

First Midwest Bancorp, Inc. (NASDAQ: FMBI; Chicago, IL) has agreed to acquire Northern States Financial Corporation (OTC Pink: NSFC; Waukegan, IL)

Deal Value: Approximately \$91.0 Million

Sandler O'Neill acted as exclusive financial advisor to First Midwest Bancorp, Inc. in this transaction. This transaction represents Sandler O'Neill's 177th bank or thrift transaction nationwide since January 1, 2015 representing \$55.5 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 32 transactions involving banks and thrifts based in the Midwest, representing over \$18.4 billion in aggregate transaction value, more than any other investment bank during that time period.¹

First Midwest Bancorp, Inc. ("First Midwest") (NASDAQ NGS: FMBI), headquartered in Chicago, Illinois and the parent company of First Midwest Bank, today announced that it has entered into a definitive agreement to acquire Northern States Financial Corporation ("Northern States") (OTCPINK: NSFC), the holding company for NorStates Bank, based in Waukegan, Illinois.

NorStates Bank operates eight offices in Lake County, Illinois and has approximately \$500 million in total assets, \$400 million in deposits, of which 90% are core deposits, and \$320 million in loans.

"We are very excited to welcome NorStates Bank to First Midwest and build on the strong relationships that NorStates has with its customers," said Michael L. Scudder, Chairman, President and Chief Executive Officer of First Midwest. "This combination continues our expansion in the greater Chicagoland area and enhances our presence in Lake County where we have long-standing, deep roots."

"We are extremely pleased to partner with First Midwest," said Scott M. Yelvington, President and Chief Executive Officer of Northern States. "Like First Midwest, we have a strong commitment to relationship banking, personalized customer service and involvement in the communities we serve. We greatly look forward to offering our customers the broader array of financial products and services that First Midwest provides."

Subject to certain adjustments, the merger agreement provides for a fixed exchange ratio of 0.0369 shares of First Midwest common stock for each share of Northern States common stock. Based upon the closing price of First Midwest's common stock on June 5, 2018 on the Nasdaq Stock Market, the overall transaction is valued at approximately \$91.0 million. The acquisition is subject to regulatory approvals, the approval of Northern States' stockholders and customary closing conditions, and is presently anticipated to close in the fourth quarter of 2018.

Financial Highlights

(Dollars in millions)

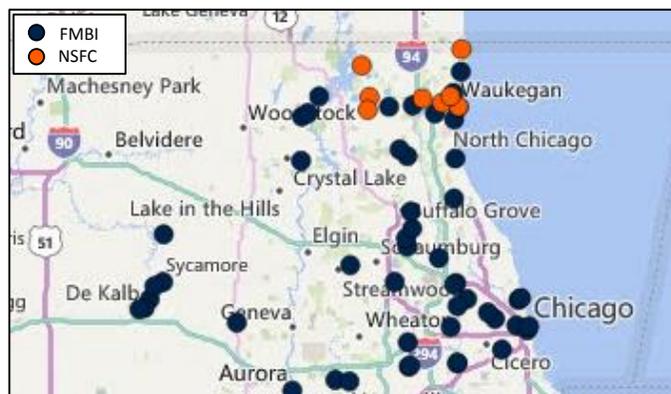
	FMBI	NSFC
Total Assets	\$14,380	\$487
Total Loans	\$10,683	\$317
Total Deposits	\$11,146	\$392
Total Equity	\$1,869	\$53

Financial data as of March 31, 2018

1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence, Company documents, Press Release

Pro Forma Map



Note: Excludes FMBI's branches outside of Northeast Illinois

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