



2004 annual report

First Midwest Bancorp, Inc.

First Midwest Bancorp, Inc.

company profile

First Midwest is the premier relationship-based banking franchise in the growing Chicagoland banking market. As one of the Chicago metropolitan area's largest independent bank holding companies, First Midwest provides the full range of both business and retail banking and trust and investment management services. First Midwest operates 67 offices located in 49 communities, primarily in northeastern Illinois, a network of 100 ATMs, and its on-line full service electronic banking center www.firstmidwest.com. First Midwest is the 2004 recipient of the Illinois Bank Community Service Award and was honored by *Chicago Magazine* in its September 2004 issue as one of the 25 best places to work in Chicagoland, the only bank to receive that distinction. First Midwest Bank, First Midwest Bancorp's sole banking subsidiary, has approximately \$7 billion in assets, and its Trust Investment Management Division has \$2.4 billion in assets under management. Collectively, First Midwest has more than 600,000 relationships serving nearly a quarter of a million households and approximately 21,000 businesses. First Midwest is rooted deeply in the local communities it serves and its sales team is intensely focused on providing value enhancing and needs satisfying financial services to its expanding client base.

additional information

Visit the Investor Relations section of our website, www.firstmidwest.com, for stock and dividend information, quarterly earnings and news releases, on-line annual report, links to SEC filings, and other Company information.



First Midwest Bancorp, Inc.

Consolidated Financial Highlights

(\$ in thousands, except per share data)

Years Ended December 31,	2004	2003
Net Income	\$ 99,136	\$ 92,778
Diluted earnings per share	\$ 2.12	\$ 1.97
Dividends declared	0.90	0.79
Book value at year end	11.55	11.22
Market price at year end	36.29	32.43
Performance Ratios		
Return on average equity	18.68%	18.28%
Return on average assets	1.45%	1.50%
Net interest margin	3.91%	3.99%
Efficiency ratio	50.11%	48.32%
December 31,	2004	2003
Balance Sheet Highlights		
Total assets	\$ 6,863,381	\$ 6,906,658
Loans	4,135,278	4,059,782
Deposits	4,905,378	4,815,108
Stockholders' equity	532,038	522,540

Stock Performance and Dividend Information

Quarter Ended	2004				2003			
	High	Low	Close	Dividends Declared	High	Low	Close	Dividends Declared
March 31	\$34.29	\$31.13	\$34.22	\$0.22	\$28.12	\$24.89	\$25.81	\$0.19
June 30	36.03	32.33	35.21	0.22	29.87	25.55	28.81	0.19
September 30	35.62	32.25	34.56	0.22	31.45	28.53	29.71	0.19
December 31	38.30	33.70	36.29	0.24	32.80	29.61	32.43	0.22
				\$0.90				\$0.79

4.11.2005



John M. O'Meara
President and CEO
First Midwest Bancorp, Inc.

Dear Stockholders,

First Midwest Bancorp had another highly successful year in 2004, as we enjoyed record profitability and a strong all around operating performance that further established us as the premier relationship-based banking franchise in the thriving Chicagoland marketplace. We have grown to almost \$7 billion in assets, and we offer the full range of financial products and services to satisfy the financial needs of all of our retail, commercial, and trust clients.

By satisfying an increasing amount of our existing clients' needs and attracting new clients with our unique relationship-based approach, we again achieved record results in 2004, despite increasingly intense competitive pressures and a historically unique and challenging interest rate environment.

2004 . . . 13th Year of Record Operating Results

First Midwest had another year of record performance in 2004. The Company's net income for 2004 increased 7.6% on a per diluted share basis to a record \$99.1 million, or \$2.12 per diluted share, from net income of \$92.8 million, or \$1.97 per diluted share in 2003. In 2004, First Midwest's return on average assets remained strong at 1.45% and its return on average equity was a solid 18.7%, both of which surpass peer averages. The Company's overall profitability continues to benefit from strong earnings, solid credit quality, cost control, and efficient use of capital.

The Company's total loans of \$4.1 billion at December 31, 2004 were 1.9% higher than at December 31, 2003. The Company's loan growth in 2004 was influenced by the Company's conversion of \$74.2 million of certain 1-4 family residential mortgages into an investment security and the Company's exit from its marginally profitable indirect consumer lending business. Excluding both 1-4 family residential loans and indirect consumer loans, First Midwest's total loans increased 6.0% as commercial, agricultural, commercial real estate, and home equity consumer loan categories all grew. Commercial loan growth trends remain favorable, and commercial loans outstanding as of December 31, 2004 increased by 8.9% compared to December 31, 2003. Consumer home equity loans increased 10.9% from December 31, 2003, reflecting continued sales success.

Total deposits at December 31, 2004 were \$4.9 billion, an increase of 1.9% from December 31, 2003. As of December 31, 2004, demand deposits were \$922.5 million, an increase of 7.4% from December 31, 2003, and time deposit balances outstanding were \$1.8 billion, an increase of 3.5% over the same period, largely due to targeted sales efforts and consumer preferences.

First Midwest's total noninterest income totaled \$79.4 million, an increase of 7.0% over 2003, driven by a 10.0% increase in trust revenues and an 11.0% increase in card-based fees. Total noninterest expense was \$163.3 million, an increase of 9.3% over 2003. At the same time, increased revenue and continued cost controls resulted in a solid efficiency ratio of 50.11% for 2004, and 49.91% if the one-time expenses associated with the integration of CoVest acquisition are excluded.

First Midwest improved its already strong credit quality in 2004. Nonperforming assets totaled \$22.9 million as of December 31, 2004, down 20.6% from \$28.9 million as of December 31, 2003. As of December 31, 2004, the ratio of nonperforming assets to total loans plus foreclosed real estate was 0.55%, improving 22.5% from 0.71% as of December 31, 2003.

Consistently Superior Financial Performance and Stockholder Returns for 13 Years

First Midwest's superior financial performance in 2004 is nothing new. Indeed, this performance is all the more impressive when viewed over the last 13 years.

Consistent Loan Growth with Lower Risk

To begin with, First Midwest's total loans have increased 54.1 % since 1994 (Figure 1). This loan growth has been achieved as a result of First Midwest's longstanding presence in the markets it serves and the knowledge it has gained by satisfying the financial needs of the clients in these markets. The number of relationship bankers employed and the calling and sales activity they generate to prospective clients far exceeds the productivity of competing banks. These efforts embody true relationship-based service, focused on satisfying the financial needs of our commercial, retail, and trust clients.

Simultaneously, I am proud to point out that First Midwest's loan quality has greatly improved by all measures. Illustrating this, First Midwest's nonperforming asset ratio has improved from 1.29% in 1994 to 0.55% in 2004 (Figure 2). Extensive knowledge of our clients and their challenges and markets as well as rigorous credit administration discipline have resulted in credit quality that outstrips peer results.

Efficiently Producing Superior Returns

Over the last thirteen years, First Midwest's earnings per share have grown steadily, from \$0.61 in 1992 to \$2.12 in 2004, a compound annual growth rate of 10.1% (Figure 3). We believe that this growth is the result of six factors: (1) dedication to our corporate mission; (2) our unique relationship management approach; (3) our focused management process; (4) our control driven culture; (5) a strong treasury management; and (6) the quality and depth of the markets we serve.

During this time period, First Midwest has rigorously applied cost controls. First Midwest's efficiency ratio has declined from 63.04% in 1994 to 50.11% in 2004, an improvement of 20.5%. This results in a 20% cost advantage over peer banks (Figure 4).

Earnings and Dividends: Growing Side by Side

This efficient growth with superior controls has enabled First Midwest to return cash to its stockholders in the form of increasing dividends. Since we became a public company in 1983, we have paid dividends in 89 consecutive quarters, with 13 dividend increases in 12 years. And First Midwest's market capitalization since 1992 has grown 588% from \$243 million to almost \$1.7 billion (Figure 5).

Premium Performance . . . Without the Premium

Over the years, First Midwest's financial performance has surpassed that of its peers. In 2004, First Midwest's return on average assets was 1.45% and its return on average equity was 18.7%, exceeding peer bank performance in these metrics by more than 40%.

Despite the consistency of its long-term financial performance, however, First Midwest remained a relative bargain compared to its peers. As of December 31, 2004, First Midwest's price to earnings ratio was 17.1, compared to a ratio of 18.7 for its peers (Figure 6).

Figure 1

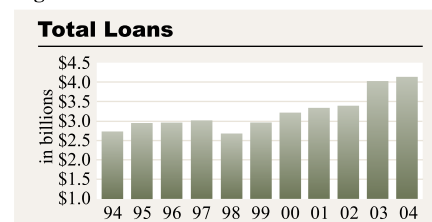


Figure 2

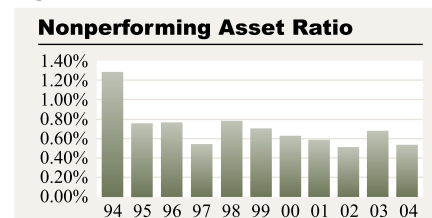


Figure 3

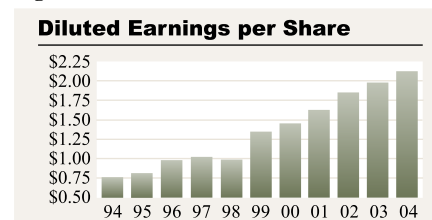


Figure 4

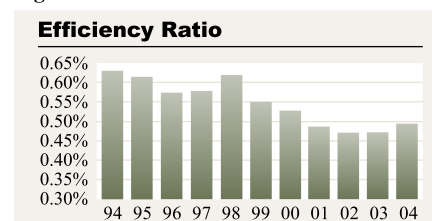


Figure 5

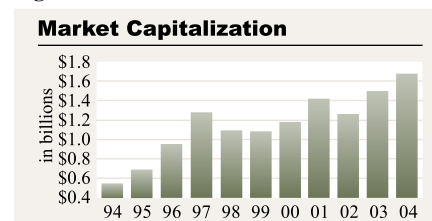
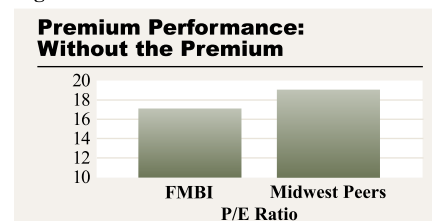


Figure 6



4.11.2005

2005 . . . A Look Ahead

First Midwest enters 2005 with a number of challenges that we must overcome to continue to generate the performance our clients and stockholders have come to expect from us. First, we continue to confront intensive competitive pressures in the Chicagoland marketplace from both local and out-of-state financial institutions. We believe that our understanding of these markets, obtained over decades of client and community service, will enable us to continue to deliver high quality and responsive service to our commercial, retail, and trust clients.

Second, we also continue to confront an interest rate environment that is historically unique. First Midwest's Treasury Department has been one of the principal causes of our success over the last thirteen years. We believe that we have talent and experience in that function to manage these risks to enhance First Midwest's operating performance.

Third, we, like other banks and other publicly traded companies, continue to adapt to a rapidly changing bank and securities regulatory environment, which requires an increasing amount of our resources and attention. Most notably, in 2005 we are hopeful that the Federal Reserve and the Illinois Office of Banks and Real Estate will conclude that First Midwest is in compliance with the Federal and state laws and regulations related to anti-money laundering policies and procedures.

First Midwest begins 2005 focused on the relationship-based sales approach that has driven our long-term success. Our calling efforts in the geographic market areas we serve, together with our comprehensive understanding of these areas, should enable us to continue to achieve appreciable loan growth across all categories, and our pipelines give every indication that we can expect this growth.

Improving the Quality of Life of Our Employees and Clients

In 2004, First Midwest received two prestigious honors. First, we received the 2004 Illinois Community Service Award from the Illinois Bankers Association. This award is given to Illinois financial institutions that demonstrate the highest level of commitment and service to their communities. First Midwest received this award as a result of its work with many community organizations throughout the state, particularly its commitment to providing special programs for Hispanics and seniors.

Second, First Midwest was named by *Chicago Magazine* as one of the 25 best places to work in Chicagoland – the only bank to be included on that list. This honor reflects First Midwest's commitment to all of its employees and our understanding that our success depends on an appropriately rewarded and motivated workforce.

Goodbyes . . . and a hello

This year, we said goodbye to two long-time Directors. Ralph Edwards served as a Director of First Midwest since 1988. Ralph's highly personable style, his energy and his meticulousness served First Midwest well over the last 17 years. We will miss Ralph deeply.

First Midwest also said goodbye to Vern Brunner, who served on the First Midwest Board since 1997. Vern's marketing experience and ability to quickly cut to the heart of even the most complex issues was invaluable to all of us. We will also miss Vern very much.



BEST PLACES TO WORK

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At the same time, we welcome Jack Rooney to our Board. Jack's banking, financial, and marketing experience should be very useful to us as we confront the challenges awaiting us in 2005 and beyond.

In conclusion, I am optimistic about First Midwest's prospects in 2005, and I have confidence that the hard work, intelligence, and diligence of our directors and employees will once again enable us to thrive in the coming years.

Yours very truly,

A handwritten signature in black ink, reading "John M. O'Meara". The signature is fluid and cursive, with the first name "John" and last name "O'Meara" clearly legible.

John O'Meara
President and
Chief Executive Officer

**Report of Independent
Registered Public
Accounting Firm
3.4.2005**

**To The Board of Directors
and Stockholders of First Midwest Bancorp, Inc.**

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of condition of First Midwest Bancorp, Inc. as of December 31, 2004 and 2003, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2004 (not presented separately herein) and in our report dated March 4, 2005, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

Ernst & Young LLP

Ernst & Young LLP
Chicago, Illinois

**Condensed Consolidated
Statements of Condition**

	(\$ in thousands)	
December 31,	2004	2003
Assets		
Cash	\$ 119,880	\$ 186,900
Investment securities and other short-term investments	2,248,595	2,312,505
Commercial loans	3,174,330	2,993,949
Consumer loans	960,948	1,065,833
Reserve for loan losses	(56,718)	(56,404)
Net loans	4,078,560	4,003,378
Premises, furniture and equipment	89,003	91,535
Investment in corporate owned life insurance	151,359	146,421
Other assets	175,984	165,919
Total Assets	\$6,863,381	\$ 6,906,658
Liabilities		
Noninterest-bearing deposits	\$ 922,540	\$ 859,080
Interest-bearing deposits	3,982,838	3,956,028
Borrowed funds	1,218,332	1,371,672
Subordinated debt-trust preferred securities	129,294	128,716
Other liabilities	78,339	68,622
Total liabilities	6,331,343	6,384,118
Stockholders' Equity	532,038	522,540
Total Liabilities and Stockholders' Equity	\$6,863,381	\$ 6,906,658

Condensed Consolidated Statements of Income

	(\$ in thousands, except per share data)		
Years Ended December 31,	2004	2003	2002
Interest Income			
Loans	\$ 225,099	\$ 200,013	\$ 223,393
Investment securities	90,243	91,054	106,271
Total Interest Income	315,342	291,067	329,664
Interest Expense			
Deposits	57,432	56,272	81,616
Borrowed funds	20,980	23,962	29,294
Subordinated debt-trust preferred securities	8,066	1,079	-
Total Interest Expense	86,478	81,313	110,910
Net Interest Income	228,864	209,754	218,754
Provision for Loan Losses	12,923	10,805	15,410
Net interest income after provision for loan losses	215,941	198,949	203,344
Noninterest Income			
Service charges and commissions	43,984	44,111	39,711
Trust and investment management fees	11,888	10,810	10,309
Card-based fees	9,252	8,336	7,895
Security gains, net	8,222	2,988	460
(Losses) on early extinguishment of debt	(2,653)	(6,025)	-
Other	8,688	13,950	8,616
Total Noninterest Income	79,381	74,170	66,991
Noninterest Expense			
Salaries and employee benefits	92,171	84,284	80,626
Occupancy and equipment	24,862	22,487	22,067
Other	46,305	42,681	45,359
Total Noninterest Expense	163,338	149,452	148,052
Income Before Income Tax Expense	131,984	123,667	122,283
Income tax expense	32,848	30,889	32,133
Net Income	\$ 99,136	\$ 92,778	\$ 90,150
Basic Earnings Per Share	\$ 2.13	\$ 1.99	\$ 1.88
Diluted Earnings Per Share	\$ 2.12	\$ 1.97	\$ 1.86
Dividends Declared Per Share	\$ 0.90	\$ 0.79	\$ 0.70



First Midwest Bancorp, Inc.

Five Year Performance Summary

(\$ in thousands, except per share data)					
Years Ended December 31,	2004	2003	2002	2001	2000
Operating Results					
Net interest income	\$ 228,864	\$ 209,754	\$ 218,754	\$ 204,380	\$ 189,611
Provision for loan losses	12,923	10,805	15,410	19,084	9,094
Noninterest income	79,381	74,170	66,991	68,866	63,198
Noninterest expense	163,338	149,452	148,052	145,356	144,416
Income tax expense	32,848	30,889	32,133	26,668	23,759
Net Income	99,136	92,778	90,150	82,138	75,540
Per Common Share					
Diluted earnings per share	\$ 2.12	\$ 1.97	\$ 1.86	\$ 1.63	\$ 1.46
Dividends declared	0.900	0.790	0.700	0.650	0.592
Book value at year end	11.55	11.22	10.42	9.18	8.75
Market price at year end	36.29	32.43	26.71	29.19	23.00
Performance Ratios					
Return on average equity	18.68%	18.28%	18.82%	17.89%	19.17%
Return on average assets	1.45%	1.50%	1.53%	1.43%	1.30%
Net interest margin	3.91%	3.99%	4.28%	4.10%	3.76%
Efficiency ratio	50.11%	48.32%	48.20%	49.65%	53.09%
Balance Sheet Highlights					
December 31,	2004	2003	2002	2001	2000
Total assets	\$ 6,863,381	\$ 6,906,658	\$ 5,980,533	\$ 5,667,919	\$ 5,906,484
Loans	4,135,278	4,059,782	3,406,846	3,372,306	3,233,196
Deposits	4,905,378	4,815,108	4,172,954	4,193,921	4,252,205
Stockholders' equity	532,038	522,540	491,953	447,267	446,723
Average equity to average assets	7.74%	8.19%	8.12%	7.99%	6.79%

First Midwest Bancorp, Inc.

Board of Directors

Vernon A. Brunner

President and CEO
Brunner Marketing Solutions, LLC
(Consumer Products Marketing Consultant)

Bruce S. Chelberg ^(1, 3)

Former Chairman and CEO
Whitman Corporation
(Diversified, Multinational Holding Co.)

Joseph W. England ⁽¹⁾

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

Brother James Gaffney, FSC ⁽³⁾

President
Lewis University
(Independent Private Institution of Higher Education)

Thomas M. Garvin ^(2, 3)

Former Chairman and CEO
G.G. Products Company
(Food Business Acquirer)

Patrick J. McDonnell ⁽¹⁾

President and CEO
McDonnell Company, LLC
(Business Consultants)

John M. O'Meara

President and CEO
First Midwest Bancorp, Inc.

Robert P. O'Meara

Chairman of the Board
First Midwest Bancorp, Inc.

John E. Rooney ⁽¹⁾

President and CEO
U.S. Cellular
(Cellular Communications Provider)

John L. Sterling ⁽²⁾

President and Owner
Sterling Lumber Company
(Lumber Distributor)

J. Stephen Vanderwoude ^(1,2)

Chairman and CEO
Madison River Communications
(Operator of Rural Telephone Companies)

Executive Management Group

First Midwest Bancorp, Inc.

Robert P. O'Meara

Chairman of the Board

John M. O'Meara

President and CEO

Michael L. Scudder

Executive Vice President and CFO

Steven H. Shapiro

Executive Vice President and
Corporate Secretary

First Midwest Bank

John M. O'Meara

Chairman and CEO

Terry G. Beaudry

Group President, Trust Division

Kent S. Belasco

Executive Vice President
and Chief Information Officer

Mark M. Dietrich

Group Executive Vice President
and Chief Operations Officer

Michael J. Kozak

Executive Vice President
and Chief Commercial Credit Officer

Thomas J. Schwartz

Group President, Commercial Banking

Michael L. Scudder

Group Executive Vice President
and Chief Financial Officer

Janet M. Viano

Group President, Retail Banking

Stephanie R. Wise

Executive Vice President, Business
and Institutional Services

Board Committees:

- (1) Audit Committee
- (2) Compensation Committee
- (3) Nominating & Corporate Governance Committee



Form 10K

First Midwest Bancorp, Inc.

Stockholder Information



Annual Meeting

Dividend Payments

Direct Deposit

Dividend Reinvestment/ Stock Purchase

Transfer Agent/ Stockholder Services

Investor and Stockholder Contact

SEC Reports and General Information

First Midwest Bancorp, Inc. common stock is traded in the Nasdaq National Market tier of the NASDAQ Stock Market under the symbol **FMBI**. The stock abbreviation appears as "**FstMdWBcp**" in the *Wall Street Journal* and in other leading daily newspapers as "**FMidBc**".

The 2005 Annual Meeting of Stockholders of First Midwest Bancorp, Inc. will be held on Wednesday, May 18, 2005 commencing at 9:30 a.m. at the Wyndham Hotel Northwest Chicago, 400 Park Boulevard, Itasca, IL. The Notice of Meeting and Proxy Statement will be sent to all Stockholders on or about April 11, 2005.

Anticipated dividend payable dates are April 19, 2005; July 19, 2005; October 18, 2005; and January 17, 2006.

Stockholders may have their dividends deposited directly to their savings, checking or money market account at any financial institution. Information concerning Dividend Direct Deposit may be obtained from the Company or its transfer agent.

Stockholders may fully or partially reinvest dividends and invest up to \$5,000 quarterly in First Midwest common stock without incurring any brokerage fees. Information concerning Dividend Reinvestment may be obtained from the Company or its transfer agent.

Stockholders with inquiries regarding stock accounts, dividends, change of ownership or address, lost certificates or consolidation of accounts should contact the transfer agent:

Mellon Investor Services
85 Challenger Road, Ridgefield Park, NJ 07660
(888) 581-9376 www.melloninvestor.com

Steven H. Shapiro
Executive Vice President and Corporate Secretary
First Midwest Bancorp, Inc.
One Pierce Place, Suite 1500
Itasca, Illinois 60143
(630) 875-7345 investor.relations@firstmidwest.com

First Midwest files an annual report to the Securities and Exchange Commission on Form 10-K and three quarterly reports on Form 10-Q. Requests for such reports and general inquiries may be directed to Mr. Shapiro at the above address or can be obtained through the Investor Relations section of the Company's website, www.firstmidwest.com.

First Midwest Bancorp, Inc.

One Pierce Place, Suite 1500
Itasca (Chicago), IL 60143
630.875.7450
firstmidwest.com