess of 250% of the last annual premium paid prior to the date of the merger agreement.

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**THE MERGER AGREEMENT**

*The following discussion describes the material provisions of the merger agreement. We urge you to read the merger agreement, which is attached as Appendix A and incorporated by reference in this joint proxy statement/prospectus, carefully and in its entirety. The description of the merger agreement in this joint proxy statement/prospectus has been included to provide you with information regarding its terms. The merger agreement contains representations and warranties made by and to the parties thereto as of specific dates. The statements embodied in those representations and warranties were made for purposes of that contract between the parties and are subject to qualifications and limitations agreed by the parties in connection with negotiating the terms of that contract. In addition, certain representations and warranties were made as of a specified date, may be subject to a contractual standard of materiality different from those generally applicable to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts.*

**Structure**

Subject to the terms and conditions of the merger agreement, Merger Sub will merge with and into Standard, with Standard being the surviving company, and immediately thereafter and as part of a single integrated transaction, Standard will merge with and into First Midwest, with First Midwest being the surviving company. As a result, the separate existence of Standard will terminate. Following the parent merger at such time as First Midwest may determine in its sole discretion, SB&T will merge with and into First Midwest Bank. First Midwest Bank will be the surviving bank and will continue its corporate existence as a commercial bank organized under the laws of the State of Illinois.

**Merger Consideration**

In connection with the merger, Standard shareholders will receive for each share of Standard voting common stock and Standard non-voting common stock they hold immediately prior to the completion of the merger 0.435 of a fully paid and non-assessable share of First Midwest common stock. However, if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total cost to remediate and/or cure such conditions or defects (after taking into account any tax credits, deductions or benefits or insurance coverage, in each case, that the parties agree are reasonably likely to be available) is greater than \$2,000,000, the exchange ratio will be reduced by an amount equal to (i) the lesser of (x) the real property adjustment amount and (y) \$8,000,000, *divided by* (ii) the fully diluted number of shares of Standard common stock immediately prior to the effective time of the merger, *divided by* (iii) the First Midwest common stock 15-day VWAP. If the real property adjustment amount exceeds \$8,000,000, First Midwest may terminate the merger agreement.

Upon completion of the merger, each outstanding Standard stock settled right will be redeemed at a redemption price equal to the amount by which the following clause (1) exceeds clause (2), where: (1) is the sum of (x) the product of the exchange ratio and \$17.99 and (y) all cash dividends paid on a share of Standard common stock from February 22, 2013 until the effective time of the merger (which as of the date of this joint proxy statement/prospectus is \$[           ]); and (2) is \$4.65, accreting on a daily basis at a rate of 12% from February 22, 2013 until three days after the date on which (A) First Midwest has received all required regulatory approvals, (B) Standard has received all required approvals from its shareholders and (C) Standard has otherwise satisfied or is capable of satisfying its conditions to closing the merger (which accretion as of the date of this joint proxy statement/prospectus results in a value of \$[           ]).

Upon completion of the merger, each outstanding Standard stock option will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, minus the applicable

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exercise price per share of such outstanding Standard stock option. In the event that the exercise price of any Standard stock option outstanding immediately prior to the completion of the merger is greater than or equal to the merger consideration value per share, no cash payment or other consideration for such Standard stock option will be due or payable in respect thereof and such Standard stock option will be cancelled as of the completion of the merger. In addition, upon completion of the merger, each outstanding share or fractional share of Standard phantom stock will be cancelled and terminated in exchange for the right to receive cash, without any interest and subject to any required withholding tax, in an amount equal to the merger consideration value per share, or an equivalent fraction thereof in the case of fractional shares of Standard phantom stock.

The exchange ratio is subject to adjustment if First Midwest changes the number or kind of shares of its common stock outstanding by way of stock split, stock dividend, recapitalization, reclassification, reorganization or similar transaction.

**Conversion of Shares; Exchange of Certificates; Fractional Shares**

*Conversion.* The conversion of Standard common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger.

*Exchange Procedures.* Prior to the completion of the merger, First Midwest will deposit with its transfer agent or with a depository or trust institution of recognized standing selected by it and reasonably satisfactory to Standard, which we refer to as the "exchange agent," (i) evidence of shares in book-entry form or, if requested by any holder of certificates formerly representing shares of Standard common stock, certificates, representing the shares of First Midwest common stock to be issued under the merger agreement and (ii) cash payable as part of the merger consideration and instead of any fractional shares of First Midwest common stock to be issued under the merger agreement. At or before completion of the merger, First Midwest will also deposit with the exchange agent an amount in cash equal to the aggregate cash payable to holders of Standard stock settled rights. As promptly as reasonably practicable after the effective time of the merger, the exchange agent will (i) provide Standard shareholders with instructions in order to exchange their shares of Standard common stock for the merger consideration to be received in the merger pursuant to the terms of the merger agreement and (ii) deliver to each person who was, immediately prior to the effective time of the merger, a holder of Standard stock settled rights, a check representing the aggregate stock settled rights redemption price that such holder has the right to receive pursuant to the terms of the merger agreement. No interest will accrue or be paid with respect to any property to be delivered upon surrender of Standard common stock or any cash delivered with respect to the redemption price of Standard stock settled rights.

If any First Midwest common stock is to be issued, or cash payment made, in a name other than that in which the Standard common stock surrendered in exchange for the merger consideration is registered, the Standard common stock surrendered must be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form of transfer, and the person requesting the exchange must pay any transfer or other similar taxes required by reason of the issuance of the new First Midwest common stock or the payment of the cash consideration in a name other than that of the registered holder of the Standard common stock surrendered, or must establish to the reasonable satisfaction of First Midwest and the exchange agent that any such taxes have been paid or are not applicable.

*Dividends and Distributions.* Until your Standard common stock is surrendered for exchange, any dividends or other distributions declared after the effective time with respect to First Midwest common stock into which shares of Standard common stock may have been converted will accrue but will not be paid. When such Standard common stock has been duly surrendered, First Midwest will pay any unpaid dividends or other distributions, without interest. After the effective time, there will be no transfers on

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the stock transfer books of Standard of any shares of Standard common stock. If shares of Standard common stock are presented for transfer after the completion of the merger, they will be cancelled and exchanged for the merger consideration into which the shares of Standard common stock have been converted.

*Withholding.* The exchange agent will be entitled to deduct and withhold from the merger consideration payable to any Standard shareholder the amounts it is required to deduct and withhold under any federal, state, local or foreign tax law. If the exchange agent withholds any amounts, these amounts will be treated for all purposes of the merger as having been paid to the stockholders from whom they were withheld.

*No Fractional Shares Will Be Issued.* First Midwest will not issue fractional shares of First Midwest common stock in the merger. There will be no dividends or distributions with respect to any fractional shares of common stock or any voting or other rights with respect to any fractional shares of common stock. Instead of fractional shares of First Midwest common stock, First Midwest will pay, as soon as reasonably practicable following the effective time of the merger, to each Standard shareholder an amount in cash for the cash value of any fractional shares based on the First Midwest common stock 15-day VWAP.

*Lost, Stolen or Destroyed Standard Common Stock Certificates.* If you have lost a certificate representing Standard common stock, or it has been stolen or destroyed, First Midwest will issue to you the common stock or cash payable under the merger agreement if you submit an affidavit of that fact and, if requested by First Midwest, if you post bond in a customary amount as indemnity against any claim that may be made against First Midwest about ownership of the lost, stolen or destroyed certificate.

For a description of First Midwest common stock and a description of the differences between the rights of Standard shareholders and First Midwest stockholders, see "Description of First Midwest Capital Stock" and "Comparison of Stockholder Rights".

**Effective Time**

We plan to complete the merger on a business day designated by First Midwest, and consented to by Standard, that is within 30 days after the satisfaction or waiver of the last remaining conditions to the merger, other than those conditions that by their nature are to be satisfied at the closing, but subject to the fulfillment or waiver of those conditions. The time the merger is completed is the effective time of the merger. See " Conditions to Completion of the Merger".

We anticipate that we will complete the merger during the fourth quarter of 2016 or the first quarter of 2017. However, completion could be delayed if there is a delay in obtaining the necessary regulatory approvals or for other reasons. There can be no assurances as to if or when these approvals will be obtained or as to whether or when the merger will be completed. If we do not complete the merger by June 28, 2017, either party may terminate the merger agreement without penalty, unless the failure to complete the merger by this date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its obligations under the merger agreement. See " Conditions to Completion of the Merger" and " Regulatory Approvals Required for the Mergers".

**Representations and Warranties**

The merger agreement contains representations and warranties of First Midwest and Standard, to each other, as to, among other things:

the corporate organization and existence of each party and its subsidiaries and the valid ownership of its significant subsidiaries;

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the capitalization of each party;

the authority of each party and its subsidiaries to enter into the merger agreement (and any other agreement contemplated thereby) and the enforceability of the merger agreement against each party;

the fact that the merger agreement does not violate or breach the certificate of incorporation and by-laws of each party, applicable law, and agreements, instruments or obligations of each party;

governmental approvals and other consents and approvals in connection with the merger;

regulatory investigations and orders;

each party's financial statements and filings with applicable regulatory authorities;

the absence of material changes in each party's business since December 31, 2015;

environmental matters;

enforceability and validity of loans;

employee benefit plans and related matters;

the absence of litigation;

each party's compliance with applicable law;

sufficiency of each party's internal controls; and

each party's relationships with financial advisors.

In addition, the merger agreement contains representations and warranties of Standard to First Midwest as to, among other things:

the absence of undisclosed obligations or liabilities;

the validity of, and the absence of material defaults under its material contracts;

the inapplicability to the merger and voting agreements and the transactions contemplated thereby of state anti-takeover laws and certain provisions of Standard's certificate of incorporation;

title and interest in property;

accuracy of books and records and compliance with policies, practices and procedures;

intellectual property;

its trust business;

material interests of officers and directors or their associates;

adequacy of insurance coverage;

interest rate risk management instruments;

its employment contracts;

labor matters;

the filing and accuracy of material tax returns, and the tax treatment of the mergers;

sufficiency of its assets to conduct its business;



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collateralized debt obligations; and

its mortgage banking activities.

In addition, the merger agreement contains representations and warranties of First Midwest to Standard as to, among other things:

availability of funds to complete the transactions contemplated by the merger agreement;

no ownership of Standard common stock; and

ownership and operation of Merger Sub.

**Conduct of Business Pending the Merger**

Standard has agreed that, except as expressly contemplated by the merger agreement, or as disclosed in writing prior to the signing of the merger agreement or as directed in writing by any governmental authority, it will not, and will not agree to, without First Midwest's consent:

conduct its business other than in the ordinary and usual course;

fail to use commercially reasonable efforts to preserve intact its business organizations, assets and other rights, and its existing relations with customers and other parties;

enter into any new line of business, materially change its banking and operating policies, except as required by law or policies imposed by regulatory authorities or close, sell, consolidate or relocate or materially alter any of its branches, loan production offices or other significant offices or operations facilities of it or its subsidiaries;

offer promotional pricing with respect to any product or service other than in the ordinary course of business and on commercially reasonable terms;

book certain "brokered deposits";

purchase securities other than short-term securities issued by the U.S. or any U.S. government agencies;

make any capital expenditures in excess of specified amounts;

enter into, terminate, amend, modify or renew any material contract;

make, renew, amend, extend the term of, extend the maturity of or grant the forbearance of any extension of credit involving a total credit relationship in excess of \$2,500,000 with any single borrower and its affiliates or related parties or, other than in compliance with existing credit policies and procedures, enter into, renew or amend any interest rate instrument;

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unless required by law, make, change or revoke any material tax election, file any amended tax return, enter into any closing agreement, settle any material tax claim or assessment, or surrender any right to claim a material refund of taxes;

settle any action, suit, claim or proceeding against it, other than in the ordinary course of business in an amount not in excess of \$100,000 individually or \$250,000 in the aggregate and that would not impose any material restriction on Standard's or its subsidiaries' business;

adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, convert or liquidate any of its own stock;

make, declare, pay or set aside for payment any dividend or distribution on any shares of its stock, except for cash dividends from SB&T to Standard to cover operating expenses and

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Standard's regular quarterly dividend subject to certain conditions consistent with the merger agreement, as described under "Price Range of Common Stock and Dividends";

except for the issuance of common stock pursuant to already outstanding Standard stock options, issue, sell, grant, transfer or dispose of or encumber, or authorize or propose the creation of, any additional shares of capital stock;

grant stock options, stock appreciation rights, performance shares, restricted stock units, restricted stock or other equity-based awards or interests, or grant any person any right to acquire any shares of capital stock;

sell, transfer, mortgage, encumber or otherwise dispose of any loans, securities, assets, deposits, business or properties, except in a nonmaterial transaction in the ordinary course of business;

acquire the loans, securities, real property, equity, business, deposits or properties of any other entity or make a contribution of capital to any other person, other than a wholly owned subsidiary, except in various specified transactions in the ordinary course of business;

communicate with its, officers or employees regarding compensation or benefits matters affected by the transaction, except as permitted by the merger agreement;

other than in the ordinary course of business, incur any indebtedness for borrowed money that can be prepaid at any time without penalty, assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, other than indebtedness of Standard or any of its wholly owned subsidiaries to Standard or any of its subsidiaries;

merge or consolidate itself or any of its significant subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve itself or any of its significant subsidiaries;

knowingly take, or knowingly fail to take, any action that would, or is reasonably likely to, prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or knowingly take, or knowingly fail to take, any action that is reasonably likely to result in material delay in the satisfaction of any of the conditions to the merger or in such conditions not being satisfied in a timely manner, including merge or consolidate itself or any of its significant subsidiaries where it or the subsidiary is not the surviving entity, or any action that is reasonably likely to materially impair its ability to perform its obligations under the merger agreement or to complete the transactions contemplated thereby, except as required by applicable law;

amend its articles of incorporation or by-laws;

change its accounting principles, practices or methods, except as required by GAAP;

engage in or conduct any building, demolition, remodeling or material modifications or alterations to any of its business premises, unless required by applicable law or to comply with the merger agreement, or fail to use commercially reasonable efforts to maintain its business premises or other assets in substantially the same condition;

acquire or otherwise become the owner of any real property by way of foreclosure or in satisfaction of a debt previously contracted without first obtaining an appropriate Phase I environmental site assessment and consulting First Midwest;

enter into, terminate, amend, modify, extend or renew any employment, officer, consulting, employee loan, severance, non-competition, non-solicitation, change-in-control or retention agreements or grant salary increases or employee benefit increases, except as required by

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applicable law, to satisfy previously existing and disclosed contractual obligations, or for certain changes that are in the ordinary course of business (including annual profit sharing contributions or wage increases), or increase the compensation of any director, except to pay bonuses in the ordinary course of business and up to a specified amount, grant annual salary or wage increases or pay certain stay bonuses for certain employees;

hire any employee or engage any consultant with an annual salary or wage rate or consulting fee and target cash bonus in excess of a specified amount, or terminate the employment agreement of any executive officer other than for cause; or

enter into, terminate, establish, adopt or amend any employee benefit plans, except as contemplated by the merger agreement, as required by applicable law, to satisfy previously existing and disclosed contractual obligations or to add individuals as participants to any existing benefit plan that is a tax-qualified retirement, health or a welfare benefit plan who became eligible for participation in the ordinary course of business under the existing terms.

First Midwest has agreed that, except as expressly contemplated by the merger agreement, or as disclosed in writing prior to the signing of the merger agreement or as directed in writing by any governmental authority, it will not, and will not agree to, without Standard's consent:

amend its certificate of incorporation in a manner that would materially and adversely affect Standard shareholders, upon their acquisition of First Midwest common stock, relative to First Midwest's other stockholders;

adjust, split, combine or reclassify any of its capital stock;

completely liquidate or dissolve itself or First Midwest Bank; or

knowingly take, or knowingly fail to take, any action that would, or is reasonably likely to, prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or knowingly take, or knowingly fail to take, any action that is reasonably likely to result in material delay in the satisfaction of any of the conditions to the merger or in such conditions not being satisfied in a timely manner, including merge or consolidate itself or any of its significant subsidiaries where it or the subsidiary is not the surviving entity, or any action that is reasonably likely to materially impair its ability to perform its obligations under the merger agreement or to complete the transactions contemplated thereby, except as required by applicable law.

**Acquisition Proposals by Third Parties**

Standard has agreed that it will not, and will cause its subsidiaries and its and its subsidiaries' representatives, agents, advisors and affiliates not to, solicit or encourage inquiries or proposals with respect to any other acquisition proposal. Standard has also agreed that it will not engage in any negotiations concerning any other acquisition proposal, or provide any confidential or non-public information or data to, or have any discussions with, any person relating to any other acquisition proposal.

However, if Standard receives an unsolicited bona fide acquisition proposal and Standard's board of directors concludes in good faith (after consultation with its financial and legal advisors) that it constitutes a superior proposal, Standard may furnish non-public information and participate in negotiations or discussions if its board of directors concludes in good faith, after consultation with its outside legal counsel, that failure to take those actions would result in a violation of its fiduciary duties under applicable law. Before providing any non-public information, Standard must enter into a confidentiality agreement with the third party no less favorable to it than the confidentiality agreement with First Midwest. While Standard has the right to enter into negotiations regarding a superior

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proposal under the foregoing circumstances, the merger agreement does not allow Standard to terminate the merger agreement solely because it has received a superior proposal, entered into such negotiations or decided to accept such offer.

For purposes of the merger agreement, the terms "acquisition proposal" and "superior proposal" have the following meanings:

The term "acquisition proposal" means, other than the transactions contemplated by the merger agreement:

a tender or exchange offer to acquire more than 25% of the voting power in Standard or its significant subsidiaries;

a proposal for a merger, consolidation or other business combination involving Standard or its significant subsidiaries; or

any other proposal to acquire more than 25% of the voting power in, or more than 25% of the business, assets or deposits of, Standard or its significant subsidiaries determined on a consolidated basis.

The term "superior proposal" means a bona fide written acquisition proposal (with the references to 25% deemed references to 50%) that Standard's board of directors concludes in good faith to be more favorable from a financial point of view to its shareholders than the First Midwest merger after:

receiving the advice of its financial advisors;

taking into account the likelihood of completion of the proposed transaction (as compared to, and with due regard for, the terms of the merger agreement); and

taking into account legal, financial, regulatory and other aspects of such proposal.

Standard has agreed to cease immediately any activities, negotiations or discussions conducted before the date of the merger agreement with any other persons with respect to acquisition proposals and to use commercially reasonable efforts to enforce any confidentiality or similar agreement relating to such acquisition proposals. Standard has also agreed to promptly notify First Midwest of receiving any acquisition proposal and the substance of the proposal.

In addition, Standard has agreed to use its reasonable best efforts to obtain from its shareholders approval of the merger agreement and the transactions contemplated thereby, including the merger. However, if Standard's board of directors (after consultation with, and based on the advice of, counsel) determines in good faith that, because of an acquisition proposal that Standard's board of directors concludes in good faith constitutes a superior proposal, to continue to recommend such items to its shareholders would result in a violation of its fiduciary duties under applicable law, it may withhold or withdraw or modify its recommendation or submit such items without recommendation and communicate the basis for its lack of recommendation to its shareholders. Standard agreed that before taking such action with respect to an acquisition proposal, it will give First Midwest at least five business days to respond to the proposal and will consider any amendment or modification to the merger agreement proposed by First Midwest.

Under certain circumstances, including if the merger agreement is terminated in the event Standard breaches certain obligations described above, Standard must pay First Midwest a fee equal to \$15,000,000. See " Termination of the Merger Agreement".

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**Other Agreements**

In addition to the agreements we have described above, we have also agreed in the merger agreement to take several other actions, such as:

we agreed to use commercially reasonable efforts to complete the merger and the other transactions contemplated by the merger agreement;

we agreed that First Midwest and Standard will give notice to the other party of any fact, event or circumstance that is reasonably likely to result in any material adverse effect, as defined in the merger agreement, or that would constitute a material breach of any of its representations, warranties, covenants or agreements in the merger agreement;

we agreed that First Midwest and Standard will supplement their respective representations and warranties in the merger agreement with respect to any matter which would render any such representations and warranties inaccurate or incomplete in any material respect;

we agreed that First Midwest will convene a special meeting of its stockholders within 45 days from the date the registration statement, of which this joint proxy statement/prospectus is a part, becomes effective to consider and vote on the stock issuance proposal;

we agreed that Standard will convene a special meeting of its shareholders within 45 days from the date the registration statement, of which this joint proxy statement/prospectus is a part, becomes effective to consider and vote on the merger proposal and the stock conversion proposal, and that Standard will adjourn or postpone such meeting twice if there are insufficient shares of Standard voting common stock or Standard non-voting common stock to constitute a quorum, or if Standard has not then received sufficient proxies to approve the merger proposal and stock conversion proposal;

we agreed that First Midwest will use its reasonable best efforts to cause the shares of First Midwest common stock to be issued in the merger to be approved for listing on the NASDAQ Stock Market (subject to official notice of issuance) as promptly as practicable, and in any event before the effective time of the merger;

we agreed that, subject to applicable law, First Midwest and Standard will cooperate with each other and to prepare promptly and file all necessary documentation to obtain all required permits, consents, approvals and authorizations of third parties and governmental entities, including this joint proxy statement/prospectus and the registration statement for the First Midwest common stock to be issued in the merger of which this joint proxy statement/prospectus is a part;

we agreed that First Midwest and Standard will provide each other, and each other's officers, employees, counsel, accountants and other authorized representatives, reasonable access during normal business hours throughout the period prior to the effective time of the merger to the books, records, properties, personnel and other information of First Midwest or Standard as either First Midwest or Standard may reasonably request;

we agreed that Standard will provide First Midwest with copies of documents filed by Standard pursuant to the requirements of federal or state banking or securities laws and all other information concerning the business, properties and personnel of Standard and its subsidiaries as First Midwest may reasonably request, including providing First Midwest with biweekly or monthly general ledger reports for the biweekly period beginning with the first full week after the date of the merger agreement and until the effective time of the merger;

we agreed to cooperate on shareholder and employee communications and press releases;





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we agreed that Standard will not take any actions that would cause the transactions contemplated by the merger agreement to be subject to any takeover laws;

we agreed to keep any non-public information confidential;

we agreed that Standard will have, at least five business days prior to the closing of the merger, adopted resolutions of its board of directors to terminate the Standard Bank and Trust Company 401(k) and Profit Sharing Plan and will have, within 30 days prior to the effective time of the merger, taken all action necessary to terminate the Standard Bancshares, Inc. Non-Qualified Deferred Compensation Plan;

we agreed that Standard will (i) at least seven business days prior to the closing date of the merger, use reasonable best efforts to obtain from each disqualified individual (as defined under Section 280G of the Code) an irrevocable waiver by such individual of any and all excess parachute payments that would be based on the completion of the merger and other transactions contemplated by the merger agreement and (ii) at least five business days prior to the closing date of the merger, submit to its shareholders for shareholder approval any payments that could constitute parachute payments under Section 280G;

we agreed that, following the effective time of the merger, First Midwest or its subsidiaries will cause Standard's employees to be covered by a severance policy whereby certain employees of Standard and SB&T will be entitled to receive certain severance benefits as provided in the merger agreement if they incur a qualifying involuntary termination of employment after the effective time of the merger;

we agreed that First Midwest will cause each employee benefit plan of First Midwest in which Standard employees are eligible to participate to take into account, for purposes of eligibility and vesting (and not, other than in the case of vacation benefits, for benefit accrual) thereunder, the service of such employees with Standard as if such service were with First Midwest, to the same extent that such service was credited under a comparable plan of Standard, and, with respect to welfare benefit plans of First Midwest in which employees of Standard are eligible to participate, First Midwest agreed to waive any preexisting conditions, waiting periods and actively at work requirements under such plans;

we agreed that for purposes of each First Midwest health plan, First Midwest shall cause any eligible expenses incurred by employees of Standard who are employees of Standard or SB&T on the closing date of the merger and their covered dependents during the portion of the plan year of the comparable plan of Standard or SB&T ending on the date such employee's participation in the corresponding First Midwest plan begins to be taken into account under such First Midwest plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year of the First Midwest plan;

we agreed that Standard will order and deliver or cause to be delivered to First Midwest title commitments, surveys and title documents for certain real property owned by Standard or its subsidiaries in order to determine, as provided in the merger agreement, whether there are any defects to the title of such real property;

we agreed that Standard will obtain certain environmental examinations within 50 business days after the execution of the merger agreement to real property owned or leased by Standard and its Subsidiaries in order to determine, as provided in the merger agreement, whether certain environmental conditions exist on such real property;

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we agreed that if certain environmental conditions and/or title defects exist with respect to Standard's real property and the total cost to remediate and/or cure such conditions or defects (after taking into account any tax credits, deductions or benefits or insurance coverage, in each case, that the parties agree are reasonably likely to be available) is greater than \$2,000,000, the exchange ratio will be reduced by an amount equal to (i) the lesser of (x) the real property adjustment amount and (y) \$8,000,000, *divided by* (ii) the fully diluted number of shares of Standard common stock immediately prior to the effective time of the merger, *divided by* (iii) the First Midwest common stock 15-day VWAP. If the real property adjustment amount exceeds \$8,000,000, First Midwest may terminate the merger agreement;

we agreed that, upon completion of the merger, First Midwest will indemnify, defend and hold harmless the directors and officers of Standard (when acting in such capacity) against all costs and liabilities arising out of actions or omissions occurring at or before the completion of the merger, in accordance with Standard's restated certificate of incorporation and amended and restated by-laws to the extent permitted by law;

we agreed that, for a period of six years after the effective time of the merger, First Midwest will maintain Standard's existing director's and officer's liability insurance for liabilities which arose prior to the completion of the merger if the total premium therefor is not in excess of 250% of the last annual premium paid prior to the date of the merger agreement. See "The Merger Interests of Certain Persons in the Merger";

we agreed to use our commercially reasonable efforts to plan, execute and complete the conversion of the processing, computing, payment and other operating systems of SB&T to those of First Midwest Bank by the closing of the merger, or at such later time as First Midwest may determine, provided that such conversion shall not become effective prior to the closing of the merger;

we agreed that if, after the effective time of the merger, any further action is necessary to carry out the purposes of the merger agreement or to vest First Midwest with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the merger, the then current officers and directors of each party to the merger agreement and their respective subsidiaries will take or cause to be taken such necessary action; and

we agreed that if either First Midwest or Standard fails to obtain the requisite vote of its shareholders as contemplated by the merger agreement, each of the parties will use its reasonable best efforts to negotiate a restructuring of the transactions contemplated by the merger agreement (except that no party may have obligations to (i) alter or change the material terms of the merger agreement, including the merger consideration, in a manner adverse to it or its shareholders, (ii) adversely affect the tax treatment of the mergers to Standard's shareholders or (iii) forego any rights in the merger agreement and/or resubmit the merger agreement or the transactions contemplated thereby to its shareholders for approval or adoption).

**Conditions to Completion of the Merger**

The obligations of First Midwest and Standard to complete the merger are subject to the satisfaction or waiver of the following conditions:

the merger agreement and the merger must be approved by the requisite vote of holders of Standard voting common stock and the conversion of Standard non-voting common stock into First Midwest common stock in the merger must be approved by the requisite vote of holders of Standard non-voting common stock;

the issuance of First Midwest common stock must be approved by the requisite vote of holders of First Midwest common stock;

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the required regulatory approvals must be obtained without any conditions that could (i) materially and adversely affect the business, operations or financial condition of First Midwest (measured on a scale relative to Standard and its subsidiaries, taken as a whole), (ii) require First Midwest or any of its subsidiaries to make any material covenants or commitments, or complete any divestitures, whether prior to or subsequent to the closing of the merger, (iii) result in a material adverse effect on Standard and its subsidiaries, taken as a whole, or (iv) restrict in any material respect or impose a material burden on First Midwest or any of its subsidiaries in connection with the transactions contemplated by the merger agreement or with respect to the business or operations of First Midwest or any of its subsidiaries, and any waiting periods required by law must expire;

the First Midwest common stock that is to be issued in the merger must be approved for listing on the NASDAQ Stock Market and the registration statement filed with the SEC, of which this joint proxy statement/prospectus is a part, must be effective; and

there must be no government action or other legal restraint or prohibition preventing completion of the merger or the other transactions contemplated by the merger agreement.

The obligation of Standard to complete the merger is subject to the satisfaction or waiver of the following conditions:

the representations and warranties of First Midwest contained in the merger agreement must be true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be likely to have a material adverse effect on First Midwest and First Midwest must have performed all obligations and complied with all agreements and covenants required to be performed by it under the merger agreement in all material respects;

receipt of a legal opinion from Kirkland & Ellis, dated as of the date the merger is completed, that, on the basis of facts, representations and assumptions set forth in the opinion, the mergers will be treated as a tax-free reorganization under federal tax laws.

In addition, the obligation of First Midwest and Merger Sub to complete the merger is subject to the satisfaction or waiver of the following conditions:

the representations and warranties of Standard contained in the merger agreement must be true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be likely to have a material adverse effect on Standard and Standard must have performed all obligations and complied with all agreements and covenants required to be performed by it under the merger agreement in all material respects;

receipt of a legal opinion from Sullivan & Cromwell, dated as of the date the merger is completed, that, on the basis of facts, representations and assumptions set forth in the opinion, the mergers will be treated as a tax-free reorganization under federal tax laws;

the number of dissenting shares shall not exceed 10% of the outstanding shares of Standard common stock;

Standard shall have obtained certain required third-party consents, as defined in the merger agreement and shall deliver to First Midwest an officers certificate to that effect;

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Standard's closing tangible equity, as defined in the merger agreement, must be greater than or equal to \$251,000,000;

Standard's consolidated total loans (excluding loans held for sale of Standard and its subsidiaries) must be greater than or equal to \$1,600,000,000;

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the receipt by First Midwest of a certificate by Standard stating that it and SB&T are not and have not been United States real property holding corporations (provided that First Midwest's only remedy for failure of this condition will be to withhold from the exchange agent any required withholding tax under Section 1445 of the Code); and

Standard shall have delivered to First Midwest the certificate or certificates representing the shares of common stock of SB&T held by Standard.

No assurance can be provided as to if, or when, the required regulatory approvals necessary to complete the merger will be obtained, or whether all of the other conditions to the merger will be satisfied or waived by the party permitted to do so. As discussed below, if the merger is not completed on or before June 28, 2017, either First Midwest or Standard may terminate the merger agreement, unless the failure to complete the merger by that date is due to the failure of the party seeking to terminate the merger agreement to comply with any of the provisions of the merger agreement.

**Termination of the Merger Agreement**

The merger agreement may be terminated by either First Midwest or Standard at any time before or after First Midwest has received approval of the stock issuance proposal by its stockholders and Standard has received approval of the merger proposal and the stock conversion proposal by its shareholders:

by our mutual consent;

if any governmental entity that must grant a regulatory approval has denied approval of the mergers, bank merger or the other transactions contemplated by the merger agreement by final and non-appealable action, but not by a party whose failure to comply with any provision of the merger agreement caused, or materially contributed to, such denial, or if an application for a required regulatory approval has been withdrawn upon the request or recommendation of the applicable governmental authority and such authority would not accept the refiling of such application;

if the merger is not completed on or before June 28, 2017, unless the failure to complete the merger by this date is due to the failure of the party seeking to terminate the merger agreement to comply with any of the provisions of the merger agreement;

if holders of Standard voting common stock fail to approve the merger proposal or holders of Standard non-voting common stock fail to approve the stock conversion proposal; or

if the other party is in a continuing breach of a representation, warranty or covenant contained in the merger agreement, as long as that breach has not been cured within the earlier of June 28, 2017 and 15 days following written notice thereof and that breach would also allow the non-breaching party not to complete the merger.

The merger agreement may also be terminated by First Midwest at any time before or after the respective shareholders of First Midwest and Standard approve the matters required to be approved by such shareholders pursuant to the merger agreement:

if Standard's board of directors submits the merger agreement and the other transactions contemplated thereby (including the stock conversion proposal) to its shareholders without a recommendation for approval or with material and adverse qualifications on the approval, or if the board of directors otherwise withdraws or materially and adversely modifies its recommendation for approval;

if Standard's board of directors recommends an acquisition proposal other than the merger, or if Standard's board of directors negotiates or authorizes negotiations with a third party regarding



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an acquisition proposal other than the merger and those negotiations continue for at least 10 business days, except that negotiations will not include the request and receipt of information from any person that submits an acquisition proposal, or discussions regarding such information for the sole purpose of ascertaining the terms of the acquisition proposal and determining whether Standard's board of directors will, in fact, engage in or authorize negotiations;

if Standard has breached its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal, in circumstances not permitted under the merger agreement, as described above under " Acquisition Proposals by Third Parties";

if the number of dissenting shares of Standard common stock exceeds 10% of the outstanding shares of Standard common stock;

if the real property adjustment amount exceeds \$8,000,000, as discussed under " Merger Consideration"; or

if the tangible common equity at the expected closing date is less than \$251,000,000.

The merger agreement may also be terminated by Standard at any time before or after the respective shareholders of First Midwest and Standard approve the matters required to be approved by such shareholders pursuant to the merger agreement if First Midwest stockholders fail to approve the issuance of First Midwest common stock, as contemplated by the merger agreement.

The merger agreement also provides that Standard must pay First Midwest a fee equal to \$15,000,000 if, on or prior to the termination of the merger agreement or the 12 month anniversary of the termination of the merger agreement in certain circumstances set forth in the merger agreement, both (i) the merger agreement is terminated and (ii) any of the following circumstances occur:

Standard's board of directors submits the merger agreement and the transactions contemplated thereby, including the merger, to Standard shareholders without a recommendation for approval or with material and adverse conditions on such approval, or withdraws or materially and adversely modifies its recommendation;

Standard, without First Midwest's prior written consent, enters into an agreement to engage in a competing acquisition proposal with any person other than First Midwest or any of First Midwest's subsidiaries;

Standard authorizes, recommends or proposes (or publicly announces its intention to authorize, recommend or propose) an agreement to engage in a competing acquisition proposal with any person other than First Midwest or its subsidiaries or Standard's board of directors recommends that Standard shareholders approve or accept such a competing acquisition proposal;

Standard fails to convene a shareholder meeting to approve the merger agreement and the other transactions contemplated thereby, including the merger, within 45 days of the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

Standard breaches its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal in circumstances not permitted under the merger agreement, which covenant is described above under " Acquisition Proposals by Third Parties";

any of Standard's principal shareholders breach, and remain in breach, of its obligations in the voting agreement entered into by such shareholder to (i) vote in favor of the merger proposal and/or the stock conversion proposal and (ii) comply with certain restrictions on transfer of Standard common stock during the period prior to the effective time of the merger, in each

case after being provided with notice of such breach and a 30 day cure period; or



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holders of Standard voting common stock fail to approve the merger proposal or holders of Standard non-voting common stock fail to approve the stock conversion proposal.

**Waiver and Amendment of the Merger Agreement**

At any time before completion of the merger, either First Midwest or Standard may, to the extent legally allowed, waive in writing compliance by the other with any provision contained in the merger agreement. However, once holders of Standard voting common stock have approved the merger proposal and holders of Standard non-voting common stock have approved the stock conversion proposal or First Midwest stockholders have approved the stock issuance proposal, no waiver of any condition may be made that would require further approval by Standard shareholders unless that approval is obtained.

First Midwest may also change the structure of the merger or the method effecting the merger before the effective time of the merger, subject to the approval of the board of directors of Standard, so long as any change does not: (i) change the kind, amount or economic value of consideration to be received by Standard shareholders; (ii) adversely affect the tax consequences of the mergers to Standard shareholders; (iii) adversely affect the timing of or capability of completion of the merger; or (iv) cause or could not be reasonably expected to cause any of the conditions to complete the merger to be incapable of being satisfied.

**Regulatory Approvals Required for the Mergers**

We have agreed to use commercially reasonable efforts to obtain the regulatory approvals required for the mergers. We refer to these approvals, along with the expiration of any statutory waiting periods related to these approvals, as the "requisite regulatory approvals". These include approval from the Federal Reserve and the IDFP, and notice to the IDFI. We have filed the applications and notifications to obtain the requisite regulatory approvals, and the merger and the related transactions cannot proceed in the absence of the requisite regulatory approvals. We cannot assure you as to whether or when the requisite regulatory approvals will be obtained, and, if obtained, we cannot assure you as to the date of receipt of any of these approvals, the terms thereof or the absence of any public protest or litigation challenging them. Likewise, we cannot assure you that the U.S. Department of Justice or a state attorney general will not attempt to challenge the merger on antitrust grounds, or, if such a challenge is made, as to the result of that challenge.

We are not aware of any other material governmental approvals or actions that are required prior to the parties' completion of the merger other than those described below. We presently contemplate that if any additional governmental approvals or actions are required, these approvals or actions will be sought. However, we cannot assure you that any of these additional approvals or actions will be obtained.

*Federal Reserve.* Completion of the merger requires approval by the Federal Reserve pursuant to Section 3 of the Bank Holding Company Act of 1956, as amended (the "BHC Act").

The Federal Reserve is prohibited from approving any merger transaction under Section 3 of the BHC Act (i) that would result in a monopoly or be in furtherance of any combination or conspiracy to monopolize, or to attempt to monopolize, the business of banking in any part of the United States, or (ii) whose effect in any section of the United States may be to substantially lessen competition, or to tend to create a monopoly or in any other manner restrain trade, unless the Federal Reserve finds that the anti-competitive effects of the merger transaction are clearly outweighed in the public interest by the probable effect of the merger transaction in meeting the convenience and needs of the communities to be served.

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In addition, among other things, in reviewing the mergers, the Federal Reserve must consider (i) the financial condition and future prospects of First Midwest, Standard and their respective subsidiary banks, (ii) the competence, experience, and integrity of the officers, directors and principal shareholders of First Midwest, Standard and their respective subsidiary banks, (iii) the convenience and needs of the communities to be served, including the record of performance under the Community Reinvestment Act of 1977, as amended, (iv) the companies' effectiveness in combating money-laundering activities, (v) First Midwest's and its subsidiaries' record of compliance with applicable community reinvestment laws and (vi) the risk to the stability of the United States banking or financial system presented by the merger and the related transactions.

Completion of the bank merger requires approval by the Federal Reserve pursuant to the Bank Merger Act. In evaluating an application filed under the Bank Merger Act, the Federal Reserve uses substantially the same criteria as used when evaluating applications filed pursuant to the BHC Act as described above.

Pursuant to the BHC Act and the Bank Merger Act, a transaction approved by the Federal Reserve is subject to a waiting period ranging from 15 to 30 days, during which time the U.S. Department of Justice may challenge the merger transaction on antitrust grounds and seek appropriate relief. The commencement of an antitrust action would stay the effectiveness of such an approval, unless a court specifically ordered otherwise. In reviewing the mergers, the U.S. Department of Justice could analyze the merger's effect on competition differently than the Federal Reserve, and thus, it is possible that the U.S. Department of Justice could reach a different conclusion than the Federal Reserve regarding the merger's effects on competition. A determination by the U.S. Department of Justice not to object to the merger does not prevent the filing of antitrust actions by private persons or state attorneys general.

*Illinois Department of Financial and Professional Regulation.* Completion of the bank merger requires approval from the IDFPFR under Section 22 of the Illinois Banking Act, and an application has been filed.

Among other things, in reviewing the bank merger, the IDFPFR must consider (i) the financial condition and future prospects of First Midwest, Standard and their respective subsidiary banks, (ii) the general character, experience and qualifications of the directors and management of the resulting bank, (iii) the convenience and needs of the area sought to be served by the resulting bank, (iv) the fairness of the proposed merger to all parties involved, and (v) the safety and soundness of the resulting bank following the proposed bank merger.

*Indiana Department of Financial Institutions.* Completion of the merger and the related transactions, including the bank merger, requires prior notice to the IDFI pursuant to Sections 2-18-22 and 2-18-28 of the Indiana Financial Institutions Act, and such notice has been provided.

**Dividends**

Standard is prohibited from paying cash dividends to stockholders of its common stock, except that Standard is permitted to pay its regular quarterly cash dividends in the ordinary course of business consistent with past practice in accordance with the merger agreement and schedules thereto, provided at the time of or as a result of the declaration or payment of any such dividend the tangible common equity, as defined in the merger agreement, of Standard will not be less than \$251,000,000.

For further information, please see "Price Range of Common Stock and Dividends".

**Stock Exchange Listing**

First Midwest has agreed to use its reasonable best efforts to list the First Midwest common stock to be issued in the merger on the NASDAQ Stock Market. It is a condition to the completion of the

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merger that those shares be approved for listing on the NASDAQ Stock Market, subject to official notice of issuance. Following the merger, First Midwest expects that its common stock will continue to trade on the NASDAQ Stock Market under the symbol "FMBI".

**Restrictions on Resales by Affiliates**

First Midwest has registered its shares of common stock to be issued in the merger with the SEC under the Securities Act. No restrictions on the sale or other transfer of shares of First Midwest common stock issued in the merger will be imposed solely as a result of the merger, except for restrictions on the transfer of shares of First Midwest common stock issued to any Standard shareholder who is or becomes an "affiliate" of First Midwest for purposes of Rule 144 under the Securities Act. The term "affiliate" is defined in Rule 144 under the Securities Act as a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, First Midwest or the combined company, as the case may be, and generally includes executive officers, directors and stockholders beneficially owning 10% or more of First Midwest's outstanding common stock.

**Dissenters' Rights of Appraisal of Holders of Standard Voting Common Stock**

*The following discussion is a summary of the material statutory procedures to be followed by a holder of Standard voting common stock in order to dissent from the merger and perfect appraisal rights. If a holder of Standard voting common stock wants to exercise appraisal rights, the holder should review carefully Sections 11.65 and 11.70 of the IBCA and is urged to consult a legal advisor before electing or attempting to exercise these rights because the failure to precisely follow all the necessary legal requirements may result in the loss of such appraisal rights. This description is not complete and is qualified in its entirety by the full text of the relevant provisions of the IBCA, which are reprinted in their entirety as Appendix H to this joint proxy statement/prospectus. Holders of Standard voting common stock seeking to exercise appraisal rights must strictly comply with these provisions.*

Under the IBCA, all shareholders entitled to dissenters' rights in the merger must be notified in the meeting notice relating to the merger that such shareholders are entitled to assert dissenters' rights. This joint proxy statement/prospectus constitutes notification of these rights.

Under Illinois law, holders of Standard voting common stock are entitled to exercise dissenters' rights and obtain a cash payment for their shares as a result of First Midwest's acquisition of Standard, provided that the shareholders comply with the provisions of Sections 11.65 and 11.70 of the IBCA. Copies of those sections are attached as *Appendix H* and incorporated in this joint proxy statement/prospectus by reference. Holders of Standard non-voting common stock are not entitled to dissenters' rights in connection with the mergers. If a holder of Standard voting common stock complies with the provisions of Section 11.70 of the IBCA, then upon completion of the merger, the holder is entitled to receive payment in cash from First Midwest for the fair value of its shares of Standard voting common stock, with accrued interest. The term "fair value" means the value of the shares immediately before the closing of the merger excluding any appreciation or depreciation in anticipation of the merger, unless the exclusion would be inequitable. If First Midwest and a dissenting holder of Standard voting common stock cannot agree on the fair value of the shares of Standard voting common stock or the accrued interest, then the IBCA provides for a judicial determination of these amounts. The value determined by an Illinois court may be more or less than the value of the consideration a holder of Standard voting common stock is entitled to receive under the merger agreement. If a holder of Standard voting common stock desires to exercise dissenters' rights, the holder should refer to the statute in its entirety and should consult with legal counsel before taking any action to ensure strict compliance with the applicable statutory provisions.

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*How to exercise and perfect the right of holders of Standard voting common stock to dissent.* Holders of Standard voting common stock wishing to exercise the rights to seek an appraisal of its shares must do ALL of the following:

before the vote on the merger proposal is taken, deliver to First Midwest a written demand for payment of shares;

not vote in favor of the merger proposal; note, however, that a vote, in person or by proxy, against approval of the merger proposal will not constitute a written demand for appraisal; and

continue to hold the shares of Standard voting common stock through the effective time of the merger.

The failure by a holder of Standard voting common stock to vote against the merger proposal will constitute a waiver of the holder's dissenters' rights under the IBCA. However, a vote against approval of the merger proposal will not by itself be sufficient to satisfy the obligations of a holder of Standard voting common stock if the holder is seeking an appraisal. The holder of Standard voting common stock must follow the procedures set forth in Section 11.70 of the IBCA to obtain dissenters' rights.

Each outstanding share of Standard voting common stock for which a legally sufficient demand in accordance with Section 11.70 of the IBCA has been made and that was not voted in favor of approval of the merger proposal will, after the effective time of the merger, represent only the rights of a dissenting shareholder under the IBCA. This includes the right to obtain payment for the fair value of those shares as provided under the IBCA.

If the dissenting holder of Standard voting common stock makes a legally sufficient demand, within 10 days after the effective date of the merger or 30 days after the holder of Standard voting common stock has delivered its written demand for payment, whichever is later, First Midwest, as successor to Standard, will send the dissenting holder of Standard voting common stock a statement setting forth its opinion as to the fair value of the shares of Standard voting common stock at issue, as well as certain financial statements and a commitment to pay to the holder of Standard voting common stock the estimated fair value for the shares of Standard voting common stock. If the holder of Standard voting common stock does not agree with the opinion of First Midwest as to the estimated fair value of the shares or the amount of interest due, then within 30 days from the delivery of First Midwest's valuation statement, the holder of Standard voting common stock must notify First Midwest in writing of the estimated fair value of the contested shares of Standard voting common stock and the amount of interest due and demand the difference between the estimated fair value and the amount of the proposed payment by First Midwest.

If within 60 days from delivery of First Midwest's notice to the dissenting shareholder, the dissenting holder of Standard voting common stock and First Midwest have not agreed in writing to the fair value of the shares of Standard voting common stock and interest due, First Midwest either will pay the difference in value demanded by the dissenting holder of Standard voting common stock, or file a petition in the circuit court requesting the court to determine the fair value of the shares and interest due. Standard will be required to then make all dissenters to the merger parties to this proceeding. If First Midwest does not commence the action, the dissenting holder of Standard voting common stock is permitted by law to commence an action.

In a proceeding brought by First Midwest to determine value, the court will determine the costs of the proceeding, including the reasonable compensation and expenses of the appraisers appointed by the court and excluding fees and expenses of counsel and experts for the respective parties. If the fair value of the shares of Standard voting common stock as determined by the court materially exceeds the price that First Midwest estimated to be the fair value of the shares or if no estimate was given, then all or any part of the costs may be assessed against First Midwest, as successor to Standard. If the amount that any dissenter estimated to be the fair value of the shares of Standard voting common stock

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materially exceeds the fair value of the shares as determined by the court, then all or any part of the costs may be assessed against that dissenter. The costs may also be awarded to the dissenter if the court finds that Standard did not substantially comply with the procedure to dissent in the statute. In addition, costs can be assessed against either party if the court finds that that party acted arbitrarily, vexatiously or not in good faith with respect to the dissenter's rights.

A share for which a dissenting holder of Standard voting common stock has properly exercised its dissenters' rights and followed the correct procedures in the IBCA will not be converted into, or represent, a right to receive First Midwest common stock as provided under the merger agreement. None of these dissenting shares after the effective time of the merger will be entitled to vote for any purpose or receive any dividends or other distributions. If, however, a holder of Standard voting common stock fails to properly perfect its dissenters' rights, or effectively withdraws, waives, loses or otherwise becomes ineligible to exercise its dissenters' rights under the IBCA, then at that time the shares held by the dissenting holder of Standard voting common stock will be converted into First Midwest common stock, as provided in the merger agreement.

All written communications from holders of Standard voting common stock with respect to the exercise of dissenters' rights should be mailed to:

First Midwest Bancorp, Inc.  
One Pierce Place, Suite 1500  
Itasca, Illinois 60143  
Attention: Corporate Secretary

Standard Bancshares, Inc.  
7800 West 95th Street  
Hickory Hills, IL 60457  
Attention: Patrick J. Hunt

First Midwest and Standard recommend that such communications be sent by registered or certified mail, return receipt requested.

**Voting Agreements**

In connection with the execution of the merger agreement, and as a condition to First Midwest's willingness to enter into the merger agreement, all of the directors and certain officers and large shareholders of Standard who beneficially owned in the aggregate approximately 52.0% of Standard's outstanding voting common stock and approximately 97.2% of Standard's non-voting common stock, in each case as of June 28, 2016, have entered into voting agreements with First Midwest. A copy of the form of these voting agreements is attached as *Appendix D* to this joint proxy statement/prospectus.

Under the voting agreement, each such shareholder has agreed, with respect to the shares of Standard voting common stock and Standard non-voting common stock owned of record or beneficially by the shareholder, that at any meeting of Standard shareholders in relation to the merger agreement and transactions contemplated by the merger agreement and at the special shareholders meeting or any other meeting or action of Standard shareholders called in relation to such matters, the shareholder shall vote, or cause to be voted, such shares as follows:

vote in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, any other matters required to be approved or adopted in order to effect the merger and the transactions contemplated by the merger agreement;

in favor of the conversion of Standard non-voting common stock into First Midwest common stock in the merger, if the shareholder holds shares of Standard non-voting common stock; and

not vote in favor of any competing acquisition proposal or any action that is intended or could reasonably be expected to materially impede, interfere with, delay or materially and adversely affect the merger or any transactions contemplated by the merger agreement.

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The voting agreement also contains restrictions on the sale, transfer, assignment, pledge or other disposition of the shareholder's shares prior to the effective time of the merger, unless the proposed transferee executes and delivers an agreement in which it agrees to comply with the requirements of the voting agreement.

The voting agreements entered into by certain large shareholders of Standard, who beneficially owned in the aggregate approximately 52.0% of Standard's outstanding voting common stock and approximately 97.2% of Standard's non-voting common stock, in each case as of June 28, 2016, prohibit the transfer by these large shareholders of shares of First Midwest common stock that they receive as consideration in the merger for a period of 60 days following the closing of the merger. The large shareholders are also limited in their manner of transfer of the First Midwest common stock they hold to block trades and to brokerage transactions on any given day in an amount less than or equal to 20% of the average daily trading volume of the First Midwest common stock for the 20 trading day period immediately preceding the date of the transfer. Finally, the voting agreements entered into by certain large shareholders include standstill obligations that are effective until the time that they hold less than 20% of the First Midwest common stock that they acquired in the merger.

The voting agreement will terminate automatically upon the termination of the merger agreement.

**Confidentiality, Non-Solicitation and Non-Competition Agreements**

In connection with the execution of the merger agreement, and as a condition to First Midwest's willingness to enter into the merger agreement, all of the directors and certain officers and large shareholders of Standard who beneficially owned in the aggregate approximately 52.0% of Standard's outstanding voting common stock and approximately 97.2% of Standard's non-voting common stock, in each case as of June 28, 2016, have entered into confidentiality, non-solicitation and, except with respect to certain shareholders, non-competition agreements with First Midwest. A copy of the form of these confidentiality, non-solicitation and non-competition agreements is attached as *Appendix E* to this joint proxy statement/prospectus.

Under the confidentiality, non-solicitation and non-competition agreement, each director, officer or shareholder has agreed to keep secret and confidential certain information related to Standard, First Midwest and their respective businesses and to refrain from soliciting or, except with respect to certain shareholders, competing against, the customers or employees of Standard for periods ranging from six months to two years following the effective time of the merger. Certain of the directors, officers and shareholders have also agreed to refrain from competing against or soliciting the customers or employees of First Midwest during such periods.

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS****First Midwest**

First Midwest common stock is traded on the NASDAQ Stock Market under the symbol "FMBI". Standard common stock is privately held and is not listed or quoted on any established securities exchange or quotation system. The following table shows the high and low reported intra-day sales prices per share of First Midwest common stock as reported by NASDAQ and the cash dividends declared per share of First Midwest common stock.

	Sales Price Per Share		Cash Dividends Per Share
	High	Low	
<b>2014</b>			
First Quarter	\$ 17.83	\$ 15.36	\$ 0.07
Second Quarter	\$ 18.19	\$ 15.49	\$ 0.08
Third Quarter	\$ 17.77	\$ 15.64	\$ 0.08
Fourth Quarter	\$ 17.99	\$ 15.01	\$ 0.08
<b>2015</b>			
First Quarter	\$ 17.84	\$ 15.34	\$ 0.09
Second Quarter	\$ 19.53	\$ 16.89	\$ 0.09
Third Quarter	\$ 19.52	\$ 16.72	\$ 0.09
Fourth Quarter	\$ 19.81	\$ 16.56	\$ 0.09
<b>2016</b>			
First Quarter	\$ 18.59	\$ 14.56	\$ 0.09
Second Quarter	\$ 18.85	\$ 15.86	\$ 0.09
Third Quarter (through [ ], 2016)	\$ [ ]	\$ [ ]	\$ 0.09

The following table sets forth the closing sale prices per share of First Midwest common stock on June 28, 2016, the last trading day completed before the public announcement of the signing of the merger agreement, and on [ ], 2016, the latest practicable date before the date of this joint proxy statement/prospectus.

	Closing Price Per Share of First Midwest Common Stock
June 28, 2016	\$ 16.11
[ ], 2016	\$ [ ]

Past price performance is not necessarily indicative of likely future performance. Because market prices of shares of First Midwest common stock will fluctuate, you are urged to obtain current market prices for shares of First Midwest common stock. No assurance can be given concerning the market price of shares of First Midwest common stock before or after the effective date of the merger. Changes in the market price of shares of First Midwest common stock prior to the completion of the merger will affect the market value of the merger consideration that Standard shareholders will receive upon completion of the merger.

First Midwest may repurchase shares of its common stock in accordance with applicable legal guidelines. The actual amount of shares repurchased will depend on various factors, including: the discretion of First Midwest's board of directors, market conditions, legal limitations and considerations affecting the amount and timing of repurchase activity, the company's capital position, internal capital generation and alternative potential investment opportunities.

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After the merger, First Midwest currently expects to pay (when, as and if declared by First Midwest's board of directors out of funds legally available) regular quarterly cash dividends of \$0.09 per share, in accordance with First Midwest's current practice. The actual payment of future dividends remains subject to the determination and discretion of First Midwest's board of directors and may change at any time. In each of the first three quarters of 2016, First Midwest declared a quarterly cash dividend of \$0.09 per share of First Midwest common stock.

Standard did not declare dividends in 2014. In each quarter of 2015, Standard declared a quarterly cash dividend of \$0.02 per share of Standard common stock, and on August 31, 2015, Standard declared a special cash dividend of \$0.70 per share of Standard common stock held as of August 26, 2014. In each of the first three quarters of 2016, Standard declared a quarterly cash dividend of \$0.05 per share of Standard common stock. For comparison, Standard shareholders would receive a quarterly cash dividend following the merger equivalent to approximately \$0.04 per share of Standard common stock, which equals approximately \$0.16 annually, based on First Midwest's current quarterly dividend rate of \$0.09 per share and assuming there is no adjustment to the exchange ratio as provided in the merger agreement. Holders of Standard common stock will be entitled to a cash dividend for the third quarter of 2016 in the amount of \$0.05 per share of Standard common stock for payment in September 2016, and may, if and only if declared by Standard's board of directors in the last two weeks of November 2016, be entitled to a cash dividend for the fourth quarter of 2016 in the amount of up to \$0.04 per share of Standard common stock, for payment in December 2016.

First Midwest's primary source of liquidity is dividend payments from First Midwest Bank. In addition to requirements to maintain adequate capital above regulatory minimums, First Midwest Bank is limited in the amount of dividends it can pay to First Midwest under the Illinois Banking Act. Under this law, First Midwest Bank is permitted to declare and pay dividends in amounts up to the amount of its accumulated net profits, provided that it retains in its *surplus* at least one-tenth of its net profits since the date of the declaration of its most recent dividend until those additions to *surplus*, in the aggregate, equal the paid-in capital of First Midwest Bank. While it continues its banking business, First Midwest Bank may not pay dividends in excess of its net profits then on hand (after deductions for losses and bad debts). In addition, First Midwest Bank is limited in the amount of dividends it can pay under the Federal Reserve Act and Regulation H. For example, dividends cannot be paid that would constitute a withdrawal of capital, dividends cannot be declared or paid if they exceed a bank's undivided profits and a bank may not declare or pay a dividend if all dividends declared during the calendar year are greater than current year net income *plus* retained net income of the prior two years without Federal Reserve approval.

Since First Midwest is a legal entity separate and distinct from First Midwest Bank, its dividends to stockholders are not subject to the bank dividend guidelines discussed above. However, First Midwest is subject to other regulatory policies and requirements related to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The Federal Reserve and the IDFP are authorized to determine that the payment of dividends by First Midwest would be an unsafe or unsound practice and to prohibit payment under certain circumstances related to the financial condition of a bank or bank holding company. The Federal Reserve has taken the position that dividends that would create pressure or undermine the safety and soundness of a subsidiary bank are inappropriate. Due to the current financial and economic environment, the Federal Reserve indicated that bank holding companies should carefully review their dividend policy and discourage payment ratios that are at maximum allowable levels, unless both asset quality and capital are very strong.

Pursuant to the merger agreement, Standard is generally prohibited from paying cash dividends to holders of its common stock prior to completion of the merger, except Standard is permitted to declare and pay its regular quarterly dividend in the ordinary course of business consistent with past practice as follows, provided at the time of or as a result of the declaration or payment of any such dividend the



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tangible common equity, as defined in the merger agreement, of Standard will not be less than \$251,000,000:

Standard may declare in the last two weeks of August 2016 for payment in September 2016 its third quarter 2016 dividend in the amount of \$0.05 per share of Standard common stock. This dividend has been declared.

Standard may declare in the last two weeks of November 2016 for payment in December 2016 its fourth quarter 2016 dividend in the amount of \$0.04 per share of Standard common stock.

Standard may declare in the last two weeks of February 2017 for payment in March 2017 its first quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

Standard may declare in the last two weeks of May 2017 for payment in June 2017 its second quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

Standard may declare in the last two weeks of August 2017 for payment in September 2017 its third quarter 2017 dividend in the amount of \$0.05 per share of Standard common stock.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information and explanatory notes show the historical financial positions and results of operations of First Midwest and Standard, and have been prepared to illustrate the effects of the merger involving First Midwest and Standard under the acquisition method of accounting with First Midwest treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Standard, as of the effective date of the merger, will be recorded by First Midwest at their respective fair values along with identifiable intangible assets and the excess of the merger consideration over the fair value of Standard's net assets will be allocated to goodwill.

The unaudited pro forma condensed combined income statements for the fiscal year ended December 31, 2015 and the six months ended June 30, 2016 are presented as if the merger had occurred on January 1, 2015, the first day of the First Midwest 2015 fiscal year. The unaudited pro forma condensed combined balance sheet as of June 30, 2016 is presented as if the merger with Standard had occurred on June 30, 2016. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) Standard's balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of First Midwest's common stock varies from the assumed \$17.56 per share; (iii) total merger-related expenses if completion and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited pro forma condensed combined financial information is provided for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial information and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

The accompanying notes to the unaudited pro forma condensed combined financial information;

First Midwest's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2015, included in First Midwest's Annual Report on Form 10-K for the year ended December 31, 2015, which are incorporated by reference in this joint proxy statement/prospectus;

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Standard's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2015, included in this joint proxy statement/prospectus;

First Midwest's separate unaudited historical consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2016 included in First Midwest's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which are incorporated by reference in this joint proxy statement/prospectus; and

Standard's separate unaudited historical consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2016 included in this joint proxy statement/prospectus.

### First Midwest Bancorp, Inc. Pro Forma Condensed Combined Balance Sheet (Amounts in thousands) (Unaudited)

	As of June 30, 2016					
	First Midwest Bancorp, Inc.	Standard Bancshares, Inc.	Pro Forma Adjustments	Pro Forma Consolidated		
<b>Assets</b>						
Cash and cash equivalents	\$ 255,389	\$ 264,695	\$ (28,732)	A	\$	491,352
Securities	1,812,124	219,483				2,031,607
Loans	7,979,537	1,798,646	(68,802)	B		9,709,381
Allowance for loan losses	(80,105)	(18,701)	18,701	C		(80,105)
Other real estate owned	29,990	15,730	(2,900)	D		42,820
Goodwill	341,513		156,941	E		498,454
All other intangible assets	28,449	431	25,524	F		54,404
Premises, furniture, and equipment, net	140,554	58,842	(300)	G		199,096
Accrued interest receivable and other assets	488,359	112,848	9,722	H		610,929
<b>Total assets</b>	<b>\$ 10,995,810</b>	<b>\$ 2,451,974</b>	<b>\$ 110,154</b>		<b>\$</b>	<b>13,557,938</b>
<b>Liabilities and Stockholders' Equity</b>						
Demand and interest-bearing demand deposits	\$ 7,701,880	\$ 1,742,046			\$	9,443,926
Time deposits	1,269,436	429,548				1,698,984
<b>Total deposits</b>	<b>8,971,316</b>	<b>2,171,594</b>				<b>11,142,910</b>
Borrowed funds	449,744					449,744
Senior and subordinated debt	162,876					162,876
Accrued interest payable and other liabilities	160,985	26,706	(6,041)	I		181,650
<b>Total liabilities</b>	<b>9,744,921</b>	<b>2,198,300</b>	<b>(6,041)</b>			<b>11,937,180</b>
Common stock	913	486	(275)	J		1,124
Additional paid-in capital	495,159	177,319	192,339	J		864,817
Retained earnings	982,277	75,693	(75,693)	J		982,277
Accumulated other comprehensive (loss) income, net of tax	(8,803)	1,302	(1,302)	J		(8,803)
Treasury stock, at cost	(218,657)	(1,126)	1,126	J		(218,657)
<b>Total stockholders' equity</b>	<b>1,250,889</b>	<b>253,674</b>	<b>116,195</b>			<b>1,620,758</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 10,995,810</b>	<b>\$ 2,451,974</b>	<b>\$ 110,154</b>		<b>\$</b>	<b>13,557,938</b>



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**First Midwest Bancorp, Inc.**  
**Pro Forma Condensed Combined Income Statement**  
(Amounts in thousands)  
(Unaudited)

	First Midwest Bancorp, Inc.	Six Months Ended Standard Bancshares, Inc.	June 30, 2016 Pro Forma Adjustments	Pro Forma Consolidated
<b>Interest Income</b>				
Loans	\$ 164,981	\$ 40,287	\$ 3,269 K	\$ 208,537
Investment securities	17,921	1,507		19,428
Other short-term investments	1,196	599		1,795
<b>Total interest income</b>	<b>184,098</b>	<b>42,393</b>	<b>3,269</b>	<b>229,760</b>
<b>Interest Expense</b>				
Deposits	4,867	2,206		7,073
Borrowed funds	2,815	42		2,857
Senior and subordinated debt	5,721			5,721
<b>Total interest expense</b>	<b>13,403</b>	<b>2,248</b>		<b>15,651</b>
<b>Net interest income</b>	<b>170,695</b>	<b>40,145</b>	<b>3,269</b>	<b>214,109</b>
Provision for loan losses	15,678	3,900		19,578
<b>Net interest income after provision for loan losses</b>	<b>155,017</b>	<b>36,245</b>	<b>3,269</b>	<b>194,531</b>
<b>Non-interest Income</b>				
Service charges on deposit accounts	19,642	2,284		21,926
Wealth management fees	16,201	1,119		17,320
Card-based fees	14,310	1,453		15,763
Merchant servicing fees	6,198			6,198
Mortgage banking income	3,231	2,048		5,279
Other service charges, commissions, and fees	9,946	2,228		12,174
BOLI income	1,747	818		2,565
Other income	1,563	1,490		3,053
Net securities gains	910			910
<b>Total non-interest income</b>	<b>73,748</b>	<b>11,440</b>		<b>85,188</b>
<b>Non-interest Expense</b>				
Salaries and wages	74,212	15,618		89,830
Retirement and other employee benefits	16,649	3,477		20,126
Net occupancy and equipment expense	19,625	5,719		25,344
Professional services	11,212	1,702		12,914
Technology and related costs	7,370	1,464		8,834
Merchant card expense	5,322			5,322
Advertising and promotions	3,516	620		4,136
FDIC premiums	3,126	1,036		4,162
Net OREO expense	1,786	399		2,185
Cardholder expense	2,871	710		3,581
Other expenses	12,616	3,910	1,276 L	17,802
Acquisition and integration related expenses	5,638			5,638
<b>Total non-interest expense</b>	<b>163,943</b>	<b>34,655</b>	<b>1,276</b>	<b>199,874</b>

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Income before income tax expense	64,822	13,030	1,993	79,845
Income tax expense	21,593	4,363	698	26,654
<b>Net Income</b>	<b>\$ 43,229</b>	<b>\$ 8,667</b>	<b>\$ 1,295</b>	<b>\$ 53,191</b>

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**First Midwest Bancorp, Inc.**  
**Pro Forma Condensed Combined Income Statement**  
(Amounts in thousands)  
(Unaudited)

	Year Ended December 31, 2015			
	First Midwest Bancorp, Inc.	Standard Bancshares, Inc.	Pro Forma Adjustments	Pro Forma Consolidated
<b>Interest Income</b>				
Loans	\$ 300,303	\$ 80,186	\$ 8,105 K	\$ 388,594
Investment securities	31,943	2,560		34,503
Other short-term investments	3,738	602		4,340
<b>Total interest income</b>	<b>335,984</b>	<b>83,348</b>	<b>8,105</b>	<b>427,437</b>
<b>Interest Expense</b>				
Deposits	9,527	4,166		13,693
Borrowed funds	2,314	87		2,401
Senior and subordinated debt	12,545			12,545
<b>Total interest expense</b>	<b>24,386</b>	<b>4,253</b>		<b>28,639</b>
<b>Net interest income</b>	<b>311,598</b>	<b>79,095</b>	<b>8,105</b>	<b>398,798</b>
Provision for loan losses	21,152	4,600		25,752
<b>Net interest income after provision for loan losses</b>	<b>290,446</b>	<b>74,495</b>	<b>8,105</b>	<b>373,046</b>
<b>Non-interest Income</b>				
Service charges on deposit accounts	39,979	4,216		44,195
Wealth management fees	29,162	2,437		31,599
Card-based fees	26,984	2,968		29,952
Merchant servicing fees	11,739			11,739
Mortgage banking income	5,741	4,407		10,148
Other service charges, commissions, and fees	13,654	6,444		20,098
BOLI income	4,185	1,471		5,656
Other income	2,764	3,983		6,747
Net securities gains	2,373			2,373
<b>Total non-interest income</b>	<b>136,581</b>	<b>25,926</b>		<b>162,507</b>
<b>Non-interest Expense</b>				
Salaries and wages	133,739	31,619		165,358
Retirement and other employee benefits	31,852	6,405		38,257
Net occupancy and equipment expense	38,720	11,708		50,428
Professional services	22,720	1,933		24,653
Technology and related costs	14,581	2,775		17,356
Merchant card expense	9,886			9,886
Advertising and promotions	7,606	1,020		8,626
FDIC premiums	6,017	1,982		7,999
Net OREO expense	5,281	827		6,108
Cardholder expense	5,243	1,335		6,578
Other expenses	21,601	8,900	2,552 L	33,053
Property valuation adjustments	8,581			8,581
Acquisition and integration related expenses	1,389			1,389

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Total non-interest expense	307,216	68,504	2,552	378,272
Income before income tax expense	119,811	31,917	5,553	157,281
Income tax expense	37,747	11,463	1,944	51,154
<b>Net Income</b>	\$ 82,064	\$ 20,454	\$ 3,609	\$ 106,127



Table of Contents**Notes to Unaudited Pro Forma Condensed Combined Financial Statements****Note 1 Basis of Presentation**

The unaudited pro forma condensed combined financial information has been prepared under the acquisition method of accounting for business combinations. The unaudited pro forma condensed combined statements of income for the year ended December 31, 2015 and six months ended June 30, 2016 are presented as if the acquisition occurred on January 1, 2015. The unaudited pro forma condensed combined balance sheet as of June 30, 2016 is presented as if the acquisition occurred as of that date. This information is not intended to reflect the actual results that would have been achieved had the acquisition actually occurred on those dates. The pro forma adjustments are preliminary, based on estimates, and are subject to change as more information becomes available and after final analyses of the fair values of both tangible and intangible assets acquired and liabilities assumed are completed. Accordingly, the final fair value adjustments may be materially different from those presented in this document.

**Note 2 Purchase Price**

Each share of Standard common stock that is outstanding immediately prior to the merger will be converted into the right to receive 0.435 of a share of First Midwest common stock, subject to adjustment as described in this joint proxy statement/prospectus. Each outstanding Standard stock settled right will be redeemed for cash, and each outstanding Standard stock option and each share of Standard phantom stock will be cancelled and terminated in exchange for the right to receive cash, in each case, as described in "The Merger Agreement Merger Consideration".

**Note 3 Allocation of Purchase Price**

Under the acquisition method of accounting, Standard's assets acquired and liabilities assumed and any identifiable intangible assets are required to be adjusted to their estimated fair values at the acquisition date. The excess of the purchase price over the fair value of the net assets acquired, net of deferred taxes, is allocated to goodwill. Estimated fair value adjustments included in the pro forma financial statements are based upon available information, and certain assumptions considered reasonable, and may be revised as additional information becomes available. The following are the pro forma adjustments made to record the acquisition and to adjust Standard's assets and liabilities to their estimated fair values at June 30, 2016.

**(Unaudited dollars in thousands)****Purchase Price of Standard Bancshares, Inc.:**

First Midwest common stock paid at market value of \$17.56 as of June 30, 2016	\$ 369,869
Cash to be paid for Standard stock options, Standard phantom stock and Standard stock settled rights	28,732

Purchase price of Standard Bancshares, Inc.	\$ 398,601
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Historical net assets of Standard as of June 30, 2016	\$ 253,674
Fair value adjustments as of June 30, 2016:	
Loans	(68,802)
Allowance for loan losses	18,701
Other real estate owned	(2,900)
Goodwill	156,941
All other intangible assets	25,524
Premises, furniture, and equipment	(300)
Deferred taxes on purchase accounting adjustments	9,722
Accrued expenses and other liabilities	6,041
<b>Purchase Price</b>	<b>\$ 398,601</b>



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Any change in the price of First Midwest common stock would change the purchase price allocated to goodwill. The following table presents the sensitivity of the purchase price and resulting goodwill to changes in the price of First Midwest common stock of \$17.56, the closing price of First Midwest common stock on June 30, 2016:

(Unaudited dollars in thousands)	Purchase Price	Goodwill
Up 20%	\$ 480,715	\$ 239,055
Up 10%	439,658	197,998
As presented in pro forma financial information	398,601	156,941
Down 10%	357,545	115,885
Down 20%	316,488	74,828

The following pro forma adjustments are reflected in the unaudited pro forma condensed combined financial information:

- A. Cash to be paid for Standard stock options and Standard phantom stock and to redeem Standard stock settled rights.
- B. Fair value adjustment on loans of \$68.8 million, which includes \$18.6 million to be accreted into interest income on a level-yield basis over the weighted average life of approximately 3 years of the respective loans. The interest rate fair value adjustment was determined based on the present value of estimated future cash flows of the loans to be acquired, discounted using a weighted average market rate. The credit fair value adjustment was determined based on assigned risk ratings and the present value of estimated expected cash flows (including the estimated fair value of loan collateral).
- C. Elimination of Standard's allowance for loan losses.
- D. Fair value adjustment on other real estate owned.
- E. Estimate of goodwill that will be recognized as part of the transaction. See the allocation of purchase price in Note 3 for calculation.
- F. Adjustments to other intangible assets to eliminate Standard's other intangible assets of \$431,000 and record estimate of core deposit intangible asset that will be recognized as part of the purchase accounting transaction. The core deposit intangible is assumed to be amortized straight-line over 10 years.
- G. Fair value adjustment on premises, furniture, and equipment.
- H. Net deferred tax asset related to the loan, allowance for loan losses, other real estate owned, core deposit intangible and premises, furniture, and equipment fair value adjustments using a tax rate of 35%.
- I. Elimination of Standard's remaining deferred gain associated with a sale leaseback transaction previously completed.
- J. Elimination of Standard's shareholders' equity and the issuance of First Midwest shares in the merger. Standard shareholders are expected to receive 0.435 of a share of First Midwest common stock for each share of Standard common stock held by them. The fair value of First Midwest common stock was based on the June 30, 2016 closing price of \$17.56 per share.
- K. Accretion estimate of interest income portion of the fair value adjustment on loans.
- L. Amortization estimate of core deposit intangible fair value adjustment.



Table of Contents**Note 4 Estimated Acquisition and Integration Related Expenses**

The table below reflects First Midwest's current estimate of the aggregate acquisition and integration related expenses of \$23.1 million (net of \$11.4 million of taxes, computed using a 35% tax rate) expected to be incurred in connection with the merger, which are excluded from the pro forma financial statements. The current estimates of these expenses are as follows:

**(Unaudited dollars in thousands)**

Change of control, severance and retention plan payments	\$ 10,950
Professional fees <sup>(1)</sup>	12,300
Data processing, termination and conversion	6,749
Other expense	4,501
Pre-tax acquisition and integration related expenses	34,500
Income tax benefit	(11,361)
Total acquisition and integration related expenses	\$ 23,139

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<sup>(1)</sup> A portion of this amount is not tax deductible.

The type and amount of actual costs incurred could vary materially from these estimates if future developments differ from the underlying assumptions used by management in determining the current estimate of these costs.

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**INFORMATION ABOUT THE COMPANIES**

**First Midwest**

First Midwest is a Delaware corporation headquartered in the Chicago suburb of Itasca, Illinois. It is a relationship-based financial institution and one of the largest independent publicly traded bank holding companies based on assets headquartered in the Midwest. First Midwest's principal subsidiary, First Midwest Bank, and other affiliates provide a full range of commercial, leasing, retail, wealth management, trust and private banking products and services to commercial and industrial, commercial real estate, municipal and consumer customers through over 110 locations in metropolitan Chicago, northwest Indiana, central and western Illinois, and eastern Iowa. At June 30, 2016, First Midwest had consolidated total assets of approximately \$11.0 billion and over \$8.3 billion in trust assets under management. First Midwest common stock trades on the NASDAQ Stock Market under the symbol "FMBI".

First Midwest's executive offices are located at One Pierce Place, Suite 1500, Itasca, Illinois 60143, and its telephone number is (630) 875-7463.

**Standard**

Standard, an Illinois corporation incorporated in 1982, is a registered bank holding company headquartered in Hickory Hills, Illinois. Its primary business is operating its bank subsidiary, SB&T, an Illinois state-chartered bank headquartered in Hickory Hills, Illinois. SB&T is a relationship-focused bank that serves local businesses and individuals through a full range of services including business banking, retail banking, and trust and wealth management services. It provides these financial services through 34 banking locations throughout the Chicagoland area and northwest Indiana. At June 30, 2016, SB&T had approximately \$2.5 billion in total assets, \$2.2 billion in deposits and \$1.8 billion in loans. SB&T also had approximately \$300 million in trust assets under management for its wealth management clients at June 30, 2016.

*Business*

SB&T is an independent, community banking institution headquartered in Hickory Hills, Illinois. SB&T offers a comprehensive line of products and services designed to meet the financial needs of the communities it serves. The banking and financial services industry in the markets in which SB&T operates (and particularly, the Chicago metropolitan area) is highly competitive. Generally, SB&T competes for banking customers and deposits with other local, regional, national and Internet banks and savings and loan associations; personal loan and finance companies; credit unions; mutual funds; and investment brokers.

*Deposit and Retail Services*

SB&T offers a full range of consumer and commercial deposit services that are typically available at most commercial banks and financial institutions, including checking accounts, NOW accounts, money market accounts, savings accounts, cash management, time deposits of various types ranging from shorter-term to longer-term certificates of deposit and individual retirement accounts. SB&T also provides online and mobile banking to its clients.

*Lending*

SB&T provides a range of commercial real estate, residential real estate, commercial and industrial, healthcare and personal lending products and services for its customers. The majority of SB&T's client relationships are based in Cook, Will and Grundy counties in northern Illinois and Lake

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County in northwest Indiana. When extending credit, SB&T's decisions are based upon the customer's ability to repay their loan, as well as the value of any collateral securing the loan.

*Sources of Funds*

SB&T maintains stable sources of funding primarily through deposits from its customers. SB&T's largest categories of deposits are non-interest bearing, followed by savings deposits, time deposits, money market accounts and NOW accounts. SB&T also obtains funds from the amortization, repayment and prepayment of loans; the sales or maturity of investment securities; advances from the Federal Home Loan Bank; securities sold under agreements to repurchase; federal funds purchased; and cash flows generated by operations.

*Investment Activities*

SB&T maintains a securities portfolio to manage risk and provide SB&T with asset diversification, income, collateral for its own borrowing and financial stability. The objectives of the securities portfolio are to diversify and mitigate exposures to credit and interest rate risk, to provide liquidity and to enhance profitability by investing available funds.

*Wealth Management*

SB&T provides a range of wealth management services, including trust and investment. Trust services include custodial accounts, investment services, employer-sponsored plans and estate administration. Investment services include individual plans, college savings programs, annuities and insurance. SB&T wealth management clients are located primarily in northern Illinois and northwest Indiana.

*Additional Information*

Standard common stock is not registered under the Exchange Act and, accordingly, the company does not file periodic or current reports with the SEC.

Standard's executive offices are located at 7800 West 95th Street, Hickory Hills, Illinois 60457, and its telephone number is (708) 598-7400.

**Merger Sub**

Merger Sub is an Illinois corporation and a direct wholly owned subsidiary of First Midwest. Merger Sub was incorporated on June 17, 2016, for the sole purpose of effecting the merger. As of the date of this joint proxy statement/prospectus, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the transactions contemplated by the merger agreement.

Merger Sub's principal address is c/o First Midwest Bancorp, Inc., One Pierce Place, Suite 1500, Itasca, Illinois 60143 and its telephone number is (630) 875-7463.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF STANDARD'S FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

*The following is a discussion and analysis of Standard's consolidated financial condition at June 30, 2016, December 31, 2015 and December 31, 2014 and consolidated results of operations for the six months ended June 30, 2016 and 2015 and the years ended December 31, 2015, and 2014, and should be read in conjunction with Standard's consolidated financial statements and notes thereto presented in this joint proxy statement/prospectus beginning on page F-1. The discussion and analysis of Standard's financial condition and results of operations and all other information presented in this section may be forward-looking in nature, and therefore should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements".*

**Critical Accounting Policies**

Standard's consolidated financial statements are prepared in conformity with GAAP and follow general practices within the banking industry. This preparation requires management to make estimates, assumptions, and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions, and judgments are based on information available as of the date of the financial statements; accordingly, as this information changes, actual results could differ from the estimates, assumptions, and judgments reflected in the financial statements. Certain policies inherently have a greater reliance on the use of estimates, assumptions, and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. Standard's management believes the following policies are both important to the portrayal of its financial condition and results of operations and require subjective or complex judgments; therefore, management considers the following to be critical accounting policies.

*Allowance for Credit Losses.* The allowance for credit losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in the light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. The allowance for credit losses is a valuation allowance for probable incurred credit losses, increased by the provision for credit losses and recoveries, and decreased by the charge-off of loans. Allocations of the allowance for credit losses may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged-off. Loan losses are charged against the allowance for credit losses when management believes the uncollectability of the loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance for credit losses. The allowance for credit loss methodology is consistent for each portfolio segment.

The allowance for credit losses consists of specific and general components. The specific component relates to loans that are individually classified as impaired. The general component covers non-impaired loans and is based on a historical migration analysis adjusted for current qualitative environmental factors. Standard maintains a loss migration analysis that tracks loan losses and recoveries based on loan type as well as the loan risk grade assignment for commercial loans. Standard uses a migration analysis methodology that segments the portfolio into six categories and incorporates losses by risk grade. The methodology looks at a charge-off and the risk grade of that loan during the prior 12 quarters and then allocates a portion of the loss to the various risk grades. Beginning in June 2015, the methodology incorporates charge-offs during the last two 12 quarter periods. Prior to June 2015, the methodology incorporated charge-offs during the last three eight quarter periods. These historical loss percentages are adjusted (both upwards and downwards) for certain qualitative environmental factors, including economic trends, credit quality trends, concentration risks, quality of loan review, changes in staff, and external factors and other considerations. This evaluation is



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inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is impaired when, based on current information and events, Standard management believes it to be probable that it will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified with no benefit to Standard received and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings ("TDR's"), and are classified as impaired. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Standard evaluates impaired loans individually to determine whether or not interest continues to be accrued.

Generally loans with relationship balances exceeding \$250,000 that satisfy internally established risk grading thresholds are evaluated for impairment, and all such loans that are classified as non-accrual are considered for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing interest rate or at the fair value of collateral, less estimated costs to sell, if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans, such as consumer and residential real estate loans, are collectively evaluated for impairment and, accordingly, they are not separately identified for impairment disclosures.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require Standard to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, although management believes that Standard maintains an allowance for credit losses in accordance with GAAP, it is reasonably possible that the estimated losses on loans may change materially.

*Securities.* Debt securities are classified as held-to-maturity when Standard has the positive intent and ability to hold the securities to maturity. Securities held-to-maturity are carried at amortized cost. The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the period to maturity.

Debt securities not classified as held-to-maturity are classified as available-for-sale. Securities available-for-sale are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains (losses) on securities available-for-sale are included in other income (expense) and, when applicable, are reported as a reclassification adjustment, net of tax, in other comprehensive income. Gains and losses on sales of securities are determined using the specific-identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair

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value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: (i) OTTI related to credit loss, which must be recognized in the income statement; and (ii) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of impairment is recognized through earnings.

*Income Taxes.* Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due *plus* deferred taxes related primarily to differences between the basis of the allowance for credit losses, other real estate owned, non-accrual interest and State net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Standard files consolidated income tax returns with its subsidiaries.

Standard recognizes a tax position as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, including resolution of related appeals or litigation processes. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Standard recognizes interest and penalties related to income tax matters in income tax expense.

*Other Real Estate Owned.* Real estate properties acquired through or in lieu of loan foreclosures are initially recorded at the fair value less estimated selling cost at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for credit losses. After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Impairment losses on property to be held and used are measured as the amount by which the carrying amount of a property exceeds its fair value. Costs of significant property improvements are capitalized, whereas costs relating to holding property are expensed.

*Fair Value.* Fair values of impaired loans, other real estate owned, and other financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note in Standard's audited consolidated financial statements. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

*Recent Accounting Pronouncements.* In February 2016, the FASB issued ASU 2016-02 (Subtopic 842), *Leases*, which requires companies that lease assets ("lessees") to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new standard will also require additional disclosures to include qualitative and quantitative information about amounts presented in the financial statements. The guidance is effective for annual and interim periods beginning after December 15, 2018. Standard's management is evaluating the new guidance and its impact on Standard's financial condition and results of operations.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which makes limited amendments to the guidance on the classification and measurement of financial instruments. The new standard revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of

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certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments require equity investments to be measured at fair value, with changes in fair value recognized in net income. For financial liabilities that an entity has elected to measure at fair value, the amendments require an entity to present separately in other comprehensive income the portion of the change in fair value that results from a change in instrument-specific credit risk. The guidance is effective for annual and interim periods beginning after December 15, 2017. Upon adoption, entities will be required to make a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. Although management is continuing to evaluate this new guidance, its adoption of this requirement is not expected to have a material effect on Standard's financial condition or results of operations.

In May 2014, the FASB issued an update (ASU No. 2014-09, *Revenue from Contracts with Customers*) creating FASB Topic 606, *Revenue from Contracts with Customers*. The guidance in this update affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (for example, insurance contracts or lease contracts). The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides steps to follow to achieve this core principle. An entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Qualitative and quantitative information is required about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The amendments in this update originally were to become effective for annual and interim periods beginning after December 15, 2016. During 2015, the FASB delayed the effectiveness by one year to annual and interim periods beginning after December 15, 2017. Standard's management is currently evaluating the impact of adopting the new guidance on Standard's financial condition and results of operations.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). These amendments require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information in the calculation of their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. ASU 2016-13 is effective for annual and interim periods beginning after December 15, 2019. Early application will be permitted for all organizations for annual and interim periods beginning after December 15, 2018. Standard's management is currently evaluating the impact that the standard will have on our consolidated financial statements.

**General**

Standard is a bank holding company whose principal activity is the ownership and management of its wholly-owned subsidiary, SB&T. SB&T generates commercial, mortgage and consumer loans and receives deposits from customers located primarily in the Chicago Metropolitan, Northwest Indiana and surrounding areas. SB&T has two wholly-owned subsidiaries.

The profitability of Standard's operations depends primarily on its net interest income after provision for credit losses, which is the difference between interest earned on interest-earning assets and interest paid on interest-bearing liabilities less provision for credit losses. The provision for credit

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losses is dependent on changes in Standard's loan portfolio and management's assessment of the collectability of Standard's loan portfolio, as well as prevailing economic and market conditions. Standard's net income is also affected by non-interest income, non-interest expense and income tax expense.

**Net Income**

Standard had net income of \$8.7 million for the six months ended June 30, 2016 compared to net income of \$9.5 million for the six months ended June 30, 2015. Fully diluted earnings per common share were \$0.18 for the six months ended June 30, 2016 compared to \$0.20 for the six months ended June 30, 2015.

The decrease in net income from the six months ended June 30, 2016 compared to the six months ended June 30, 2015 was primarily due to a \$2.2 million initial pre-tax gain on the 2015 sale of two of Standard's branch facilities as part of a sale leaseback transaction. In addition, the fair value of derivatives associated with Standard's program for its commercial borrowers decreased by \$0.8 million and non-interest expenses were up \$1.0 million for the six months ended June 30, 2016 compared to six months ended June 30, 2015. The decreases to net income were partially offset by a \$1.4 million increase in net interest income for the first six months of 2016.

Standard had net income of \$20.5 million for the year ended December 31, 2015 compared to net income of \$14.3 million for the year ended December 31, 2014. Fully diluted earnings per common share were \$0.42 for the year ended December 31, 2015 compared to \$0.29 for 2014.

The increase in net income from the year ended December 31, 2015 compared to the year ended December 31, 2014 was primarily due to an increase in net interest income, a pre-tax initial \$2.2 million gain and \$0.6 million of deferred gain recognized on the 2015 sale of two branch facilities as part of a sale leaseback transaction, and a \$2.6 million increase in swap fees associated with a program for commercial borrowers.

**Net Interest Income**

The following tables present, for the periods indicated, the total dollar amount of interest income from average interest-earning assets and the related yields, as well as the interest expense on average interest-bearing liabilities, and the related costs, expressed both in dollars and rates. The tables below and the discussion that follows contain presentations of net interest income and net interest margin on a tax-equivalent basis, which is adjusted for the tax-favored status of income from certain loans and investments. Standard management believes this measure to be the preferred industry measurement of net interest income, as it provides a relevant comparison between taxable and non-taxable amounts. Reconciliations of net interest income on a tax-equivalent basis to net interest income in accordance with GAAP are provided in the following tables.

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**Net Interest Income and Margin Analysis**  
(dollars in thousands)

	Six Months Ended June 30,								
	2016			2015			Change From 2015 to 2016		
Assets:	Average Balance	Interest	Yield/Rate %	Average Balance	Interest	Yield/Rate %	Total Change	Change Due to Volume	Change Due to Rate
Other interest-earning assets <sup>(1)</sup>	\$ 235,966	\$ 599	0.51%	\$ 298,329	\$ 375	0.25%	\$ 223	\$ (92)	\$ 315
Securities <sup>(2)</sup>	208,133	1,505	1.45%	182,458	1,125	1.23%	380	171	209
FHLB stock	3,247	18	1.11%	3,247	8	0.49%	10		10
Loans <sup>(2)(3)(4)</sup>	1,822,399	40,403	4.39%	1,773,640	39,383	4.39%	1,021	1,081	(60)
<b>Total interest-earning assets</b>	<b>2,269,745</b>	<b>42,525</b>	<b>3.71%</b>	<b>2,257,674</b>	<b>40,891</b>	<b>3.58%</b>	<b>1,634</b>	<b>1,160</b>	<b>(474)</b>
Non interest-earning assets	198,810			197,637					
<b>Total assets</b>	<b>\$ 2,468,555</b>			<b>\$ 2,455,311</b>					
<b>Liabilities and Shareholders' Equity:</b>	<b>Average Balance</b>	<b>Interest</b>	<b>Yield/Rate %</b>	<b>Average Balance</b>	<b>Interest</b>	<b>Yield/Rate %</b>	<b>Total Change</b>	<b>Change Due to Volume</b>	<b>Change Due to Rate</b>
Savings deposits	\$ 440,028	\$ 220	0.10%	\$ 440,257	\$ 230	0.11%	\$ (10)	\$	\$ (10)
NOW accounts	260,993	250	0.19%	238,253	238	0.20%	12	22	(10)
Money market accounts	338,888	459	0.27%	272,330	243	0.18%	217	69	148
Time deposits	433,006	1,277	0.59%	492,542	1,296	0.53%	(19)	(166)	147
FHLB advances & other borrowings	14,689	42	0.57%	15,039	43	0.58%	(2)	(1)	(1)
<b>Total interest-bearing liabilities</b>	<b>1,487,604</b>	<b>2,248</b>	<b>0.30%</b>	<b>1,458,421</b>	<b>2,050</b>	<b>0.28%</b>	<b>198</b>	<b>(76)</b>	<b>274</b>
Demand deposits	704,095			702,605					
<b>Total funding sources</b>	<b>2,191,699</b>			<b>2,161,026</b>					
Other liabilities	23,145			24,195					
Shareholders' equity	253,711			270,090					
<b>Total liabilities &amp; shareholders' equity</b>	<b>\$ 2,468,555</b>			<b>\$ 2,455,311</b>					