159
AMENDED WITH
CERTIFICATION

Midwest Banc
Holdings, Inc.

March 10, 2009

Mr. Neil M. Barofsky
Special Inspector General – TARP
1500 Pennsylvania Avenue, NW
Suite 1064
Washington, D.C. 20220

Dear Mr. Barofsky,

On December 5, 2008, Midwest Banc Holdings, Inc. ("MBHI" or the "Company") issued $84.8 million of series T cumulative perpetual preferred stock to the U.S. Treasury under TARP Capital Purchase Program ("CPP"). In response to your letter dated February 6, 2009, MBHI has outlined the current and anticipated use of the TARP proceeds as well as specific plans addressing executive compensation associated with the funding.

With regard to the $84.8 million of TARP proceeds received on December 5, 2008, in order to support the objectives of continuing to meet the credit needs of creditworthy borrowers and to strengthen capital positions as outlined in the November 12, 2008, Interagency Statement on Meeting the Needs of Creditworthy Borrowers, MBHI has:

- In a manner consistent with prudent lending practices, grown the loan portfolio $16 million from September 30, 2008 to December 31, 2008 (despite $15 million in charge-offs);

- Renewed $390 million of existing loan relationships from September 30, 2008 to December 31, 2008;

- In order to appropriately assess risk as part of an effective capital planning process, recognized losses charging-off $15 million of loans (net of recoveries) and adding in the fourth quarter 2008 $20 million to the allowance for loan losses to maintain an adequate loan loss reserve;

- Injected $30 million into Midwest Bank, consistent with safety and soundness principles to ensure the adequacy of capital and fund near term loan growth. This increased Midwest Bank's Total Risk Based Capital Ratio to 10.5% at December 31, 2008 from 10.3% at September 30, 2008;

- Maintained $55 million at MBHI for liquidity and in order to fund future loan growth at the Bank. $12 million was used to pay down MBHI's revolving line of credit and the remaining proceeds of $43 million are in a demand deposit account at Midwest Bank as of December 31, 2008, thereby helping to improve Bank earnings;

- As of month ended February 28, 2009, gross loans have increased $74 million compared to December 31, 2008. In addition, there has been $145 million in loan renewals over the same period; and

- Strengthened MBHI's Total Risk Based Capital Ratio from 8.0% at September 30, 2008 to 10.1% at December 31, 2008 through retention of TARP proceeds at MBHI in accordance with the objectives outlined in the Interagency Statement on Meeting the Needs of Creditworthy Borrowers. It is important to note that MBHI recognized $65 million in impairment charges and $17 million of losses during 2008 related to the ownership of preferred stock in Fannie Mae and Freddie Mac. The impairment charges and losses recognized on these securities of these government sponsored entities had a direct negative impact on MBHI's capital position of approximately $82 million.

MBHI's financial performance for 2008 is reflected in the total compensation paid to executives. For example:

- In January 2009, J. J. Fritz, formerly the Chief Operating Officer was appointed President and Chief Executive Officer. Mr. Fritz moved into this position without any salary or other benefit increase.

- The Chief Executive Officer and all Executive Vice Presidents as a group (15 people – the "Executive Officers") will not receive bonuses (whether in the form of cash, restricted stock or options) for 2008.

- Maximum total incentive compensation approved for all participants in the 2008 management incentive plan has decreased 47% from 2007 payouts.

- Unvested restricted stock held by employees, including Executive Officers, has declined in value along with the decline in MBHI's stock price.

- The 2009 management incentive plan will not provide for any bonuses to the Executive Officers unless earnings exceed targeted EPS.

- Even if targeted EPS is exceeded, the maximum bonus pool will only be 75% of the 2007 targeted bonus pool.

- If targeted EPS is not met, Executive Officers will not participate in the bonus pool and the payout will not exceed 30% of the 2007 bonus pool and 30% of the 2008 bonus pool.

As required by the Treasury executive compensation regulations, MBHI has accomplished the following:

- The Executive Officers covered by the Treasury regulations amended their compensation arrangements with MBHI prior to the receipt of the TARP investment to ensure that the arrangements complied with the CPP executive compensation rules.

- The compensation committee of the board of directors of MBHI met with the Company's senior risk officers in February of 2009 to review the MBHI's incentive compensation arrangements as required by the CPP compensation rules.

In the amendments to the compensation arrangements described above, each officer subject to the CPP compensation rules: (1) agreed that he or she would not be able to receive a golden parachute payment (a payment that exceeds three times the officer's base salary) during the period that the Treasury holds any debt or equity position in MBHI acquired pursuant to the CPP; (2) agreed that all bonus and incentive compensation paid while the Treasury owns any debt or equity acquired pursuant to the CPP is subject to recovery by MBHI if such payments are based on materially inaccurate financial statements or any other materially inaccurate performance metric; and (3) acknowledged that the compensation committee would be reviewing the bonus and incentive compensation arrangements annually to ensure that such arrangements did not encourage the officer to take unnecessary and excessive risks that threaten the value of MBHI.

The compensation committee met with MBHI's senior risk officers to identify any features of the Company's incentive compensation plans that would encourage senior executive officers to take unnecessary and excessive risks that threaten the value of MBHI. The Company's only incentive compensation program available to Executive Officers (including those subject to the CPP compensation rules) is its management incentive plan. Cash and restricted stock awards have been made to the plan participants based upon the performance and MBHI's performance in 2005, 2006 and 2007. As indicated above, in 2008 no awards were made under the plan to the Executive Officers. The 2009 plan provides that no payments will be made to the Executive Officers unless earnings exceed targeted EPS. If earnings exceed targeted EPS, incentives will be paid on a graduated percentage of excess earnings not to exceed an amount equal to 75% of the management incentive plan's customary target payout level. The committee concluded that none of the features of the management incentive plan encourages executive officers to take unnecessary and excessive risks that could threaten MBHI's value. The committee intends to undertake this review at least twice a year.

The compensation committee is reviewing the compensation provisions of the American Recovery and Reinvestment Act of 2009 and will insure that MBHI complies with the applicable provisions and the Treasury regulations to be adopted thereunder.

MBHI appreciates the Treasury's investment of $85 million and will continue to focus on lending prudently to creditworthy borrowers while attempting to maintain a strong capital position. MBHI is in the process of forming a Committee focused specifically on the use of the TARP proceeds with regards to prudent lending and maintaining a strong capital position. The first quarter loan pipeline remains robust and as a super-community bank in Chicago, MBHI is dedicated to supporting its customers and the community.

The undersigned hereby certify the accuracy of all statements, representations, and supporting information provided in this letter subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Very truly yours,

J.J. Fritz
Chief Executive Officer and
President
Midwest Banc Holdings, Inc.

JoAnn Sannasardo Lilek
Chief Financial Officer and
Executive Vice President
Midwest Banc Holdings, Inc.

Midwest Banc Holdings, Inc. Reports Q3 Results

Reflects Previously Announced Measures That Position It for Future Growth

Midwest Bank and Trust Company Ends the Third Quarter as "Well Capitalized" with a 10.3% Total Risk Based Capital Ratio"

Strength and Stability Will Increase Further with $85.5 Million of TARP Capital, Announced Today

MELROSE PARK, Ill.--(BUSINESS WIRE)-- Midwest Banc Holdings, Inc. (NASDAQ:MBHI) today reported a net loss of ($159.7) million for the third quarter ended September 30, 2008. These results reflect the previously announced pre-tax charges of: a $42 million provision for loan losses, a $64.5 million charge for losses on investments in preferred equity securities of Fannie Mae and Freddie Mac, and an $80 million non-cash goodwill impairment charge, due primarily to the recent decline in market capitalization which can be attributed in part to the losses on the GSE preferred securities. The net loss per share of ($5.76), compares to income per share for the second quarter of 2008 of $.06 and $0.20 for the third quarter of 2007.

Subsequent to the end of the quarter, Midwest Banc Holdings was informed that it has received preliminary approval to receive $85.5 million of new capital in the form of preferred stock to be issued to the U.S. Treasury under the TARP Capital Purchase Program. Institutions selected to participate in this program need the endorsement from their primary regulator as the program is designed to assist healthy financial institutions. The proceeds from the preferred stock issuance are expected to strengthen Midwest Banc Holdings' balance sheet, resulting in total risk based capital in excess of 11%, and provide support to Midwest Bank, its already well-capitalized subsidiary. It is expected that the preferred shares will be issued and the new capital will be received during the fourth quarter of 2008.

"Midwest's third quarter results reflect certain actions, announced previously on September 16, that better position our company to take advantage of opportunities in the Chicago market during this challenging economic environment. Even though we realized the impact of these actions on our September 30, balance sheet, the Bank ended the third quarter "well-capitalized", even without the additional capital anticipated from the Treasury's TARP program," said James Giancola, Chief Executive Officer of Midwest Banc Holdings, Inc.

Giancola noted that at the end of the third quarter, Midwest Bank had a Tier 1 Leverage Ratio of 7.10%; a Tier 1 Risk-Based Capital Ratio of 9.01%; and a Total Risk Based Capital Ratio of 10.27%.

Capital

The total risk based capital ratio for Midwest at September 30, 2008, was 8.04% on a consolidated company basis. Midwest Bank was well capitalized at September 30, 2008, with a total risk based capital ratio of 10.27%. Estimated on a pro forma basis, giving effect to the planned issuance of $85.5 million of preferred stock under the TARP, at September 30, 2008 the consolidated company would have had a total risk based capital ratio of 11.13% and the bank subsidiary would have had a total risk based capital ratio of 10.80%. The pro forma Bank ratio also exceeds the regulatory guidelines for classification as "well capitalized", which is the highest regulatory capital rating given to financial institutions.

Loan Portfolio & Asset Quality

Average loans increased $53.2 million in the third quarter, but ending loans were down $7 million compared to June 30, 2008, partially due to $25.1 million in net loan charge offs. The migration from construction lending to commercial and industrial lending has continued, as commercial loans increased by $12 million in the third quarter while construction loans decreased $25 million.

In the third quarter, Midwest recorded a provision for loan losses of $42 million and net loan charge-offs totaling $25.1 million. The loan portfolio, non-performing loans, and provision for loan losses show that Midwest has made a strong commitment to asset quality.

Loan Portfolio
(dollars in millions)
As of September 30, 2008

Loan Type	Balance	Total Availability	Total Commitment	% Availability
Land	$ 81.4	$ 10.8	$ 92.2	11.7%
Land Development, Residential	41.9	8.0	49.9	16.0%
Land Development, Commercial	29.6	6.9	36.5	18.9%
Land Development, Teardown	6.5	2.2	8.7	25.5%
Condo	74.8	16.8	91.6	18.3%
Residential Construction	90.8	9.4	100.2	9.4%
Commercial Construction	55.4	15.9	71.3	22.2%
Residential Non-Builder	14.5	4.0	18.5	21.6%
Buy Farmland	1.5	0.4	1.9	20.1%
Letters of Credit	-	1.3	1.3	100.0%
Total Const. & Land Development	$ 396.5	$ 75.6	$ 472.1	16.0%
1-4 Residential	$ 76.6	$ -	$ 76.6	0.0%
1-4 ARM	50.0	0.0	50.0	0.1%
Total Residential	$ 126.6	$ 0.0	$ 126.6	0.0%
Home Equity Fixed	$ 12.6	$ 0.5	$ 13.1	3.7%
Home Equity Floating	157.3	125.5	282.8	44.4%
Total Home Equity	$ 169.9	$ 126.0	$ 295.9	42.6%
CRE - Non-Owner Occupied	$ 688.0	$ 28.4	$ 716.4	4.0%
CRE - Owner Occupied	565.8	57.7	623.5	9.3%
Total CRE	$1,253.8	$ 86.1	$ 1,339.9	6.4%
Commercial & Industrial	$ 536.2	$ 369.9	$ 906.1	40.8%
Agricultural	$ 5.7	$ 0.9	$ 6.6	13.9%
Consumer	$ 8.1	$ 2.5	$ 10.6	23.6%
Overdrafts, Settlement, Accounting Adjustments	$ (2.5)	$ -	$ -	
Total Portfolio	$2,494.2	$ 661.1	$ 3,157.9	20.9%

- Total construction & land loan commitments are 84% funded
- Land loans represent only 6.4% of the loan portfolio

Loan Quality
(dollars in millions)

As of September 30, 2008

Loan Type	Balance	Delinquency ($)	Delinquency (%)	NPL ($)	NPL (%)	Amount ($) Partially Charged-Off	Amount ($) Specifically Reserved
Land	$ 81.4	$ 1.6	1.98%	$ 7.5	9.19%	$ 5.2	$ 0.6
Land Development, Residential	41.9	-	0.00%	-	0.00%	-	-
Land Development, Commercial	29.6	2.6	8.93%	-	0.00%	-	-
Land Development, Teardown	6.5	-	0.00%	-	0.00%	-	-
Condo	74.8	0.2	0.32%	20.5	27.44%	8.0	1.2
Residential Construction	90.8	4.5	4.96%	3.1	3.36%	5.5	-
Commercial Construction	55.4	-	0.00%	3.5	6.25%	-	-
Residential Non-Builder	14.5	-	0.00%	0.7	4.52%	-	-
Buy Farmland	1.5	-	0.00%	-	0.00%	-	-
Letters of Credit	-	-		-		-	-
Total Const. & Land Development	$ 396.5	$ 9.0	2.27%	$ 35.2	8.87%	$ 18.7	$ 1.8
1-4 Residential	$ 76.6	$ 0.2	0.24%	$ 1.3	1.68%	$ 0.4	$ -
1-4 ARM	50.0	-	0.00%	1.8	3.58%	0.4	-
Total Residential	$ 126.6	$ 0.2	0.14%	$ 3.1	2.43%	$ 0.8	$ -
Home Equity Fixed	$ 12.6	$ 0.0	0.23%	$ 0.0	0.04%	$ 0.1	$ -
Home Equity Floating	157.3	1.1	0.68%	1.1	0.70%	0.8	0.2
Total Home Equity	$ 169.9	$ 1.1	0.65%	$ 1.1	0.65%	$ 0.8	$ 0.2
CRE - Non-Owner Occupied	$ 688.0	$ 2.7	0.39%	$ 5.5	0.79%	$ 0.1	$ 1.2
CRE - Owner Occupied	565.8	3.9	0.69%	11.3	1.99%	10.4	0.8
Total CRE	$ 1,253.8	$ 6.6	0.53%	$ 16.7	1.34%	$ 10.5	$ 2.1
Commercial & Industrial	$ 536.2	$ 7.7	1.44%	$ 4.4	0.81%	$ 11.2	$ 1.4
Agricultural	$ 5.7	$ -	0.00%	$ -	0.00%	$ -	$ -
Consumer	$ 8.1	$ 0.1	0.98%	$ 0.0	0.25%	$ 0.0	$ -
Overdrafts, Settlement, Accounting Adjustments	$ (2.5)	$ -		$ -		$ -	$ -
Total Portfolio	$ 2,494.2	$ 24.7	0.99%	$ 60.5	2.42%	$ 42.0	$ 5.5

- Non performing land loans totaling $7.5 million have been partially charged-off by 41%
- Non performing construction & land loans totaling $35.2 million have been partially charged-off by 35%
- Non performing CRE loans totaling $16.7 million have been partially charged-off by 39%
- Non-performing commercial loans totaling $4.4 million have been partially charged-off by 72%
- As of September 30, 2008, Midwest had loan loss reserves of $39.4 million or $1.58% of total loans

Liquidity

The company continued its effective liquidity management during the third quarter, a period of unprecedented tightness in the interbank credit market. September 30, 2008, non-interest bearing demand deposits were flat compared to June 30, 2008, while total deposits increased by $173 million. The increase in total deposits included a $176 million increase in retail certificates of deposits. Fed funds purchased and FRB discount window borrowings were zero as of September 30, down from $198 million at June 30, and other wholesale borrowings were up $40 million on a linked quarter basis.

Financial Highlights

On October 1, 2007, Midwest Banc Holdings, Inc. acquired Northwest Suburban Bancorp, Inc. Special merger-related charges were $114,000 in the first quarter 2008; $80,000 in the second quarter 2008; and $77,000 in the third quarter of 2008. Therefore, comparisons involving prior periods may be affected by these merger-related charges.

Earnings

(Loss) per common share was ($5.76) for the third quarter and ($5.93) for the nine months ended September 30, 2008, compared to income per share of:

-- $.06 for second quarter 2008
-- $.20 for third quarter 2007
-- $.58 for nine months 2007

-- Net (loss) was ($159.7) million for the third quarter and ($162.7) million for the nine months ended September 30, 2008, compared to:

-- $2.4 million for second quarter 2008
-- $4.8 million for third quarter 2007
-- $14.4 million for nine months 2007

-- Net interest margin was 2.77% for the third quarter and 2.83% for the nine months ended September 30, 2008. The decrease in Midwest's margin to 2.77% for the quarter compared to 2.89% for the second quarter 2008 was wholly attributable to the impact of loans put on non-accrual status and the reduction in the dividend on the GSE preferred stock investment. This compares to:

-- 2.89% for second quarter 2008
-- 3.10% for third quarter 2007
-- 3.05% for nine months 2007

Loans and Loan Quality

-- Average loans in the third quarter increased

-- $53.2 million compared to second quarter 2008

-- Annualized net charge-off rate was 3.98% for third quarter 2008, compared to:

-- .35% for the second quarter 2008
-- .13% for the third quarter 2007

-- Nonaccrual loans at September 30, 2008 were $60.5 million or 2.42% of loans, compared to:

-- 1.64% of loans at June 30, 2008
-- 2.23% of loans at September 30, 2007

-- Nonperforming assets at September 30, 2008 were $68.5 million, or 1.91% of assets, compared to:

-- 1.16% of assets at June 30, 2008
-- 1.55% of assets at September 30, 2007

-- Allowance for loan losses at September 30, 2008 was $39.4 million, or 1.58% of loans, compared to:
  -- .90% of loans at June 30, 2008
  -- 1.24% of loans at September 30, 2007

-- Allowance for loan losses to nonaccrual loans was 65% at September 30, 2008, compared to:
  -- 55% at June 30, 2008
  -- 56% at September 30, 2007

-- Loan delinquencies 30-89 days to loans were .99% at September 30, 2008, compared to:
  -- .35% at June 30, 2008
  -- .49% at June 30, 2007

Additional financial data are contained in the accompanying statements, tables and schedules.

Hosting a Conference Call

Midwest will conduct a conference call to discuss these results November 3, 2008, at 11:00 A.M. eastern/10:00 A.M. central.

The webcast and call will be hosted by members of management. A brief discussion of results and trends will be followed by questions from professional investors and analysts invited to participate in the interactive portion of the discussion.

Interested parties wishing to participate in the interactive portion of the call can dial in to 800-860-2442 or +1 412-858-4600 for international calls. The live webcast can be accessed and will be available for replay at www.midwestbanc.com. The audio replay may be accessed through November 11, 2008 at 877-344-7529 or +1 412-317-0088. The replay passcode is 425125.

Franchise

Midwest Banc Holdings, Inc., with $3.6 billion in assets, provides a wide range of retail and commercial banking services, personal and corporate trust services, securities services and insurance brokerage services in the greater Chicago area. The principal operating subsidiaries of Midwest Banc Holdings, Inc. are Midwest Bank and Trust Company and Midwest Financial and Investment Services, Inc. Midwest has 29 banking offices and operates 31 ATMs. Midwest is a member of the Allpoint®/STARsf® surcharge-free network giving Midwest customers' access to thousands of surcharge-free ATMs nationwide, with over 1,000 ATMs in the Chicagoland area.

Information on Midwest products, services and locations is available at: www.midwestbanc.com

Forward-Looking Statements

This press release contains certain "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and should be reviewed in conjunction with the Company's Annual Report on Form 10-K and other publicly available information regarding the Company, copies of which are available from the Company upon request. Such publicly available information sets forth certain risks and uncertainties related to the Company's business which should be considered in evaluating "Forward-Looking Statements."

Financial Highlights
Midwest Banc Holdings, Inc.

(In thousands, except per share data)

	Three Months Ended				
	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Income Statement Data:					
Net income (Loss)	$ (159,714)	$ 2,428	$ (5,416)	$ 4,222	$ 4,836
Per Share Data:					
Basic and diluted earnings	$ (5.76)	$ .06	$ (.22)	$ .14	$ .20
Cash dividends declared	—	.13	.13	.13	.13
Book value	5.89	11.76	12.14	11.94	11.69
"If converted" book value(11)	6.74	12.06	12.41	12.23	11.69
Tangible book value(1)	2.51	5.48	5.79	5.56	8.02
"If converted" tangible book value (1)(11)	3.68	6.37	6.65	6.44	8.02
Stock price at period end	4.00	4.87	12.78	12.42	14.77
Share Data:					
Common shares outstanding – at period end	27,859	27,859	27,839	27,804	24,406
Basic - average	27,859	27,855	27,838	27,895	24,454
Diluted - average	27,859	27,958	27,838	28,043	24,647
Selected Financial Ratios:					
Return on average assets	(17.25)%	.26%	(.59)%	.45%	.64%
Return on average equity	(181.60)	2.57	(5.69)	4.80	6.75
Net interest margin (tax equivalent)	2.77	2.89	2.82	2.93	3.10
Efficiency ratio(2)(3)	387	70	66	73	64
Dividend payout ratio	—	233	N/M	91	67
Loans to deposits at period end	99	107	103	101	101
Loans to assets at period end	70	67	66	67	66
Equity to assets at period end	5.78	9.95	10.22	10.16	9.41
Tangible equity to tangible assets at period end(1)(4)	3.24	5.51	5.75	5.62	6.65
Tier 1 capital to risk-weighted assets	6.26	9.09	9.33	9.21	11.42
Total capital to risk-weighted assets	8.04	10.43	10.61	10.17	12.52
Tier 1 leverage ratio	4.94	7.38	7.47	7.33	8.99
Full time equivalent employees	550	543	543	539	460
Balance Sheet Data:					
Total earning assets	$ 3,176,629	$ 3,275,580	$ 3,298,143	$ 3,266,461	$ 2,750,334
Average earning assets	3,263,571	3,274,335	3,276,965	3,301,501	2,736,154
Average assets	3,682,449	3,686,350	3,686,269	3,721,444	3,020,254
Average loans	2,512,653	2,459,486	2,459,830	2,453,292	1,989,119

Average securities	715,219	762,889	765,966	808,774	698,541
Average deposits	2,411,013	2,384,764	2,415,385	2,480,831	2,022,709
Tangible share-holders' equity(1)	113,101	195,751	204,295	197,713	195,790
Average equity	349,878	379,677	382,603	348,639	284,231

See footnotes at end of statements, tables and schedules.

Financial Highlights
Midwest Banc Holdings, Inc.
(In thousands, except per share data)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Income Statement Data:		
Net income (Loss)	$ (162,702)	$ 14,355
Per Share Data:		
Basic earnings	$ (5.93)	$ .58
Diluted earnings	(5.93)	.58
Cash dividends declared	.26	.39
Share Data:		
Common shares outstanding - at period end	27,859	24,406
Basic – average	27,851	24,594
Diluted – average	27,851	24,821
Selected Financial Ratios:		
Return on average assets	(5.90)%	.64%
Return on average equity	(58.64)	6.67
Net interest margin (tax equivalent)	2.83	3.05
Efficiency ratio(2)(3)	155	66
Dividend payout ratio	N/M	68
Full time equivalent employees	550	460
Balance Sheet Data:		
Total earning assets	$ 3,176,629	$ 2,750,334
Average earning assets	3,271,594	2,711,169
Average assets	3,685,013	2,999,877
Average loans	2,477,452	1,965,828
Average securities	747,905	700,778
Average deposits	2,403,748	2,013,327
Tangible shareholders' equity(1)	113,101	195,790
Average equity	370,643	287,575

See footnotes at end of statements, tables and schedules.

Statement of Income
Midwest Banc Holdings, Inc.
(In thousands, except per share data)

Merger related charges	77	80	114	1,333	—
Loss on extinguishment of debt	—	—	7,121	—	—
Goodwill impairment	80,000	—	—	—	—
Other	4,254	2,809	2,691	2,574	1,895
Total noninterest expenses	103,296	20,368	28,609	21,425	16,245
Income (Loss) before income taxes	(183,605)	2,376	(10,003)	4,582	6,002
Provision (benefit) for income taxes	(23,891)	(52)	(4,587)	360	1,166
Net Income (Loss)	$ (159,714)	$ 2,428	$ (5,416)	$ 4,222	$ 4,836
Net Income (Loss) available to common shareholders	$ (160,550)	$ 1,592	$ (6,251)	$ 4,018	$ 4,836
Basic and diluted earnings per share	$ (5.76)	$ .06	$ (.22)	$ .14	$ .20
Cash dividends declared per share	$ —	$ .13	$ .13	$ .13	$ .13
Top line revenue (5)	$ (38,359)	$27,159	$ 24,006	$ 27,417	$ 24,047
Noninterest income to top line revenue	N/M	16%	7%	15%	15%

See footnotes at end of statements, tables and schedules.

Statement of Income
Midwest Banc Holdings, Inc.
(In thousands, except per share data)

	Nine Months Ended September 30,			
	2008	2007	Increase (Decrease)	Increase (Decrease)
Interest Income				
Loans	$ 115,562	$110,447	$ 5,115	4.6%
Loans held for sale	—	89	(89)	(100.0)
Securities				
Taxable	25,776	24,901	875	3.5
Exempt from fed income taxes	1,765	1,624	141	8.7
Trading securities	—	2	(2)	(100.0)
Dividends from FRB and FHLB stock	551	681	(130)	(19.1)
Short-term investments	273	688	(415)	(60.3)
Total interest income	143,927	138,432	5,495	4.0
Interest Expense				
Deposits	50,501	55,115	(4,614)	(8.4)
Federal funds purchased	2,050	1,156	894	77.3
Securities sold under repurchase agreements	9,998	7,859	2,139	27.2
Advances from the FHLB	8,698	10,958	(2,260)	(20.6)
Junior subordinated debentures	2,785	3,950	(1,165)	(29.5)
Revolving note payable	270	18	252	1,400.0
Term note payable	2,027	—	2,027	100.0
Subordinated debt	464	—	464	100.0
Total interest expense	76,793	79,056	(2,263)	(2.9)
Net interest income	67,134	59,376	7,758	13.1

	Three Months Ended				
	September 30, 2008	June 30, 2008	March 31, 2008	December 30, 2007	September 30, 2007
Interest Income					
Loans	$ 37,364	$37,392	$ 40,806	$ 44,598	$ 37,566
Loans held for sale	—	—	—	—	11
Securities					
Taxable	7,739	8,977	9,060	9,886	8,609
Exempt from fed income taxes	574	593	598	645	462
Trading securities	—	—	—	—	2
Dividends from FRB and FHLB stock	184	184	183	158	227
Short-term investments	27	98	148	150	297
Total interest income	45,888	47,244	50,795	55,437	47,174
Interest Expense					
Deposits	15,301	16,111	19,089	21,577	18,634
Federal funds purchased	563	672	815	673	64
Securities sold under repurchase agreements	3,338	3,482	3,178	3,443	3,137
Advances from the FHLB	2,779	2,437	3,482	3,811	3,640
Junior subordinated debentures	864	876	1,045	1,325	1,334
Revolving note payable	96	94	80	168	18
Term note payable	565	575	887	1,184	—
Subordinated debt	229	232	3	—	—
Total interest expense	23,735	24,479	28,579	32,181	26,827
Net interest income	22,153	22,765	22,216	23,256	20,347
Provision for loan losses	41,950	4,415	5,400	1,410	1,800
Net interest income after provision for loan losses	(19,797)	18,350	16,816	21,846	18,547
Noninterest Income					
Service charges on deposit accounts	1,918	1,953	1,963	1,953	1,535
Gains (losses) on securities transactions	(16,652)	44	12	9	6
Impairment charge on securities	(47,801)	—	(17,586)	—	—
Gains on sale of loans	(75)	—	—	1	41
Insurance and brokerage commissions	448	683	560	488	685
Trust	451	482	449	508	453
Increase in CSV of life insurance	911	865	858	871	736
Gain on sale of property	—	—	15,196	—	—
Other	288	367	338	331	244
Total noninterest income	(60,512)	4,394	1,790	4,161	3,700
Noninterest Expenses					
Salaries and employee benefits	12,515	11,015	13,040	11,665	9,740
Occupancy and equipment	3,211	3,093	2,899	2,740	2,362
Professional services	2,016	1,796	1,538	1,857	1,297
Marketing	575	713	576	614	538
Foreclosed properties	24	237	5	(2)	4
Amortization of intangible assets	624	625	625	644	409

Provision for loan losses	51,765	3,481	48,284	1,387.1
Net interest income after provision for loan losses	15,369	55,895	(40,526)	(72.5)
Noninterest Income				
Service charges on deposit accounts	5,834	4,744	1,090	23.0
Gains (losses) on securities transactions	(16,596)	23	(16,619)	(72,256.5)
Impairment charge on securities	(65,387)	—	(65,387)	(100.0)
Net Trading profits	—	—	—	—
Gains on sale of loans	(75)	441	(516)	(117.0)
Insurance and brokerage commissions	1,691	1,799	(108)	(6.0)
Trust	1,382	1,349	33	2.5
Increase in CSV of life insurance	2,634	2,192	442	20.2
Gain on sale of property	15,196	—	15,196	100.0
Other	993	768	225	29.3
Total noninterest income	(54,328)	11,316	(65,644)	(580.1)
Noninterest Expenses				
Salaries and employee benefits	36,570	30,550	6,020	19.7
Occupancy and equipment	9,203	6,741	2,462	36.5
Professional services	5,350	3,612	1,738	48.1
Marketing	1,864	1,696	168	9.9
Foreclosed properties	266	36	230	638.9
Amortization of intangible assets	1,874	1,273	601	47.2
Merger related charges	271	(21)	292	1,390.5
Loss on extinguishment of debt	7,121	—	7,121	100.0
Goodwill Impairment	80,000	—	80,000	100.0
Other	9,754	6,083	3,671	60.4
Total noninterest expenses	152,273	49,970	102,303	204.7
Income (loss) before income taxes	(191,232)	17,241	(208,473)	(1,209.2)
Provision (benefit) for income taxes	(28,530)	2,886	(31,416)	(1,088.6)
Net Income (Loss)	$(162,702)	$ 14,355	$ (177,057)	(1,233.4)
Net Income (Loss) available to common shareholders	$(165,209)	$ 14,355	$ (179,564)	(1,250.9)
Basic earnings per share	$ (5.93)	$ .58	$ (6.51)	$ (1,122.4)
Diluted earnings per share	$ (5.93)	$ .58	$ (6.51)	$ (1,122.4)
Cash dividends declared per share	$ .26	$ .39	$ (.13)	$ (33.3)
Top line revenue (5)	$ 12,806	$ 70,692	$ (57,886)	$ (81.9)
Noninterest income to top line revenue	N/M	16%15%		

See footnotes at end of statements, tables and schedules.

Balance Sheet
Midwest Banc Holdings, Inc.
(In thousands)

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007

Assets					
Cash	$ 111,769	$ 85,015	$ 71,080	$ 70,111	$ 46,963
Short-term investments	1,674	3,042	31,415	14,388	17,241
Securities available-for-sale	618,215	710,803	737,089	710,881	660,986
Securities held-to-maturity	30,817	31,389	32,674	37,601	40,978
Total securities	649,032	742,192	769,763	748,482	701,964
Federal Reserve and FHLB stock, at cost	31,698	29,264	29,264	29,264	23,683
Loans held for sale	—	—	—	—	—
Loans	2,494,225	2,501,082	2,467,701	2,474,327	2,007,446
Allowance for loan losses	(39,428)	(22,606)	(20,344)	(26,748)	(24,879)
Net loans	2,454,797	2,478,476	2,447,357	2,447,579	1,982,567
Cash value of life insurance	83,800	82,889	82,024	81,166	67,412
Premises and equipment	38,216	38,739	38,232	41,821	22,468
Foreclosed properties	8,025	2,375	2,527	2,220	2,246
Goodwill and other intangibles	94,136	174,947	176,861	177,451	89,443
Other	110,230	89,781	81,923	80,300	78,578
Total assets	$ 3,583,377	$ 3,726,720	$ 3,730,446	$ 3,692,782	$ 3,032,565
Liabilities and Shareholders' Equity					
Liabilities					
Deposits					
Noninterest-bearing	$ 334,545	$ 334,813	$ 313,727	$ 321,317	$ 246,153
Interest-bearing	2,178,459	2,005,230	2,090,985	2,136,831	1,748,774
Total deposits	2,513,004	2,340,043	2,404,712	2,458,148	1,994,927
Federal funds purchased & FRB discount window	—	198,000	184,500	81,000	12,000
Securities sold under repurchase agreements	297,650	297,650	394,764	283,400	317,118
FHLB advances	380,000	340,000	190,000	323,439	319,925
Junior subordinated debentures	60,774	60,757	60,741	60,724	65,861
Revolving note payable	20,600	7,600	6,500	2,500	2,500
Term note payable	55,000	55,000	55,000	70,000	—
Subordinated debt	15,000	15,000	15,000	—	—
Other	34,112	41,972	38,073	38,407	35,001
Total liabilities	3,376,140	3,356,022	3,349,290	3,317,618	2,747,332
Shareholders' Equity					
Preferred equity	43,125	43,125	43,125	43,125	—
Common equity	175,806	335,662	336,877	345,956	295,807
Accumulated other comprehensive income (loss)	(11,694)	(8,089)	1,154	(13,917)	(10,574)
Total shareholders' equity	207,237	370,698	381,156	375,164	285,233
Total liabilities and shareholders' equity	$ 3,583,377	$ 3,726,720	$ 3,730,446	$ 3,692,782	$ 3,032,565

Loan Portfolio Composition – Source of Repayment

	September 2008		December 31, 2007 [a]	
	($ in millions)	% of Total	($ in millions)	% of Total
Commercial	$ 1,102	44	$ 1,080	44
Construction	397	16	464	19
Commercial real estate	692	28	628	25
Consumer	178	7	153	6
Residential mortgage	126	5	150	6
Total loans, gross	$ 2,495	100	$ 2,475	100

[a] Amounts have been reclassified to conform to current period presentation.

Balance Sheet Comparison
Midwest Banc Holdings, Inc.
(In thousands)

The following table sets forth the changes in the balance sheet at September 30, 2008 compared to September 30, 2007 excluding the Northwest Suburban acquisition on October 1, 2007.

	September 30,			Northwest Suburban Acquisition	Excluding Northwest Suburban Acquisition	
	2008	2007	$ Change	(a)	$ Change	% Change
			(Dollars in thousands)			
Assets						
Cash and cash equivalents(b)	$ 113,443	$ 64,204	$ 49,239	$ 3,342	$ 45,897	71.5%
Securities available-for-sale	618,215	660,986	(42,771)	57,597	(100,368)	(15.2)
Securities held-to-maturity	30,817	40,978	(10,161)	—	(10,161)	(24.8)
Total securities	649,032	701,964	(52,932)	57,597	(110,529)	(15.7)
Federal Reserve and FHLB stock, at cost	31,698	23,683	8,015	1,503	6,512	27.5
Loans held for sale	—	—	—	—	—	0.0
Loans	2,494,225	2,007,446	486,779	439,239	47,530	2.4
Allowance for loan loss	(39,428)	(24,879)	(14,549)	(2,767)	(11,782)	47.4
Net loans	2,454,797	1,982,567	472,230	436,482	35,748	1.8
Cash surrender value of life insurance	83,800	67,412	16,388	12,884	3,504	5.2
Premises and equipment	38,216	22,468	15,748	19,279	(3,531)	(15.7)
Foreclosed properties	8,025	2,246	5,779	—	5,779	257.3
Core deposit and other intangibles, net	15,274	9,586	5,688	8,061	(2,373)	(24.8)
Goodwill	78,862	79,857	(995)	80,550	(81,545)	(102.1)
Other	110,230	78,578	31,652	7,914	23,738	30.2
Total assets	$ 3,583,377	$ 3,032,565	$ 550,812	$ 627,612	$ (76,800)	(2.5)%

Total securities	715,219	4.87	762,889	5.47	698,541	5.63
FRB and FHLB stock	29,694	2.48	29,264	2.52	23,683	3.83
Loans held for sale	—	—	—	—	815	5.40
Loans (7)(8)(9)	2,512,653	5.96	2,459,486	6.09	1,989,119	7.57
Total interest-earning assets	$ 3,263,571	5.68%	$3,274,335	5.88%	$ 2,736,154	7.00%
Noninterest-Earning Assets:						
Cash	$ 57,463		$ 52,693		$ 51,487	
Premises and equipment	38,412		38,144		22,404	
Allowance for loan losses	(23,059)		(20,412)		(24,255)	
Other	346,062		341,590		234,464	
Total noninterest-earning assets	418,878		412,015		284,100	
Total assets	$ 3,682,449		$3,686,350		$ 3,020,254	
Interest-Bearing Liabilities:						
Deposits:						
Interest-bearing demand deposits	$ 194,416	0.87%	$ 215,076	0.92%	$ 175,582	1.96%
Money-market demand and savings accounts	393,745	1.20	399,380	1.20	365,985	2.62
Time deposits	1,487,827	3.68	1,448,198	3.98	1,224,836	5.02
Total interest-bearing deposits	2,075,988	2.95	2,062,654	3.12	1,766,403	4.22
Borrowings:						
Fed funds purch & repurchase agreements	403,025	3.87	451,351	3.68	307,843	4.16
FHLB advances	348,315	3.19	296,044	3.29	307,418	4.74
Junior subordinated debentures	60,766	5.69	60,749	5.77	65,854	8.10
Revolving note payable	9,404	4.08	8,896	4.23	1,440	5.00
Term note payable	55,000	4.11	55,000	4.18	—	—
Subordinated debt	15,000	6.11	15,000	6.19	—	—
Total borrowings	891,510	3.78	887,040	3.77	682,555	4.80
Total interest-bearing liabilities	$ 2,967,498	3.20%	$2,949,694	3.32%	$ 2,448,958	4.40%
Noninterest-Bearing Liabilities:						
Noninterest-bearing demand deposits	$ 335,025		$ 322,110		$ 256,306	
Other liabilities	30,048		34,869		30,759	
Total noninterest-bearing liabilities	365,073		356,979		287,065	
Shareholders' equity	349,878		379,677		284,231	
Total liabilities and shareholders' equity	$ 3,682,449		$3,686,350		$ 3,020,254	
Net interest margin (tax equivalent)(6)(9)		**2.77%**		**2.89%**		**3.10%**

See footnotes at end of statements, tables and schedules.

Net Interest Margin
Midwest Banc Holdings, Inc.
(In thousands)

Liabilities and Shareholders' Equity

Liabilities						
Deposits						
Noninterest-bearing	$ 334,545	$ 246,153	$ 88,392	$ 65,299	$ 23,093	9.4%
Interest-bearing	2,178,459	1,748,774	429,685	405,361	24,324	1.4
Total deposits	2,513,004	1,994,927	518,077	470,660	47,417	2.4
Federal funds purchased	—	12,000	(12,000)	6,170	(18,170)	(151.4)
Securities sold under agreements to repurchase	297,650	317,118	(19,468)	—	(19,468)	(6.1)
FHLB advances	380,000	319,925	60,075	3,500	56,575	17.7
Junior subordinated debentures	60,774	65,861	(5,087)	10,310	(15,397)	(23.4)
Subordinated debt	15,000	—	15,000	—	15,000	100.0
Revolving note payable	20,600	2,500	18,100	—	18,100	724.0
Term note payable	55,000	—	55,000	75,000	(20,000)	(100.0)
Due to broker	438	—	438	—	438	100.0
Other	34,112	35,001	(1,327)	6,982	(8,309)	(23.7)
Total liabilities	3,376,140	2,747,332	628,808	572,622	56,186	2.0
Shareholders' Equity						
Total shareholders' equity	207,237	285,233	(77,996)	54,990	(132,986)	(46.6)
Total liabilities and shareholders' equity	$ 3,583,377	$ 3,032,565	$ 550,812	$ 627,612	$ (76,800)	(2.5)%

(a) Includes fair value adjustments.

(b) Northwest Suburban Acquisition column includes cash and cash equivalents acquired through Northwest Suburban of $10,066 less cash paid for acquisition of $81,163, capitalized costs of $414, costs relating to the registration statement of $147, and $75,000 borrowing.

Net Interest Margin
Midwest Banc Holdings, Inc.
(In thousands)

	For the Three Months Ended					
	September 30, 2008		June 30, 2008		September 30, 2007	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Interest-Earning Assets:						
Short-term investments	$ 6,005	1.80%	$ 22,696	1.73%	$ 23,996	4.95%
Securities:						
Taxable(6)	654,531	4.78	701,254	5.43	650,776	5.61
Exempt from federal income taxes(6)	60,688	5.82	61,635	5.92	47,765	5.95

	For the Nine Months Ended September 30,			
	2008		2007	
	Average Balance	Average Rate	Average Balance	Average Rate
Interest-Earning Assets:				
Short-term investments	$ 16,840	2.16%	$ 18,976	4.83%
Securities:				
Taxable(6)	686,517	5.22	644,567	5.48
Exempt from federal income taxes(6)	61,388	5.90	56,211	5.93
Total securities	747,905	5.28	700,778	5.52
FRB and FHLB stock	29,397	2.50	23,648	3.84
Loans held for sale	—	—	1,939	6.12
Loans (7)(8)(10)	2,477,452	6.23	1,965,828	7.50
Total interest-earning assets	$ 3,271,594	5.96%	$ 2,711,169	6.93%
Noninterest-Earning Assets:				
Cash	$ 55,272		$ 57,220	
Premises and equipment	39,290		22,231	
Allowance for loan losses	(23,584)		(24,321)	
Other	342,441		233,578	
Total noninterest-earning assets	413,419		288,708	
Total assets	$ 3,685,013		$ 2,999,877	
Interest-Bearing Liabilities:				
Deposits:				
Interest-bearing demand deposits	$ 208,949	1.06%	$ 170,166	1.87%
Money-market demand and savings accounts	401,377	1.40	368,861	2.61
Time deposits	1,468,836	4.05	1,218,495	4.98
Total interest-bearing deposits	2,079,162	3.24	1,757,522	4.18
Borrowings:				
Fed funds purch & repurchase agreements	418,992	3.83	282,768	4.25
FHLB advances	319,943	3.62	315,142	4.64
Junior subordinated debentures	60,749	6.11	65,837	8.00
Revolving note payable	8,227	4.38	485	4.95
Term note payable	59,927	4.51	—	—
Subordinated debt	10,073	6.14	—	—
Total borrowings	877,911	3.99	664,232	4.81
Total interest-bearing liabilities	$ 2,957,073	3.46%	$ 2,421,754	4.35%
Noninterest-Bearing Liabilities:				
Noninterest-bearing demand deposits	$ 324,586		$ 255,805	
Other liabilities	32,711		34,743	
Total noninterest-bearing liabilities	357,297		290,548	
Shareholders' equity	370,643		287,575	
Total liabilities and shareholders' equity	$ 3,685,013		$ 2,999,877	
Net interest margin (tax equivalent)(6)(10)		**2.83%**		**3.05%**

See footnotes at end of statements, tables and schedules.

Credit Risk Management
Midwest Banc Holdings, Inc.
(In thousands)

	Three Months Ended				
	September 30, 2008	**June 30, 2008**	**March 31, 2008**	**December 31, 2007**	**September 30, 2007**
Loan Quality					
Nonaccrual loans	$ 60,474	$ 40,956	$ 46,916	$ 49,173	$ 44,681
Foreclosed properties	$ 8,025	$ 2,375	$ 2,527	$ 2,220	$ 2,246
Nonperforming assets	$ 68,499	$ 43,331	$ 49,443	$ 51,393	$ 46,927
90+ days past due and accruing	$ —	$ 4,320	$ —	$ —	$ —
Loans	$ 2,494,225	$2,501,082	$2,467,701	$ 2,474,327	$ 2,007,446
Loan-related assets	$ 2,502,250	$2,503,457	$2,470,228	$ 2,476,547	$ 2,009,692
Nonaccrual loans to loans	2.42%	1.64%	1.90%	1.99%	2.23%
Nonperforming assets to loan-related assets	2.74%	1.73%	2.00%	2.08%	2.34%
Nonperforming assets to total assets	1.91%	1.16%	1.33%	1.39%	1.55%
Allowance for Loan Losses					
Beginning balance	$ 22,606	$ 20,344	$ 26,748	$ 24,879	$ 23,724
Bank acquisition	—	—	—	2,767	—
Provision for loan losses	41,950	4,415	5,400	1,410	1,800
Net chargeoffs (recoveries)					
Large Problem Credit	—	—	10,774	—	—
From remainder of portfolio	25,128	2,153	1,030	2,308	645
Total net charge-offs (reco-veries)	25,128	2,153	11,804	2,308	645
Ending balance	$ 39,428	$ 22,606	$ 20,344	$ 26,748	$ 24,879
Net chargeoffs to average loans					
Total	3.98%	.35 %	1.93%	.37 %	.13 %
Without Large Problem Credit	3.98%	.35 %	.17 %	.37 %	.13 %
Delinquencies 30 – 89 days to loans	.99 %	.35 %	.82 %	.48 %	.49 %

Allowance for loan losses to					
Loans at period end	1.58%	.90%	.82%	1.08%	1.24%
Nonaccrual loans	65%	55%	43%	54%	56%

Footnotes
Midwest Banc Holdings, Inc.
(In thousands)

(1) Shareholders' equity less goodwill and net core deposit intangible and other intangibles.

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Shareholders' equity	$ 207,237	$ 370,698	$ 381,156	$ 375,164	$ 285,233
Core deposit intangible & other intangibles	15,274	15,864	16,454	17,044	9,586
Goodwill	78,862	159,083	160,407	160,407	79,857
Tangible shareholders' equity	$ 113,101	$ 195,751	$ 204,295	$ 197,713	$ 195,790

(2) Excludes net gains or losses on securities transactions.

(3) Noninterest expense less amortization and foreclosed properties expenses divided by the sum of net interest income (tax equivalent) plus noninterest income.

(4) Total assets less goodwill and net core deposit intangible and other intangibles.

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Total assets	$ 3,583,377	$3,726,720	$3,730,446	$ 3,692,782	$ 3,032,565
Core deposit intangible & other intangibles	15,274	15,864	16,454	17,044	9,586
Goodwill	78,862	159,083	160,407	160,407	79,857
Tangible assets	$ 3,489,241	$3,551,773	$3,553,585	$ 3,515,331	$ 2,943,122

(5) Includes net interest income and noninterest income.

(6) Adjusted for 35% tax rate and adjusted for the dividends-received deduction where applicable.

(7) Nonaccrual loans are included in the average balance; however, these loans are not earning any interest.

(8) Includes loan fees.

(9) Reconciliation of reported net interest income to tax equivalent net interest income.

	For the Three Months Ended,		
	September 30, 2008	June 30, 2008	September 30, 2007
Net interest income	$ 22,153	$ 22,765	$ 20,347
Tax equivalent adjustment to net interest income	457	909	837
Net interest income, tax equivalent basis	$ 22,610	$ 23,674	$ 21,184

(10) Reconciliation of reported net interest income to tax equivalent net interest income.

	For the Nine Months Ended,	
	September 30, 2008	September 30, 2007
Net interest income	$ 67,134	$ 59,376
Tax equivalent adjustment to net interest income	2,258	2,652
Net interest income, tax equivalent basis	$ 69,392	$ 62,028

(11) Reconciliation of common equity to shareholders' equity.

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Preferred equity	$ 43,125	$ 43,125	$ 43,125	$ 43,125	$ —
Common equity	164,112	327,573	338,031	332,039	285,233
Shareholders' equity	$ 207,237	$370,698	$ 381,156	$ 375,164	$ 285,233

Reconciliation of tangible common equity to tangible shareholders' equity.

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Preferred equity	$ 43,125	$ 43,125	$ 43,125	$ 43,125	$ —
Tangible common equity	69,976	152,626	161,170	154,588	195,790
Tangible shareholders' equity	$ 113,101	$195,751	$ 204,295	$ 197,713	$ 195,790

Reconciliation of common shares outstanding at period end to "if converted" shares outstanding.

	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Common shares outstanding	27,859	27,859	27,839	27,804	24,406
Resulting common shares if preferred shares were converted	2,875	2,875	2,875	2,875	—
"If converted" shares outstanding	30,734	30,734	30,714	30,679	24,406

Contacts

Midwest Banc Holdings, Inc.

Midwest Banc Holdings, Inc

Press Release

Midwest Banc Holdings, Inc. Reports Q4 Results

MELROSE PARK, Ill. – Jan. 27, 2009 – Midwest Banc Holdings, Inc. (NASDAQ:MBHI) today reported diluted earnings per share of $0.12, for the fourth quarter ended Dec. 31, 2008. This compares to earnings of $0.14 for the same quarter in the prior year. Full-year 2008 loss per share was $5.82, compared to earnings of $0.72 per share in 2007.

Full-year results for 2008 were negatively impacted by losses on investments in Fannie Mae and Freddie Mac securities of approximately $82.1 million, or $1.78 per share net of tax benefits. The losses were recognized as incurred in the first and third quarters. The income tax benefits related to the first and third quarter losses were appropriately recognized as capital losses in those periods. New laws enacted in the fourth quarter enable banks to treat losses on the sale of these securities as ordinary losses rather than capital losses. Existing accounting rules prescribe prospective treatment for these types of subsequent event law changes. Accordingly, a significant portion of the tax benefits, $16.6 million or $0.60 per share, were recognized in the fourth quarter for losses reported in the third quarter.

Full-year results for 2008, compared to 2007, were also negatively impacted by a pre-tax increase in the provision for loan losses of $66.9 million, or $1.45 per share, and a non-cash goodwill impairment charge of $80 million, or $2.87 per share.

2008 will go into the record book as one of the most challenging years in history for financial institutions. Many well-known and well-respected institutions disappeared from the landscape as financial markets were paralyzed and a fundamental lack of confidence created a worldwide liquidity crisis.

"The problems seemed to peak in late fall, unfortunately, at the same time we were attempting to raise additional capital," said James Giancola, CEO of Midwest Banc Holdings. "The instability of the markets caused us to put that effort on hold. Shortly thereafter, we were selected to be one of the first publicly-owned community banks in the nation, and the first community bank in Chicago, to receive TARP funds. The U.S. Treasury's $84.8 million purchase of our preferred stock allowed us to retain our well-capitalized position, and gives us the flexibility necessary to take advantage of future opportunities."

Initiatives to Improve 2009 Performance

Midwest undertook several important initiatives in 2008 and in the fourth quarter, specifically, to better position itself for improved performance in 2009.

- The Company nearly doubled its allowance for loan losses in the second half of the year, including increases of $16.8 million in the third quarter and $5.0 million in the

John B. Pelling, III, 708-498-2013
Vice President – Investor Relations
IR@midwestbank.com

fourth quarter, bringing the total allowance for loan losses to $44.4 million at Dec. 31, 2008, or 1.77 percent of loans, up from 0.90 percent of total loans at June 30, 2008;

- Problem credits were aggressively charged-down to realizable values by $54 million during the year, with $15 million being charged-off in the fourth quarter (amounts are net of recoveries);

- Holding company borrowings under its revolving line of credit were reduced by $12 million in the fourth quarter;

- Several steps were taken to substantially improve the Company's liquidity position, including:

    - Refocused efforts on core deposit generation
    - Expanded funding sources
    - Expanded analytics and forecasting tools

- Two unprofitable branches, Lake Zurich and Addison Village, were closed late in the fourth quarter, two Chicago offices are being relocated, and a new office will be opened in the Chicago Loop in the first quarter;

- The Company received $84.8 million in new equity capital under the TARP program; and

- Midwest elected to participate in the FDIC's Temporary Liquidity Guarantee Program, through which all non-interest bearing transaction accounts are fully guaranteed, as are NOW accounts earning less than 0.5 percent interest.

Capital

The total risk-based capital ratio for Midwest Banc Holdings, Inc. at Dec. 31, 2008, was 10.07 percent on a consolidated company basis. Midwest Bank was well-capitalized at Dec. 31, 2008, with a total risk based capital ratio of 10.54 percent. At Dec. 31, 2008, the consolidated Company had a tier 1 risk based capital ratio of 8.30 percent and the Bank had a tier 1 risk based capital ratio of 8.24 percent. All of the Bank's capital ratios exceed the regulatory guidelines for classification as "well-capitalized," which is the highest regulatory capital rating given to financial institutions. The holding company has the ability to downstream additional capital to the Bank to maintain its "well-capitalized" standing, if necessary.

Loan Portfolio & Asset Quality

Average total loans decreased $12.9 million during the fourth quarter, but the year-end balance was up $15.5 million compared to Sept. 30, 2008, after $15.0 million in net loan charge-offs, which were primarily related to residential construction loans. Loan growth in the latter part of the fourth quarter was facilitated by the new capital raised in December under the TARP program. A reduction in construction lending that began earlier in the year continued in the fourth quarter with construction and land development loans declining by $30 million, or 7.7 percent, from the third quarter. Construction and land development loans now represent 15 percent of the total loan portfolio, down from 19 percent one year ago.

In the fourth quarter, Midwest recorded a provision for loan losses of $20 million and recognized net loan charge-offs totaling $15 million.

Loan Portfolio

As of Dec. 31, 2008

(dollars in millions)

Loan Type – Source of Repayment	**Balance**	**Total Availability**	**Total Commitment**	**% Availability**
Land	$ 92.2	$ 4.0	$ 96.2	4.2 %
Land Development, Residential	29.7	2.4	32.1	7.5 %
Land Development, Commercial	24.0	7.1	31.1	22.8 %
Land Development, Teardown	7.8	0.9	8.7	10.3 %
Condominium	56.6	14.9	71.5	20.8 %
Residential Construction	87.8	6.9	94.7	7.3 %
Commercial Construction	51.5	5.8	57.3	10.1 %
Residential Non-Builder	14.8	2.0	16.8	11.9 %
Buy Farmland	1.7	0.2	1.9	10.5 %
Letters of Credit	-	0.5	0.5	100.0 %
Other	0.1	-	0.1	0.0 %
Total Const. & Land Development	$ 366.2	$ 44.7	$ 410.9	10.9 %
1-4 Residential	$ 74.5	$ -	$ 74.5	- %
1-4 ARM	49.1	-	49.1	- %
Total Residential	$ 123.6	$ -	$ 123.6	- %
Home Equity Fixed	$ 14.0	$ 0.5	$ 14.5	3.4 %
Home Equity Floating	180.7	122.0	302.7	40.3 %
Total Home Equity	$ 194.7	$ 122.5	$ 317.2	38.6 %
CRE - Non-Owner Occupied	$ 722.5	$ 30.8	$ 753.3	4.1 %
CRE - Owner Occupied	563.5	49.4	612.9	8.1 %
Total CRE	$ 1,286.0	$ 80.2	$ 1,366.2	5.9 %
Commercial & Industrial	$ 522.7	$ 345.1	$ 867.8	39.8 %
Agricultural	$ 7.3	$ 1.1	$ 8.4	13.1 %
Consumer	$ 6.4	$ 2.3	$ 8.7	26.4 %
Overdrafts, Settlement, Miscellaneous	$ 2.9	$ -	$ -	
Total Portfolio	$ 2,509.8	$ 595.9	$ 3,102.8	19.2 %

- Total construction & land loan commitments are 89 percent funded.
- Land loans represent only 3.7 percent of the loan portfolio.

Loan Quality

(dollars in millions)

Loan Type	Balance	30-89 Days Past Due ($)	30-89 Days Past Due (%)	Nonaccrual Loans ($)	Nonaccrual Loans (%)	Specifically Reserved	2008 Amount ($) Charged-Off
	As of Dec. 31, 2008						
Land	$ 92.2	$ 0.6	0.65%	$ 6.5	7.05%	$ 1.0	$ 6.5
Land Development, Residential	29.7	1.4	4.71%	-	-%	-	-
Land Development, Commercial	24.0	-	-%	0.6	2.50%	-	0.8
Land Development, Teardown	7.8	-	-%	-	-%	-	-
Condominium	56.6	-	-%	9.8	17.31%	0.9	12.5
Residential Construction	87.8	1.0	1.14%	5.9	6.72%	0.2	7.2
Commercial Construction	51.5	-	-%	3.5	6.80%	-	-
Residential Non-Builder	14.8	2.4	16.22%	1.0	6.76%	-	0.3
Buy Farmland	1.7	-	-%	-	-%	-	-
Other	0.1	-		-	-%	-	-
Total Const. & Land Development	$ 366.2	$ 5.4	1.47%	$ 27.3	7.45%	$ 2.1	$ 27.3
1-4 Residential	$ 74.5	$ 0.3	0.40%	$ 1.5	2.01%	$ 0.1	$ 0.8
1-4 ARM	49.1	2.8	5.70%	3.8	7.74%	0.1	0.6
Total Residential	$ 123.6	$ 3.1	2.51%	$ 5.3	4.29%	$ 0.2	$ 1.4
Home Equity Fixed	$ 14.0	$ 0.1	0.71%	$ 0.1	0.71%	$ -	$ 0.2
Home Equity Floating	180.7	4.4	2.43%	0.3	0.17%	-	2.3
Total Home Equity	$ 194.7	$ 4.5	2.31%	$ 0.4	0.21%	$ -	$ 2.5
CRE - Non-Owner Occupied	$ 722.5	$ 4.5	0.61%	$ 10.3	1.43%	$ 0.7	$ 3.8
CRE - Owner Occupied	563.5	4.1	0.73%	14.3	2.52%	0.4	9.3
Total CRE	$ 1,286.0	$ 8.6	0.67%	$ 24.6	1.91%	$ 1.1	$ 13.1
Commercial & Industrial	$ 522.7	$ 4.0	0.77%	$ 3.6	0.69%	$ 1.1	$ 11.0
Agricultural	$ 7.3	$ -	-%	$ -	-%	$ -	$ -
Consumer	$ 6.4	$ 0.2	3.13%	$ -	-%	$ -	$ 0.1
Overdrafts, Settlement, Miscellaneous	$ 2.9	$ -		$ -		$ -	$ 0.4
Total Portfolio	$ 2,509.8	$ 25.8	1.03%	$ 61.1	2.43%	$ 4.5	$ 55.8

- During 2008, $6.5 million in land loans were charged-off. As of Dec. 31, 2008, nonaccrual land loans totaled $6.5 million with 15 percent of the remaining balance specifically reserved.
- $27.3 million of construction and land loans were charged-off during 2008. As of Dec. 31, 2008, nonaccrual construction & land loans totaled $27.3 million with 8 percent of the remaining balance specifically reserved.

- During 2008, $13.1 million of commercial real estate loans were charged-off. As of Dec. 31, 2008, nonaccrual commercial real estate loans totaled $24.6 million with 4 percent of the remaining balance specifically reserved.
- $11.0 million of commercial and industrial loans were charged-off during 2008. As of Dec. 31, 2008, nonaccrual commercial and industrial loans totaled $3.6 million with 31 percent of the remaining balance specifically reserved.
- As of Dec. 31, 2008, Midwest had loan loss reserves of $44.4 million or 1.77 percent of total loans.

Liquidity

Midwest continued its effective liquidity management during the fourth quarter. Fed Funds capacity improved $125 million as several correspondent banks re-entered the market resulting in current capacity of $225 million. As of Dec. 31, 2008, non-interest bearing demand deposits were flat compared to Sept. 30, 2008, while total deposits decreased by $100 million, largely attributable to a $73 million run-off in brokered CDs. Fed Funds purchased and FRB discount window borrowings were zero as of Dec. 31, 2008; Midwest's revolving line of credit was paid down by $12 million in the fourth quarter, to $8.6 million. The Company's liquidity position has normalized to the level previously reported in the second quarter. Core deposit erosion at the beginning of the fourth quarter has clearly stabilized and positive trends have been reestablished.

Net Interest Margin

Net interest margin decreased 26 basis points from 2.77 percent in the third quarter to 2.51 percent in the fourth quarter. Three consecutive drops in the prime rate during the fourth quarter contributed 19 basis points to the overall net interest margin decline. Additionally, the fourth quarter reflects the full impact of the late third quarter write-off and suspension of dividends on the preferred equity securities of Fannie Mae and Freddie Mac, which resulted in a six basis point decrease in the margin. The margin was also negatively impacted by an increase in nonaccrual loans late in the third quarter. Overall, interest bearing liability rates were flat for the fourth quarter. Rates on interest bearing deposits were favorably impacted by the steep drop in interest rates. Yet, wholesale borrowing costs were negatively impacted by unprecedented tightness in the interbank lending markets. Short-term interbank credit spreads moving to more normal levels will benefit Midwest Banc's overall cost of funds. Most new and renewing loans have floors in place which will help mitigate future margin contraction. Additionally, the beneficial impact on borrowing costs from the $84.8 million TARP capital raise in December 2008 will be realized going forward.

Noninterest Income

Noninterest income for the fourth quarter 2008 was $3.7 million compared to $3.9 million in the third quarter 2008, excluding $64.5 million in losses on Fannie Mae and Freddie Mac securities. The decline was attributable to lower assets under management in the brokerage and trust areas due to the current economic environment.

Noninterest Expense

Noninterest expense for the fourth quarter 2008 was $25.7 million compared to $23.3 million in the third quarter 2008, excluding a goodwill impairment charge of $80.0 million. The increase was primarily due to $1.3 million of salaries and benefits a majority of which was related to separation costs and $1.2 million increase in professional fees mainly related to legal, printing and consulting fees associated with the TARP and other capital raising efforts in the fourth quarter.

Financial Highlights

Earnings

Income (loss) per common share was $0.12 for the fourth quarter and ($5.82) for the 12 months ended Dec. 31, 2008, compared to income (loss) per share of:
-- ($5.76) for third quarter 2008
-- $0.14 for fourth quarter 2007
-- $0.72 for 12 months 2007

Net income (loss) was $4.4 million for the fourth quarter and ($158.3) million for the 12 months ended Dec. 31, 2008 , compared to:
-- ($159.7) million for third quarter 2008
-- $4.2 million for fourth quarter 2007
-- $18.6 million for 12 months 2007

Net interest margin was 2.51 percent for the fourth quarter and 2.75 percent for the months ended Dec. 31, 2008. This compares to net interest margin of:
-- 2.77 percent for third quarter 2008
-- 2.93 percent for fourth quarter 2007
-- 3.02 percent for 12 months 2007

Loans and Loan Quality

Average loans in the fourth quarter decreased $12.9 million compared to third quarter 2008

Gross loans in the fourth quarter increased $15.5 million compared to third quarter 2008 facilitated by receipt of TARP investment

Annualized net charge-off rate was 2.39 percent for fourth quarter 2008 and 2.18 percent for the twelve months ended Dec. 31, 2008, compared to:
-- 3.98 percent for the third quarter 2008
-- 0.37 percent for the fourth quarter 2007
-- 0.20 percent for the 12 months 2007

Nonaccrual loans at Dec. 31, 2008 were $61.1 million, or 2.43 percent of loans, compared to:
-- 2.42 percent of loans at Sept. 30, 2008
-- 1.99 percent of loans at Dec. 31, 2007

Nonperforming assets (includes troubled debt restructuring) at Dec. 31, 2008, were $84.1 million, or 2.36 percent of assets, compared to:
-- 1.91 percent of assets at Sept. 30, 2008
-- 1.39 percent of assets at Dec. 31, 2007

Allowance for loan losses at Dec. 31, 2008, was $44.4 million, or 1.77 percent of loans, compared to:
-- 1.58 percent of loans at Sept. 30, 2008
-- 1.08 percent of loans at Dec. 31, 2007

Allowance for loan losses to nonaccrual loans was 73 percent at Dec. 31, 2008, compared to:
-- 65 percent at Sept. 30, 2008
-- 54 percent at Dec. 31, 2007

Loan delinquencies 30-89 days to loans were 1.03 percent at Dec. 31, 2008, compared to:
-- 0.99 percent at Sept. 30, 2008
-- 0.48 percent at Dec. 31, 2007

Capital Ratios at Dec. 31, 2008:

	Company	Bank
-- Tier 1 risk-based	8.30 percent	8.24 percent
-- Total risk-based	10.07 percent	10.54 percent
-- Tier 1 leverage	6.90 percent	6.83 percent

Additional financial data are contained in the accompanying statements, tables and schedules.

Hosting a Conference Call

Midwest will conduct a conference call to discuss these results Jan. 28, 2009, at 11:00 A.M. eastern/10:00 A.M. central.

The webcast and call will be hosted by members of management. A brief discussion of results and trends will be followed by questions from professional investors and analysts invited to participate in the interactive portion of the discussion. Individual owners, brokers and investment bankers can submit questions via email, or call investor relations directly.

Interested parties wishing to participate in the interactive portion of the call can dial in to 800-860-2442 or +1 412-858-4600 for international calls. The live webcast can be accessed and will be available for replay at www.midwestbank.com. The audio replay may be accessed through Feb. 5, 2009 at 877-344-7529 or +1 412-317-0088. The replay passcode is 426608.

Franchise

Midwest Banc Holdings, Inc. is a half century old community bank with $3.6 billion in assets. The Company has two principal operating subsidiaries; Midwest Bank and Trust Company and Midwest Financial and Investment Services, Inc. Midwest Bank has 27 full-service banking centers serving the diverse needs of both urban and suburban Chicagoland businesses and consumers through its Commercial Banking, Wealth Management, Corporate Trust and Retail Banking areas. Information on Midwest Bank's products, services and locations are available by visiting www.midwestbank.com

Forward-Looking Statements

This press release contains certain "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and should be reviewed in conjunction with the Company's Annual Report on Form 10-K and other publicly available information regarding the Company, copies of which are available from the Company upon request. Such publicly available information sets forth certain risks and uncertainties related to the Company's business which should be considered in evaluating "Forward-Looking Statements."

Contacts

Midwest Banc Holdings, Inc.
John B. Pelling, III, 708-498-2013
Vice President – Investor Relations
IR@midwestbank.com

Financial Highlights
Midwest Banc Holdings, Inc.
(In thousands, except per share data and percentages)

	Three Months Ended				
	Dec. 31, 2008	**Sept. 30, 2008**	**June 30, 2008**	**March 31, 2008**	**Dec. 31, 2007**
Income Statement Data:					
Net income (loss)	$ 4,429	$ (159,714)	$ 2,428	$ (5,416)	$ 4,222
Per Share Data:					
Basic and diluted earnings	$ .12	$ (5.76)	$ .06	$ (.22)	$ .14
Cash dividends declared	—	—	.13	.13	.13
Book value	6.56	5.89	11.76	12.14	11.94
"If converted" book value(11)	7.35	6.74	12.06	12.41	12.23
Tangible book value(1)	3.21	2.51	5.48	5.79	5.56
"If converted" tangible book value(1)(11)	4.31	3.68	6.37	6.65	6.44
Stock price at period end	1.40	4.00	4.87	12.78	12.42
Share Data:					
Common shares outstanding – at period end	27,893	27,859	27,859	27,839	27,804
Basic - average	27,863	27,859	27,855	27,838	27,895
Diluted - average	27,863	27,859	27,958	27,838	28,043
Selected Financial Ratios:					
Return on average assets	.49 %	(17.25) %	.26 %	(.59) %	.45 %
Return on average equity	7.17	(181.60)	2.57	(5.69)	4.80
Net interest margin (tax equivalent)	2.51	2.77	2.89	2.82	2.93
Efficiency ratio(2)(3)	105	387	70	66	73
Dividend payout ratio	—	—	233	N/M	91
Loans to deposits at period end	104	99	107	103	101
Loans to assets at period end	70	70	67	66	67
Equity to assets at period end	8.57	5.78	9.95	10.22	10.16
Tangible equity to tangible assets at period end(1)(4)	6.11	3.24	5.51	5.75	5.62
Tier 1 capital to risk-weighted assets	8.30	6.26	9.09	9.33	9.21
Total capital to risk-weighted assets	10.07	8.04	10.43	10.61	10.17
Tier 1 leverage ratio	6.90	4.94	7.38	7.47	7.33
Full time equivalent employees	536	550	543	543	539
Balance Sheet Data:					
Total earning assets	$ 3,195,408	$ 3,176,629	$ 3,275,580	$ 3,298,143	$ 3,266,461
Average earning assets	3,219,078	3,263,571	3,274,335	3,276,965	3,301,501
Average assets	3,590,313	3,682,449	3,686,350	3,686,269	3,721,444
Average loans	2,499,802	2,512,653	2,459,486	2,459,830	2,453,292
Average securities	668,830	715,219	762,889	765,966	808,774
Average deposits	2,478,948	2,411,013	2,384,764	2,415,385	2,480,831
Tangible shareholders' equity(1)	212,289	113,101	195,751	204,295	197,713
Average equity	245,795	349,878	379,677	382,603	348,639

See footnotes at end of statements, tables and schedules.

Financial Highlights
Midwest Banc Holdings, Inc.
(In thousands, except per share data and percentages)

	Twelve Months Ended	
	Dec. 31, 2008	**Dec. 31, 2007**
Income Statement Data:		
Net income (Loss)	$ (158,273)	$ 18,577
Per Share Data:		
Basic earnings	$ (5.82)	$ .72
Diluted earnings	(5.82)	.72
Cash dividends declared	.26	.52
Share Data:		
Common shares outstanding - at period end	27,893	27,804
Basic – average	27,854	25,426
Diluted – average	27,854	25,580
Selected Financial Ratios:		
Return on average assets	(4.32) %	.58 %
Return on average equity	(46.65)	6.13
Net interest margin (tax equivalent)	2.75	3.02
Efficiency ratio(2)(3)	145	69
Dividend payout ratio	N/M	73
Full time equivalent employees	536	539
Balance Sheet Data:		
Total earning assets	$ 3,195,408	$ 3,266,461
Average earning assets	3,258,393	2,859,965
Average assets	3,661,209	3,181,990
Average loans	2,483,070	2,088,696
Average securities	728,028	727,998
Average deposits	2,422,651	2,131,164
Tangible shareholders' equity(1)	212,289	197,713
Average equity	339,261	303,195

See footnotes at end of statements, tables and schedules.

Statement of Income
Midwest Banc Holdings, Inc.
(In thousands, except per share data)

	Three Months Ended				
	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Interest Income					
Loans	$ 35,558	$ 37,364	$ 37,392	$ 40,806	$ 44,598
Loans held for sale	—	—	—	—	—
Securities					
Taxable	7,381	7,739	8,977	9,060	9,886
Exempt from fed income taxes	551	574	593	598	645
Trading securities	—	—	—	—	—
Dividends from FRB and FHLB stock	190	184	184	183	158
Short-term investments	54	27	98	148	150
Total interest income	43,734	45,888	47,244	50,795	55,437
Interest Expense					
Deposits	15,524	15,301	16,111	19,089	21,577
Federal funds purchased and FRB discount window advances	14	563	672	815	673
Securities sold under repurchase agreements	3,264	3,338	3,482	3,178	3,443
Advances from the FHLB	3,126	2779	2,437	3,482	3,811
Junior subordinated debentures	911	864	876	1,045	1,325
Revolving note payable	204	96	94	80	168
Term note payable	616	565	575	887	1,184
Subordinated debt	243	229	232	3	—
Total interest expense	23,902	23,735	24,479	28,579	32,181
Net interest income	19,832	22,153	22,765	22,216	23,256
Provision for loan losses	20,000	41,950	4,415	5,400	1,410
Net interest income after provision for loan losses	(168)	(19,797)	18,350	16,816	21,846
Noninterest Income					
Service charges on deposit accounts	1,908	1,918	1,953	1,963	1,953
Gains (losses) on securities transactions	—	(16,652)	44	12	9
Impairment charge on securities	—	(47,801)	—	(17,586)	—
Gains on sale of loans	—	(75)	—	—	1
Insurance and brokerage commissions	333	448	683	560	488
Trust	241	451	482	449	508
Increase in CSV of life insurance	875	911	865	858	871
Gain on sale of property	—	—	—	15,196	—
Other	375	288	367	338	331
Total noninterest income	3,732	(60,512)	4,394	1,790	4,161
Noninterest Expenses					
Salaries and employee benefits	13,819	12,515	11,015	13,040	11,665
Occupancy and equipment	3,511	3,211	3,093	2,899	2,740
Professional services	3,240	2,016	1,796	1,538	1,857
Marketing	842	575	713	576	614
Foreclosed properties	66	24	237	5	(2)
Amortization of intangible assets	590	590	591	590	602
Merger related charges	—	77	80	114	1,333
Loss on extinguishment of debt	—	—	—	7,121	—
Goodwill impairment	—	80,000	—	—	—

Other	3,610	4,288	2,843	2,726	2,616
Total noninterest expenses	25,678	103,296	20,368	28,609	21,425
Income (Loss) before income taxes	(22,114)	(183,605)	2,376	(10,003)	4,582
Provision (benefit) for income taxes	(26,543)	(23,891)	(52)	(4,587)	360
Net Income (Loss)	4,429	$ (159,714)	$ 2,428	$ (5,416)	$ 4,222
Net Income (Loss) available to common shareholders	$ 3,207	$ (160,550)	$ 1,592	$ (6,251)	$ 4,018
Basic and diluted earnings per share	$ .12	$ (5.76)	$ .06	$ (.22)	$ .14
Cash dividends declared per share	$ —	$ —	$ .13	$ .13	$ .13
Top line revenue (5)	$ 23,564	$ (38,359)	$ 27,159	$ 24,006	$ 27,417
Noninterest income to top line revenue	16 %	N/M	16 %	7 %	15 %

See footnotes at end of statements, tables and schedules.

Statement of Income
Midwest Banc Holdings, Inc.
(In thousands, except per share data and percentages)

	Twelve Months Ended Dec. 31			
	2008	2007	Increase (Decrease)	Increase (Decrease)
Interest Income				
Loans	$ 151,120	$ 155,044	$ (3,924)	(2.5) %
Loans held for sale	—	89	(89)	(100.0)
Securities				
Taxable	33,157	34,787	(1,630)	(4.7)
Exempt from fed income taxes	2,316	2,269	47	2.1
Trading securities	—	2	(2)	(100.0)
Dividends from FRB and FHLB stock	741	839	(98)	(11.7)
Short-term investments	327	839	(512)	(61.0)
Total interest income	187,661	193,869	(6,208)	(3.2)
Interest Expense				
Deposits	66,025	76,692	(10,667)	(13.9)
Federal funds purchased and FRB discount window advances	2,064	1,829	235	12.8
Securities sold under repurchase agreements	13,262	11,302	1,960	17.3
Advances from the FHLB	11,824	14,769	(2,945)	(19.9)
Junior subordinated debentures	3,696	5,275	(1,579)	(29.9)
Revolving note payable	474	186	288	154.8
Term note payable	2,643	1,184	1,459	123.2
Subordinated debt	707	—	707	100.0
Total interest expense	100,695	111,237	(10,542)	(9.5)
Net interest income	86,966	82,632	4,334	5.2
Provision for loan losses	71,765	4,891	66,874	1,367.3
Net interest income after provision for loan losses	15,201	77,741	(62,540)	(80.4)

Noninterest Income				
Service charges on deposit accounts	7,742	6,697	1,045	15.6
Gains (losses) on securities transactions	(16,596)	32	(16,628)	(51,962.5)
Impairment charge on securities	(65,387)	—	(65,387)	(100.0)
Net Trading profits	—	—	—	—
Gains on sale of loans	(75)	443	(518)	(116.9)
Insurance and brokerage commissions	2,024	2,287	(263)	(11.5)
Trust	1,623	1,857	(234)	12.6
Increase in CSV of life insurance	3,509	3,063	446	14.6
Gain on sale of property	15,196	—	15,196	100.0
Other	1,368	1,098	270	24.6
Total noninterest income	(50,596)	15,477	(66,073)	(426.9)
Noninterest Expenses				
Salaries and employee benefits	50,389	42,215	8,174	19.4
Occupancy and equipment	12,714	9,482	3,232	34.1
Professional services	8,590	5,470	3,120	57.0
Marketing	2,706	2,309	397	17.2
Foreclosed properties	332	34	298	876.5
Amortization of intangible assets	2,361	1,702	659	38.7
Merger related charges	271	1,312	(1,041)	(79.3)
Loss on extinguishment of debt	7,121	—	7,121	100.0
Goodwill Impairment	80,000	—	80,000	100.0
Other	13,467	8,871	4,596	51.8
Total noninterest expenses	177,951	71,395	106,556	149.2
Income (loss) before income taxes	(213,346)	21,823	(235,169)	(1,077.6)
Provision (benefit) for income taxes	(55,073)	3,246	(58,319)	(1,796.6)
Net Income (Loss)	$ (158,273)	$ 18,577	$ (176,850)	(952.0)
Net Income (Loss) available to common shareholders	$ (162,001)	$ 18,373	$ (180,374)	(981.7)
Basic earnings per share	$ (5.82)	$ .72	$ (6.54)	(908.3)
Diluted earnings per share	$ (5.82)	$ .72	$ (6.54)	(908.3)
Cash dividends declared per share	$ .26	$ .52	$ (.26)	(50.0)
Top line revenue (5)	$ 36,370	$ 98,109	$ (61,739)	(62.9)
Noninterest income to top line revenue	N/M	16 %		

See footnotes at end of statements, tables and schedules.

Balance Sheet
Midwest Banc Holdings, Inc.
(In thousands)

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Assets					
Cash	$ 61,330	$ 111,769	$ 85,015	$ 71,080	$ 70,111
Short-term investments	1,735	1,674	3,042	31,415	14,388
Securities available-for-sale	621,949	618,215	710,803	737,089	710,881
Securities held-to-maturity	30,267	30,817	31,389	32,674	37,601
Total securities	652,216	649,032	742,192	769,763	748,482
Federal Reserve and FHLB stock, at cost	31,698	31,698	29,264	29,264	29,264
Loans held for sale	—	—	—	—	—
Loans	2,509,759	2,494,225	2,501,082	2,467,701	2,474,327
Allowance for loan losses	(44,432)	(39,428)	(22,606)	(20,344)	(26,748)
Net loans	2,465,327	2,454,797	2,478,476	2,447,357	2,447,579
Cash value of life insurance	84,675	83,800	82,889	82,024	81,166
Premises and equipment	38,313	38,216	38,739	38,232	41,821
Foreclosed properties	12,018	8,025	2,375	2,527	2,220
Goodwill and other intangibles	93,546	94,136	174,947	176,861	177,451
Other	129,354	110,230	89,781	81,923	80,300
Total assets	$ 3,570,212	$ 3,583,377	$ 3,726,720	$ 3,730,446	$ 3,692,782
Liabilities and Shareholders' Equity					
Liabilities					
Deposits					
Noninterest-bearing	$ 334,495	$ 334,545	$ 334,813	$ 313,727	$ 321,317
Interest-bearing	2,078,296	2,178,459	2,005,230	2,090,985	2,136,831
Total deposits	2,412,791	2,513,004	2,340,043	2,404,712	2,458,148
Federal funds purchased & FRB discount window	—	—	198,000	184,500	81,000
Securities sold under repurchase agreements	297,650	297,650	297,650	394,764	283,400
FHLB advances	380,000	380,000	340,000	190,000	323,439
Junior subordinated debentures	60,791	60,774	60,757	60,741	60,724
Revolving note payable	8,600	20,600	7,600	6,500	2,500
Term note payable	55,000	55,000	55,000	55,000	70,000
Subordinated debt	15,000	15,000	15,000	15,000	—
Other	34,546	34,112	41,972	38,073	38,407
Total liabilities	3,264,378	3,376,140	3,356,022	3,349,290	3,317,618
Shareholders' Equity					
Preferred equity	122,680	43,125	43,125	43,125	43,125
Common equity	185,276	175,806	335,662	336,877	345,956
Accumulated other comprehensive income (loss)	(2,122)	(11,694)	(8,089)	1,154	(13,917)
Total shareholders' equity	305,834	207,237	370,698	381,156	375,164
Total liabilities and shareholders' equity	$ 3,570,212	$ 3,583,377	$ 3,726,720	$ 3,730,446	$ 3,692,782

Loan Portfolio Composition – Source of Repayment	Dec. 2008		Dec. 31, 2007 *	
	($ in millions)	% of Total	($ in millions)	% of Total
Commercial	$ 1,090	43 %	$ 1,080	44 %
Construction	366	15	464	19
Commercial real estate	730	29	628	25
Consumer	201	8	153	6
Residential mortgage	123	5	150	6
Total loans, gross excluding deferred fees	$ 2,510	100 %	$ 2,475	100 %

* Amounts have been reclassified to conform to current period presentation.

Net Interest Margin
Midwest Banc Holdings, Inc.
(In thousands)

	For the Three Months Ended					
	Dec. 31, 2008		Sept. 30, 2008		Dec. 31, 2007	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Interest-Earning Assets:						
Short-term investments	$ 18,748	1.15 %	$ 6,005	1.80 %	$ 11,627	5.19 %
Securities:						
Taxable(6)	610,160	4.84	654,531	4.78	742,114	5.61
Exempt from federal income taxes(6)	58,670	5.78	60,688	5.82	66,660	5.96
Total securities	668,830	4.92	715,219	4.87	808,774	5.64
FRB and FHLB stock	31,698	2.40	29,694	2.48	27,808	2.27
Loans held for sale	—	—	—	—	—	—
Loans (7)(8)(9)	2,499,802	5.70	2,512,653	5.96	2,453,292	7.29
Total interest-earning assets	$ 3,219,078	5.48 %	$ 3,263,571	5.68 %	$ 3,301,501	6.84 %
Noninterest-Earning Assets:						
Cash	$ 63,352		$ 57,463		$ 57,080	
Premises and equipment	38,208		38,412		41,521	
Allowance for loan losses	(41,522)		(23,059)		(26,924)	
Other	311,197		346,062		348,266	
Total noninterest-earning assets	371,235		418,878		419,943	
Total assets	3,590,313		$ 3,682,449		3,721,444	
Interest-Bearing Liabilities:						
Deposits:						
Interest-bearing demand deposits	$ 176,803	0.72 %	$ 194,416	0.87 %	$ 218,213	1.80 %
Money-market demand and savings accounts	334,217	0.94	393,745	1.20	439,720	2.48
Time deposits	1,637,302	3.52	1,487,827	3.68	1,491,659	4.79
Total interest-bearing deposits	2,148,322	2.89	2,075,988	2.95	2,149,592	4.02
Borrowings:						
Fed funds purch & repurchase agreements	305,242	4.30	403,025	3.87	368,073	4.47
FHLB advances	380,000	3.29	348,315	3.19	323,433	4.71
Junior subordinated debentures	60,783	6.00	60,766	5.69	66,935	7.92
Revolving note payable	17,470	4.67	9,404	4.08	10,489	6.41
Term note payable	55,000	4.48	55,000	4.11	72,228	6.56
Subordinated debt	15,000	6.48	15,000	6.11	—	—
Total borrowings	833,495	4.02	891,510	3.78	841,158	5.04 %
Total interest-bearing liabilities	$ 2,981,817	3.21 %	$ 2,967,498	3.20 %	$ 2,990,750	4.32 %
Noninterest-Bearing Liabilities:						
Noninterest-bearing demand deposits	$ 330,626		$ 335,025		$ 331,239	
Other liabilities	32,075		30,048		50,816	
Total noninterest-bearing liabilities	362,701		365,073		382,055	
Shareholders' equity	245,795		349,878		348,639	
Total liabilities and shareholders' equity	$ 3,590,313		$ 3,682,449		$ 3,721,444	
Net interest margin (tax equivalent)(6)(9)		**2.51 %**		**2.77 %**		**2.93 %**

See footnotes at end of statements, tables and schedules.

Net Interest Margin
Midwest Banc Holdings, Inc.
(In thousands)

	For the Twelve Months Ended Dec. 31			
	2008		2007	
	Average Balance	Average Rate	Average Balance	Average Rate
Interest-Earning Assets:				
Short-term investments	$ 17,320	1.89 %	$ 17,124	4.90 %
Securities:				
Taxable(6)	667,324	5.14	669,154	5.51
Exempt from federal income taxes(6)	60,704	5.87	58,844	5.93
Total securities	728,028	5.20	727,998	5.55
FRB and FHLB stock	29,975	2.47	24,697	3.40
Loans held for sale	—	—	1,450	6.14
Loans (7)(8)(10)	2,483,070	6.10	2,088,696	7.44
Total interest-earning assets	$ 3,258,393	5.84 %	$ 2,859,965	6.91 %
Noninterest-Earning Assets:				
Cash	$ 57,303		57,185	
Premises and equipment	39,018		27,093	
Allowance for loan losses	(28,093)		(24,977)	
Other	334,588		262,724	
Total noninterest-earning assets	402,816		322,025	
Total assets	$ 3,661,209		$ 3,181,990	
Interest-Bearing Liabilities:				
Deposits:				
Interest-bearing demand deposits	$ 200,869	0.98 %	$ 182,276	1.85 %
Money-market demand and savings accounts	384,496	1.30	386,722	2.57
Time deposits	1,511,182	3.91	1,287,347	4.92
Total interest-bearing deposits	2,096,547	3.15	1,856,345	4.13
Borrowings:				
Fed funds purch & repurchase agreements	390,399	3.93	304,269	4.32
FHLB advances	335,039	3.53	317,232	4.66
Junior subordinated debentures	60,758	6.08	66,114	7.98
Revolving note payable	10,550	4.49	3,007	6.19
Term note payable	58,689	4.50	18,205	6.50
Subordinated debt	11,311	6.25	—	—
Total borrowings	866,746	4.00	708,827	4.87
Total interest-bearing liabilities	$ 2,963,293	3.40 %	$ 2,565,172	4.34 %
Noninterest-Bearing Liabilities:				
Noninterest-bearing demand deposits	$ 326,104		$ 274,819	
Other liabilities	32,551		38,804	
Total noninterest-bearing liabilities	358,655		313,623	
Shareholders' equity	339,261		303,195	
Total liabilities and shareholders' equity	$ 3,661,209		$ 3,181,990	
Net interest margin (tax equivalent)(6)(10)		**2.75 %**		**3.02 %**

See footnotes at end of statements, tables and schedules.

Credit Risk Management
Midwest Banc Holdings, Inc.
(In thousands)

	Three Months Ended				
	Dec. 31, 2008	**Sept. 30, 2008**	**June 30, 2008**	**March 31, 2008**	**Dec. 31, 2007**
Loan Quality					
Nonaccrual loans	$ 61,104	$ 60,474	$ 40,956	$ 46,916	$ 49,173
Troubled debt restructuring	11,006	—	—	—	—
Foreclosed properties	12,018	8,025	2,375	2,527	2,220
Nonperforming assets	$ 84,128	$ 68,499	$ 43,331	$ 49,443	$ 51,393
90+ days past due and accruing	$ —	$ —	$ 4,320	$ —	$ —
Loans	$ 2,509,759	$ 2,494,225	$ 2,501,082	$ 2,467,701	$ 2,474,327
Loan-related assets	$ 2,521,777	$ 2,502,250	$ 2,503,457	$ 2,470,228	$ 2,476,547
Nonaccrual loans to loans	2.43 %	2.42 %	1.64 %	1.90 %	1.99 %
Nonperforming assets to loan-related assets	3.34 %	2.74 %	1.73 %	2.00 %	2.08 %
Nonperforming assets to total assets	2.36 %	1.91 %	1.16 %	1.33 %	1.39 %
Allowance for Loan Losses					
Beginning balance	$ 39,428	$ 22,606	$ 20,344	$ 26,748	$ 24,879
Bank acquisition	—	—	—	—	2,767
Provision for loan losses	20,000	41,950	4,415	5,400	1,410
Net chargeoffs (recoveries)	14,996	25,128	2,153	11,804	2,308
Ending balance	$ 44,432	$ 39,428	$ 22,606	$ 20,344	$ 26,748
Net chargeoffs to average loans	2.39 %	3.98 %	.35 %	1.93 %	.37 %
Delinquencies 30 – 89 days to loans	1.03 %	.99 %	.35 %	.82 %	.48 %
Allowance for loan losses to					
Loans at period end	1.77 %	1.58 %	.90 %	.82 %	1.08 %
Nonaccrual loans	73 %	65 %	55 %	43 %	54 %

Footnotes
Midwest Banc Holdings, Inc.
(In thousands)

(1) Shareholders' equity less goodwill and net core deposit intangible and other intangibles.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Shareholders' equity	$ 305,834	$ 207,237	$ 370,698	$ 381,156	$ 375,164
Core deposit intangible & other intangibles	14,683	15,274	15,864	16,454	17,044
Goodwill	78,862	78,862	159,083	160,407	160,407
Tangible shareholders' equity	$ 212,289	$ 113,101	$ 195,751	$ 204,295	$ 197,713

(2) Excludes net gains or losses on securities transactions.

(3) Noninterest expense less amortization of intangibles and foreclosed properties expenses divided by the sum of net interest income (tax equivalent) plus noninterest income.

(4) Total assets less goodwill and net core deposit intangible and other intangibles.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Total assets	$3,570,212	$3,583,377	$3,726,720	$ 3,730,446	$ 3,692,782
Core deposit intangible & other intangibles	14,683	15,274	15,864	16,454	17,044
Goodwill	78,862	78,862	159,083	160,407	160,407
Tangible assets	$3,476,667	$3,489,241	$3,551,773	$ 3,553,585	$ 3,515,331

(5) Includes net interest income and noninterest income.

(6) Adjusted for 35 percent tax rate and adjusted for the dividends-received deduction where applicable.

(7) Nonaccrual loans are included in the average balance; however, these loans are not earning any interest.

(8) Includes loan fees.

(9) Reconciliation of reported net interest income to tax equivalent net interest income.

	For the Three Months Ended,		
	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007
Net interest income	$ 19,832	$ 22,153	$ 23,256
Tax equivalent adjustment to net interest income	363	457	960
Net interest income, tax equivalent basis	$ 20,195	$ 22,610	$ 24,216

(10) Reconciliation of reported net interest income to tax equivalent net interest income.

	For the Twelve Months Ended,	
	Dec. 31, 2008	Dec. 31, 2007
Net interest income	$ 86,966	$ 82,632
Tax equivalent adjustment to net interest income	2,621	3,612
Net interest income, tax equivalent basis	$ 89,587	$ 86,244

(11) Reconciliation of common equity to shareholders' equity.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Preferred equity	$ 122,748	$ 43,125	$ 43,125	$ 43,125	$ 43,125
Common equity	183,086	164,112	327,573	338,031	332,039
Shareholders' equity	$ 305,834	$ 207,237	$ 370,698	$ 381,156	$ 375,164

Reconciliation of tangible common equity to tangible shareholders' equity.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Preferred equity	$ 122,748	$ 43,125	$ 43,125	$ 43,125	$ 43,125
Tangible common equity	89,541	69,976	152,626	161,170	154,588
Tangible shareholders' equity	$ 212,289	$ 113,101	$ 195,751	$ 204,295	$ 197,713

Reconciliation of common shares outstanding at period end to "if converted" shares outstanding.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007
Common shares outstanding	27,893	27,859	27,859	27,839	27,804
Resulting common shares if preferred shares were converted	2,875	2,875	2,875	2,875	2,875
"If converted" shares outstanding	30,768	30,734	30,734	30,714	30,679

Midwest Banc Holdings, Inc.

BALANCE SHEET

Consolidated

[redacted]

(b) (4)

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]		150,000.00	150,000.00
[redacted]		200,000.00	200,000.00
[redacted]		5,000,000.00	3,835,065.67
[redacted]		350,000.00	350,000.00
[redacted]		275,000.00	246,228.68
[redacted]		250,000.00	250,000.00
[redacted]		1,100,000.00	1,100,000.00
[redacted]		250,000.00	250,000.00
[redacted]		350,000.00	350,000.00
[redacted]		500,000.00	500,000.00
[redacted]		200,000.00	200,000.00
[redacted]		400,000.00	400,000.00
[redacted]		850,000.00	771,538.16
[redacted]		950,000.00	950,000.00
[redacted]		150,000.00	150,000.00
[redacted]		250,000.00	250,000.00
[redacted]		1,250,000.00	1,250,000.00
[redacted]		640,000.00	547,153.99
[redacted]		320,000.00	320,000.00
[redacted]		100,000.00	100,000.00
[redacted]		750,000.00	750,000.00
[redacted]		500,000.00	500,000.00
[redacted]		150,000.00	150,000.00
[redacted]		150,000.00	150,000.00
[redacted]		300,000.00	300,000.00
[redacted]		400,000.00	394,911.00
[redacted]		110,774.64	110,774.64
[redacted]		165,000.00	131,047.07
[redacted]		297,089.19	223,655.40
[redacted]		568,169.00	469,230.16
[redacted]		3,420,000.00	3,420,000.00
[redacted]		1,050,000.00	1,050,000.00
[redacted]		1,000,000.00	1,000,000.00
[redacted]		1,250,000.00	1,250,000.00
[redacted]		1,000,000.00	1,000,000.00
[redacted]		50,000.00	50,000.00
[redacted]		60,000.00	60,000.00
[redacted]		262,500.00	225,342.80
[redacted]		3,124,800.00	134,052.22
[redacted]		75,000.00	75,000.00
[redacted]		350,000.00	350,000.00
[redacted]		50,000.00	50,000.00
[redacted]		1,886,668.00	1,886,668.00
[redacted]		500,000.00	500,000.00
[redacted]		135,000.00	135,000.00
[redacted]		18,000,000.00	18,000,000.00
[redacted]		1,500,000.00	1,500,000.00
[redacted]		1,000,000.00	1,000,000.00
[redacted]		25,000.00	25,000.00
[redacted]		9,000,000.00	9,000,000.00

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]	[redacted]	300,000.00	300,000.00
[redacted]	[redacted]	300,000.00	300,000.00
[redacted]	[redacted]	1,400,000.00	1,400,000.00
[redacted]	[redacted]	819,000.00	814,000.00
[redacted]	[redacted]	100,000.00	100,000.00
[redacted]	[redacted]	1,500,000.00	1,500,000.00
[redacted]	[redacted]	300,000.00	178,862.72
[redacted]	[redacted]	500,000.00	500,000.00
[redacted]	[redacted]	700,000.00	700,000.00
[redacted]	[redacted]	575,000.00	575,000.00
[redacted]	[redacted]	1,260,000.00	1,260,000.00
[redacted]	[redacted]	100,000.00	100,000.00
[redacted]	[redacted]	570,000.00	272,755.35
[redacted]	[redacted]	284,460.00	244,741.15
[redacted]	[redacted]	77,319.71	71,807.02
[redacted]	[redacted]	120,000.00	120,000.00
[redacted]	[redacted]	7,000,000.00	7,000,000.00
[redacted]	[redacted]	100,000.00	100,000.00
[redacted]	[redacted]	35,000.00	24,301.76
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	200,000.00	200,000.00
[redacted]	[redacted]	150,000.00	149,959.64
[redacted]	[redacted]	335,000.00	317,966.00
[redacted]	[redacted]	200,000.00	200,000.00
[redacted]	[redacted]	300,000.00	300,000.00
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	350,000.00	350,000.00
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	10,000.00	10,000.00
[redacted]	[redacted]	500,000.00	500,000.00
[redacted]	[redacted]	1,200,000.00	1,200,000.00
[redacted]	[redacted]	1,500,000.00	1,500,000.00
[redacted]	[redacted]	25,000.00	25,000.00
[redacted]	[redacted]	7,000,000.00	6,765,000.00
[redacted]	[redacted]	1,600,000.00	1,600,000.00
[redacted]	[redacted]	600,000.00	600,000.00
[redacted]	[redacted]	1,700,000.00	1,637,816.96
[redacted]	[redacted]	6,600,000.00	6,100,000.00
[redacted]	[redacted]	2,400,000.00	2,400,000.00
[redacted]	[redacted]	1,075,000.00	1,075,000.00
[redacted]	[redacted]	120,608.00	120,608.00
[redacted]	[redacted]	2,500,000.00	2,500,000.00
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	450,000.00	450,000.00
[redacted]	[redacted]	4,340,000.00	4,340,000.00
[redacted]	[redacted]	225,000.00	225,000.00
[redacted]	[redacted]	4,000,000.00	4,000,000.00
[redacted]	[redacted]	1,875,000.00	1,875,000.00
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	2,000,000.00	2,000,000.00

SNAME	ACCTNO	ORGAMT	RENBAL
b(4), b(6) [redacted]		1,400,000.00	1,400,000.00
		3,000,000.00	3,000,000.00
		250,000.00	250,000.00
		25,413.90	-
		1,175,000.00	1,172,580.00
		2,000,000.00	2,000,000.00
		300,000.00	300,000.00
		250,000.00	250,000.00
		506,250.00	506,250.00
		1,500,000.00	1,500,000.00
		100,000.00	91,750.00
		259,000.00	106,000.00
		700,000.00	467,000.00
		880,000.00	880,000.00
		35,000.00	35,000.00
		100,000.00	100,000.00
		40,000.00	40,000.00
		250,000.00	250,000.00
		300,000.00	14,693.98
		1,500,000.00	1,500,000.00
		1,500,000.00	1,500,000.00
		963,026.01	713,584.60
		130,000.00	121,845.83
		150,000.00	150,000.00
		424,000.00	382,316.38
		4,972,965.00	4,972,965.00
		700,000.00	700,000.00
		150,000.00	150,000.00
		165,000.00	165,000.00
		600,000.00	102,000.00
		150,000.00	150,000.00
		96,500.00	96,500.00
		1,000,000.00	1,000,000.00
		800,000.00	800,000.00
		500,000.00	500,000.00
		195,000.00	171,503.39
		1,468,000.00	1,468,000.00
		747,000.00	344,932.33
		345,000.00	308,878.68
		3,612,400.00	3,612,400.00
		245,000.00	245,000.00
		1,715,000.00	1,715,000.00
		1,920,000.00	1,920,000.00
		1,865,600.00	1,865,600.00
		165,000.00	165,000.00
		25,000.00	25,000.00
		2,500,000.00	2,497,612.47
		1,000,000.00	1,000,000.00
		822,500.00	822,172.43
		200,000.00	200,000.00

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]	[redacted]	982,907.00	982,907.00
[redacted]	[redacted]	205,000.00	205,000.00
[redacted]	[redacted]	4,405,500.00	4,373,333.44
[redacted]	[redacted]	225,000.00	225,000.00
[redacted]	[redacted]	211,875.00	185,748.57
[redacted]	[redacted]	720,000.00	406,997.05
[redacted]	[redacted]	1,280,773.79	1,163,294.08
[redacted]	[redacted]	70,000.00	70,000.00
[redacted]	[redacted]	1,176,000.00	1,176,000.00
[redacted]	[redacted]	25,000.00	25,000.00
[redacted]	[redacted]	720,000.00	720,000.00
[redacted]	[redacted]	202,500.00	202,500.00
[redacted]	[redacted]	283,932.00	283,932.00
[redacted]	[redacted]	92,755.10	92,755.10
[redacted]	[redacted]	160,000.00	160,000.00
[redacted]	[redacted]	959,890.26	959,890.26
[redacted]	[redacted]	914,000.00	912,390.62
[redacted]	[redacted]	154,000.00	154,000.00
[redacted]	[redacted]	414,400.00	161,471.59
[redacted]	[redacted]	500,000.00	496,630.28
[redacted]	[redacted]	16,706.10	9,855.12
[redacted]	[redacted]	280,000.00	280,000.00
[redacted]	[redacted]	760,000.00	760,000.00
[redacted]	[redacted]	2,700,000.00	2,569,079.19
[redacted]	[redacted]	228,750.00	228,750.00
[redacted]	[redacted]	210,000.00	189,579.01
[redacted]	[redacted]	1,298,000.00	1,298,000.00
[redacted]	[redacted]	1,622,500.00	1,622,500.00
[redacted]	[redacted]	300,000.00	233,854.09
[redacted]	[redacted]	335,000.00	335,000.00
[redacted]	[redacted]	500,000.00	149,821.89
[redacted]	[redacted]	793,275.00	793,275.00
[redacted]	[redacted]	160,000.00	160,000.00
[redacted]	[redacted]	128,000.00	128,000.00
[redacted]	[redacted]	400,000.00	349,741.06
[redacted]	[redacted]	30,000.00	30,000.00
[redacted]	[redacted]	575,000.00	575,000.00
[redacted]	[redacted]	264,000.00	264,000.00
[redacted]	[redacted]	734,999.99	734,224.17
[redacted]	[redacted]	3,815,221.00	3,815,221.00
[redacted]	[redacted]	5,531,629.00	603,165.87
[redacted]	[redacted]	623,382.01	623,382.01
[redacted]	[redacted]	4,789,242.00	4,789,242.00
[redacted]	[redacted]	198,346.36	198,346.36
[redacted]	[redacted]	150,000.00	150,000.00
[redacted]	[redacted]	262,500.00	262,500.00
[redacted]	[redacted]	1,070,539.02	1,070,539.02
[redacted]	[redacted]	887,315.00	887,315.00
[redacted]	[redacted]	4,824,000.00	1,881,021.82
[redacted]	[redacted]	1,300,000.00	1,300,000.00

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]		3,000,000.00	3,000,000.00
		150,000.00	150,000.00
		200,000.00	199,961.12
		3,600,000.00	3,600,000.00
		280,000.00	280,000.00
		180,584.18	134,114.56
		408,000.00	408,000.00
		357,500.00	356,544.18
		350,000.00	350,000.00
		184,695.47	184,695.47
		245,975.34	245,975.34
		1,185,000.00	737,001.09
		1,440,000.00	1,042,000.00
		100,000.00	99,977.08
		1,044,000.00	1,044,000.00
		500,000.00	500,000.00
		1,173,669.35	1,056,537.83
		607,750.00	607,750.00
		25,059.00	25,059.00
		400,000.00	400,000.00
		750,000.00	750,000.00
		540,000.00	540,000.00
		2,956,835.00	2,956,835.00
		1,600,000.00	1,600,000.00
		600,000.00	456,696.53
		216,000.00	216,000.00
		537,000.00	537,000.00
		3,023,659.00	3,023,659.00
		2,059,078.80	2,059,078.80
		2,396,500.00	2,155,634.73
		135,669.21	83,212.39
		910,000.00	910,000.00
		123,295.34	123,295.34
		960,000.00	960,000.00
		241,500.00	241,500.00
		500,000.00	500,000.00
		773,855.73	627,980.87
		179,200.00	93,811.25
		25,000.00	25,000.00
		1,336,000.00	1,336,000.00
		225,000.00	225,000.00
		509,000.00	508,999.30
		400,000.00	400,000.00
		675,000.00	671,534.59
		1,700,000.00	1,700,000.00
		100,000.00	100,000.00
		237,261.56	237,261.56
		150,000.00	150,000.00
		1,240,000.00	1,240,000.00
		100,000.00	99,844.67

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]		1,825,000.00	921,830.63
[redacted]		10,000,000.00	10,000,000.00
[redacted]		65,000.00	65,000.00
[redacted]		150,000.00	150,000.00
[redacted]		2,304,887.63	2,304,887.63
[redacted]		460,000.00	421,007.42
[redacted]		250,000.00	250,000.00
[redacted]		1,678,750.00	1,678,750.00
[redacted]		1,490,000.00	1,490,000.00
[redacted]		239,750.00	239,546.92
[redacted]		404,127.25	345,422.03
[redacted]		701,732.28	601,232.78
[redacted]		1,946,500.00	1,946,500.00
[redacted]		337,500.00	337,373.44
[redacted]		1,004,306.62	373,838.77
[redacted]		456,000.00	456,000.00
[redacted]		700,000.00	700,000.00
[redacted]		400,000.00	400,000.00
[redacted]		6,000,000.00	6,000,000.00
[redacted]		960,112.00	467,720.43
[redacted]		719,202.00	719,202.00
[redacted]		521,000.00	521,000.00
[redacted]		1,442,973.00	1,442,973.00
[redacted]		50,000.00	50,000.00
[redacted]		672,000.00	663,212.73
[redacted]		25,000.00	25,000.00
[redacted]		151,200.00	75,547.71
[redacted]		540,000.00	540,000.00
[redacted]		1,277,040.00	1,277,040.00
[redacted]		886,719.97	886,719.97
[redacted]		391,500.00	241,500.00
[redacted]		560,000.00	559,911.66
[redacted]		340,000.00	340,000.00
[redacted]		217,500.00	217,288.54
[redacted]		480,000.00	480,000.00
[redacted]		2,200,000.00	1,973,307.71
[redacted]		54,644.78	4,160.56
[redacted]		808,000.00	808,000.00
[redacted]		169,600.00	169,564.67
[redacted]		800,000.00	101,616.47
[redacted]		1,302,000.00	1,302,000.00
[redacted]		4,069,000.00	3,641,740.46
[redacted]		2,059,550.00	2,059,550.00
[redacted]		694,277.99	534,422.02
[redacted]		250,000.00	250,000.00
[redacted]		50,000.00	50,000.00
[redacted]		300,000.00	300,000.00
[redacted]		550,000.00	550,000.00
[redacted]		252,300.00	252,300.00
[redacted]		500,000.00	500,000.00

b(4), b(6)

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted]		587,839.52	587,839.32
		30,000.00	30,000.00
		624,400.00	623,637.12
		190,000.00	190,000.00
		423,207.89	399,002.20
		189,906.00	189,906.00
		189,906.00	189,906.00
		189,906.00	189,906.00
		189,906.00	189,906.00
		2,500,000.00	2,500,000.00
		191,746.00	172,393.98
		35,000.00	35,000.00
		100,000.00	100,000.00
		255,000.00	254,824.67
		168,000.00	168,000.00
		495,000.00	495,000.00
		1,840,859.37	1,840,859.37
		1,040,000.00	1,040,000.00
		900,000.00	900,000.00
		1,304,000.00	1,304,000.00
		2,960,000.00	2,960,000.00
		240,000.00	240,000.00
		2,480,000.00	2,480,000.00
		3,840,000.00	3,840,000.00
		500,000.00	500,000.00
		3,200,000.00	3,200,000.00
		16,000,000.00	13,999,994.00
		50,000.00	45,114.85
		250,000.00	215,943.48
		25,000,000.00	25,000,000.00
		550,000.00	523,825.21
		250,000.00	250,000.00
		234,300.00	234,300.00
		1,206,750.00	619,999.47
		135,500.00	40,177.39
		3,386,578.00	3,386,578.00
		25,361.25	25,361.25
		1,140,000.00	1,140,000.00
		100,000.00	100,000.00
		416,463,690.14	**390,280,550.08**

ACCTNO	ORGAMT	RENBAL
(b) (4) [redacted]	250,000.00	250,000.00
	20,000.00	20,000.00
	200,000.00	200,000.00
	350,000.00	350,000.00
	515,000.00	515,000.00
	350,000.00	168,167.83
	800,000.00	800,000.00
	189,906.00	189,906.00
	500,000.00	500,000.00
	100,000.00	100,000.00
	90,000.00	90,000.00
	400,000.00	400,000.00
	300,000.00	300,000.00
	400,000.00	400,000.00
	486,373.00	450,316.80
	2,000,000.00	2,000,000.00
	30,000.00	30,000.00
	500,000.00	500,000.00
	3,300,000.00	3,300,000.00
	375,000.00	230,000.00
	5,320,000.00	5,320,000.00
	430,885.02	380,885.02
	900,000.00	900,000.00
	1,317,500.00	1,317,500.00
	750,000.00	749,246.58
	3,000,000.00	732,708.20
	100,000.00	100,000.00
	292,500.00	269,423.76
	1,521,158.04	1,521,158.04
	2,475,000.00	2,475,000.00
	360,674.67	228,932.35
	150,000.00	150,000.00
	3,000,000.00	3,000,000.00
	2,000,000.00	1,911,131.15
	150,000.00	150,000.00
	600,000.00	600,000.00
	400,000.00	400,000.00
	275,000.00	275,000.00
	500,000.00	500,000.00
	250,000.00	250,000.00
	50,000.00	50,000.00
	144,000.00	122,579.43
	1,494,054.52	977,843.07
	1,565,870.00	1,565,870.00
	90,000.00	90,000.00
	2,134,082.33	1,469,445.83
	100,000.00	100,000.00
	1,600,000.00	1,440,116.69
	210,526.00	210,526.00
	1,660,000.00	1,660,000.00
	840,000.00	756,694.91

(b) (4) [redacted]	400,000.00	400,000.00
	350,000.00	350,000.00
	500,000.00	500,000.00
	1,886,668.00	1,886,668.00
	650,000.00	253,944.59
	1,100,000.00	1,100,000.00
	250,000.00	250,000.00
	338,500.00	247,456.41
	75,000.00	75,000.00
	2,500,000.00	2,500,000.00
	150,000.00	150,000.00
	400,000.00	400,000.00
	300,000.00	300,000.00
	540,000.00	461,522.31
	175,000.00	175,000.00
	100,000.00	100,000.00
	230,000.00	230,000.00
	138,985.00	138,985.00
	69,000.00	57,534.73
	1,440,000.00	1,440,000.00
	210,000.00	188,345.04
	1,000,000.00	100,000.00
	261,410.00	41,283.76
	350,000.00	350,000.00
	275,000.00	275,000.00
	390,000.00	390,000.00
	250,000.00	250,000.00
	65,000.00	65,000.00
	65,000.00	55,272.47
	84,998.87	84,998.87
	369,902.95	369,902.95
	3,638,915.00	3,638,915.00
	300,000.00	265,918.71
	121,500.00	121,500.00
	3,419,976.77	3,419,976.77
	198,346.36	198,346.36
	1,200,000.00	1,200,000.00
	700,000.00	700,000.00
	50,000.00	0.00
	4,000,000.00	4,000,000.00
	2,100,000.00	1,857,000.00
	1,440,000.00	1,440,000.00
	2,231,839.00	2,231,839.00
	25,000.00	25,000.00
	2,400,000.00	2,400,000.00
	100,000.00	100,000.00
	145,000.00	145,000.00
Total Renewed - January	**81,822,571.53**	**75,396,861.63**
(b) (4) [redacted]	1,000,000.00	1,000,000.00
	150,000.00	138,984.73
	2,500,000.00	2,500,000.00
	100,000.00	100,000.00

(b) (4) [redacted]	200,000.00	67,872.19
	3,860,000.00	3,473,624.79
	7,475,000.00	7,475,000.00
	1,885,000.00	1,885,000.00
	3,000,000.00	3,000,000.00
	920,000.00	920,000.00
	500,000.00	500,000.00
	100,000.00	100,000.00
	1,920,000.00	1,920,000.00
	25,000.00	25,000.00
	500,000.00	500,000.00
	790,068.22	788,740.47
	903,000.00	903,000.00
	3,000,000.00	3,000,000.00
	1,220,000.00	1,220,000.00
	1,000,000.00	1,000,000.00
	850,000.00	850,000.00
	600,000.00	600,000.00
	500,000.00	500,000.00
	272,740.14	234,758.56
	572,148.00	572,148.00
	200,000.00	200,000.00
	300,000.00	300,000.00
	1,044,000.00	1,044,000.00
	1,802,733.00	1,790,846.06
	1,420,000.00	1,198,745.16
	195,000.00	195,000.00
	500,000.00	500,000.00
	300,000.00	300,000.00
	375,000.00	375,000.00
	400,000.00	400,000.00
	12,000.00	5,000.00
	220,000.00	214,391.11
	7,000,000.00	7,000,000.00
	275,000.00	275,000.00
	570,000.00	570,000.00
	1,000,000.00	1,000,000.00
	1,050,000.00	1,050,000.00
	1,200,000.00	1,200,000.00
	2,500,000.00	2,500,000.00
	500,000.00	500,000.00
	4,000,000.00	4,000,000.00
	1,250,000.00	1,250,000.00
	3,500,000.00	3,500,000.00
	350,000.00	350,000.00
	400,000.00	400,000.00
	300,000.00	171,631.13
	15,000.00	15,000.00
	2,300,000.00	2,300,000.00
	300,000.00	300,000.00
	2,250,000.00	2,250,000.00
	100,000.00	0.00

(b) (4) [redacted]	750,000.00	750,000.00
	400,000.00	400,000.00
	50,000.00	50,000.00
Total Renewed - February	**70,671,689.36**	**69,628,742.20**
Total Renewed - 2009	**152,494,260.89**	**145,025,603.83**

SNAME	ACCTNO	ORGAMT	RENBAL
[redacted] b(4), b(6)		250,000.00	250,000.00
		1,420,000.00	1,420,000.00
		1,500,000.00	1,500,000.00
		200,000.00	200,000.00
		750,000.00	750,000.00
		500,000.00	500,000.00
		250,000.00	234,796.05
		3,500,000.00	3,500,000.00
		100,000.00	93,775.83
		200,000.00	200,000.00
		1,000,000.00	649,999.20
		225,000.00	225,000.00
		800,000.00	800,000.00
		6,300.00	6,300.00
		300,000.00	300,000.00
		300,000.00	300,000.00
		250,000.00	250,000.00
		250,000.00	250,000.00
		175,000.00	175,000.00
		200,000.00	200,000.00
		400,000.00	400,000.00
		60,000.00	60,000.00
		6,500,000.00	6,500,000.00
		750,000.00	750,000.00
		750,000.00	750,000.00
		700,000.00	700,000.00
		250,000.00	250,000.00
		50,000.00	50,000.00
		8,560.75	8,560.75
		3,696,000.00	3,696,000.00
		85,000.00	85,000.00
		685,000.00	683,313.52
		350,000.00	350,000.00
		240,000.00	217,537.61
		200,000.00	90,000.00
		1,292,928.35	1,292,928.35
		250,000.00	215,851.47
		45,000.00	45,000.00
		650,000.00	650,000.00
		500,000.00	500,000.00
		720,000.00	720,000.00
		150,000.00	131,271.86
		3,000,000.00	3,000,000.00
		3,250,000.00	3,250,000.00
		100,000.00	100,000.00
		17,205.00	-
		285,366.43	285,366.43
		239,200.00	238,193.37
		809,720.00	809,720.00
		20,000.00	20,000.00