

TRANSACTION PROFILE: NORTHWEST SUBURBAN/MIDWEST BANC HOLDINGS

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, \$535 million asset size Mount Prospect, Illinois-based Northwest Suburban Bancorp, Inc. ("Northwest Suburban") and \$2.9 billion asset size Melrose Park, Illinois-based Midwest Banc Holdings, Inc. (NASDAQ: MBHI). Hovde both initiated this transaction and served as Northwest Suburban's exclusive financial advisor. Northwest Suburban shareholders will receive approximately \$77.3 million in cash and \$63.2 million in MBHI stock, subject to certain adjustments between announcement and closing, in a 55% cash / 45% stock transaction. Using December 31, 2006 financial data, the \$140.5 million deal value equates to 26.3x Northwest Suburban's trailing 12-month earnings, 2.92x tangible book value, a 37.1% premium to core deposits, and 26.2% of Northwest Suburban's total assets. Since Northwest Suburban had a 9.24% equity-to-assets ratio, if this price were based on an adjusted core capital base of 7%, with dollar for dollar returned on the excess capital, the resulting price-to-core book multiple would be 3.43x. This deal results in the highest premium-to-core deposits ratio ever paid in the Chicago MSA, and the second-highest price-to-assets multiple.

Midwest Banc Holdings will add five new locations to its existing 24-branch franchise throughout the Chicago MSA. Northwest Suburban operates branches in the suburban communities of Mount Prospect, Des Plaines, Lake Zurich, North Barrington, and Lakemoor. With the merger, MBHI will climb from 21st to 18th in deposit market share rankings in the Chicago MSA.

Since January 1, 2006, Hovde has advised the seller in seven out of the 13 announced Chicago MSA bank transactions, amounting to a total deal value in excess of \$521 million. In addition, this deal marks Hovde's 15th Chicago MSA transaction since January 1, 2004, and the 28th Chicago MSA transaction in the last ten years.

About Hovde Financial

Hovde Financial is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 230 merger and acquisition transactions for an aggregate deal value of over \$19 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

TRANSACTION PROFILE

HOVDE FINANCIAL IS PLEASED TO ANNOUNCE

Northwest Suburban Bancorp, Incorporated - Mount Prospect, IL

Has Agreed to Merge with

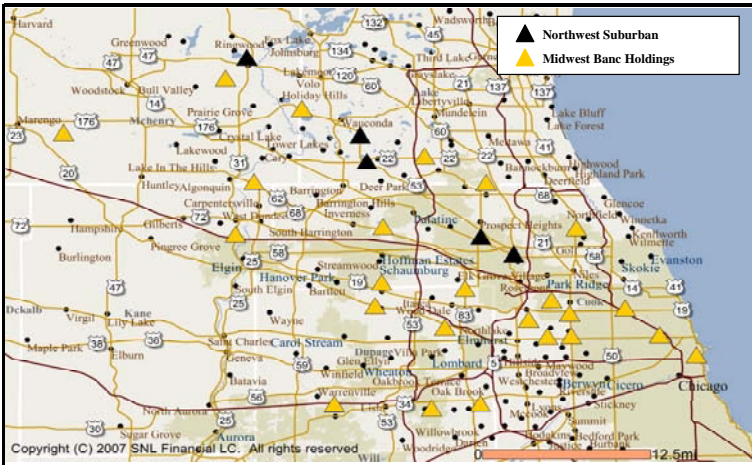
Midwest Banc Holdings, Inc. - Melrose Park, IL

Hovde Financial Both Initiated This Transaction and Served as Exclusive Financial Advisor to Northwest Suburban Bancorp

Overview of the Deal

- Melrose Park, IL-based Midwest Banc Holdings, Inc. (ticker: MBHI) adds to its Chicago franchise with the announced signing of a definitive agreement to acquire Mount Prospect-IL-based Northwest Suburban Bancorp, Inc. (parent company to Mount Prospect National Bank, Des Plaines National Bank, and State Bank & Trust) in a 55% cash / 45% stock transaction valued at \$140.5 million.
- Based on the total deal value of \$140.5 million, this price is 26.3x LTM earnings, 3.4x core book value, 2.9x tangible book value, a 37% premium to core deposits, and 26% of total assets.
- This transaction represents the 15th Chicago MSA transaction Hovde has announced since 2004, and the 7th since June of last year.

Pro Forma Branch Map



Transaction Pricing

Aggregate Deal Price (millions):	\$140.5
Announced Date:	March 22, 2007
Anticipated Closing Date:	Q4 2004
Form of Consideration:	55% Cash / 45% Stock
Consideration Structure:	Variable Price
Price-to-Tangible Book Value:	292.1%
Price-to-Core Book (7.0%, \$ for \$ on excess):	342.7%
Price-to-LTM Earnings:	26.3x
Premium-to-Core Deposits:	37.1%
Price-to-Total Assets:	26.2%

Buyer and Seller Financial Information

Financial Data as of 12/31/2006 & 12/31/2006

Pro Forma Market Share - Chicago MSA

Chicago MSA Market Share - Data as of June 30, 2006						
Pre Merger Rank	Post Merger Rank	Institution (ST)	Type	Total Branches	Deposits (\$000)	Market Share (%)
1	1	JPMorgan Chase & Co. (NY)	Bank	352	40,082,127	15.35
2	2	LaSalle Bank Corporation (IL)	Bank	140	36,964,783	14.16
3	3	BMO Financial Group	Bank	201	25,583,773	9.80
4	4	Fifth Third Bancorp (OH)	Bank	137	8,464,094	3.24
5	5	Royal Bank of Scotland Group	Bank	142	8,323,741	3.19
6	6	Corus Bankshares Inc. (IL)	Bank	14	8,320,397	3.19
7	7	Northern Trust Corp. (IL)	Bank	19	7,296,736	2.79
8	8	Wintrust Financial Corp. (IL)	Bank	69	7,206,254	2.76
9	9	Citigroup Inc. (NY)	Bank	60	6,734,590	2.58
10	10	MB Financial Inc. (IL)	Bank	64	5,938,464	2.27
11	11	MAF Bancorp Inc. (IL)	Thrift	58	5,700,470	2.18
12	12	First Midwest Bancorp Inc. (IL)	Bank	89	5,636,174	2.16
13	13	National City Corp. (OH)	Bank	71	4,917,452	1.88
14	14	Bank of America Corp. (NC)	Bank	54	4,744,656	1.82
15	15	FBOP Corp. (IL)	Bank	30	3,131,845	1.20
16	16	TCF Financial Corp. (MN)	Bank	215	2,997,126	1.15
17	17	Taylor Capital Group Inc. (IL)	Bank	14	2,697,547	1.03
NA	18	Pro Forma Institution	Bank	29	2,571,915	0.98
18	19	U.S. Bancorp (MN)	Bank	56	2,511,503	0.96
19	20	PrivateBancorp Inc. (IL)	Bank	8	2,345,542	0.90
20	21	Metropolitan Bank Group Inc. (IL)	Bank	73	2,314,370	0.89
21	NM	Midwest Banc Holdings Inc. (IL)	Bank	24	2,126,152	0.81
Total For Institutions In Market				3,224	261,142,257	

	<u>MBHI</u>	<u>Northwest Suburban</u>
Headquarters	Melrose Park, IL	Mount Prospect, IL
Ticker	MBHI	NA
States of Operation (branches)	IL(24)	IL(5)
Total Assets (\$000)	2,942,046	535,454
Total Deposits (\$000)	1,957,810	452,155
Core Deposits (\$000)	1,406,099	249,137
Total Equity (\$000)	287,242	49,481
Tangible Equity (\$000)	196,481	48,083
LTM Net Income (\$000)	17,746	5,333
LTM ROAA (%)	0.67	1.03
LTM ROAE (%)	7.03	12.30
Efficiency Ratio (%)	59.09	62.37
Non-Interest Income / AA (%)	0.56	0.51
Net Interest Margin (%)	3.32	3.63
NPAs / Assets (%)	1.55	0.18
Equity / Assets Ratio (%)	9.76	9.24