



NEWS RELEASE

Old Second Bancorp, Inc. Announces First Quarter 2012 Results

4/25/2012

Continues to maintain strong capital ratios, prudent asset quality management and expense control.

AURORA, Ill.--(BUSINESS WIRE)-- Old Second Bancorp, Inc. (the "Company" or "Old Second") (NASDAQ: OSBC), parent company of Old Second National Bank (the "Bank"), today announced results of operations for the first quarter of 2012. The Company reported a net loss of \$3.0 million, compared to a net loss of \$3.1 million in the first quarter of 2011. The Company's net loss available to common shareholders of \$4.2 million, or \$0.30 per diluted share, for the quarter compared to a net loss available to common shareholders of \$4.3 million, also \$0.30 per diluted share, in the first quarter of 2011.

The Company's \$6.1 million provision for loan losses for the first quarter of 2012 compared to a \$4.0 million provision in the first quarter of 2011. The allowance for loan losses was 37.95% of nonperforming loans as of March 31, 2012 an improvement from 37.42% as of December 31, 2011 and compared to 37.89% a year earlier.

"We continue to improve against our established goals and to exceed the capital ratio objectives in our OCC agreement for both our leverage and total capital ratio," said Bill Skoglund, Chairman and CEO.

"As of March 31, 2012, the Bank's leverage ratio was 9.22%, down 12 basis points from December 31, 2011, and 47 basis points above the 8.75% objective in our OCC agreement. The Bank's total capital ratio was 12.88%, down 9 basis points from December 31, 2011, and 163 basis points above the objective of 11.25% in our OCC agreement."

"Another quarter over quarter decline in nonperforming assets continues a trend found in 2011 and reflects our ongoing hard work and progress," continued Skoglund. "Local and national economies continue to improve slowly and in an uncertain manner, but we will find more and better opportunities to provide outstanding service to our

customers and to return our organization to profitability as our local markets stabilize," he said.

Old Second further improved its overall asset quality by adding more than \$50 million in available for sale securities under its managed investment program. As the Company's business plan continues to evolve back to a growth strategy, the structure of its profit centers evolves to meet changing goals. This month, the Commercial Bank will move to a regional approach to better serve customers and to expand development opportunities, with Commercial lenders partnering with their Retail colleagues on Business Banking relationships.

2012 Financial Highlights/Overview

Earnings

- First quarter net loss before taxes of \$3.0 million compared to a net loss before taxes of \$3.1 million in the same quarter of 2011.
- First quarter net loss to common stockholders of \$4.2 million compared to a net loss to common stockholders of \$4.3 million in the same quarter of 2011.
- The tax-equivalent net interest margin was 3.48% during the first quarter of 2012 compared to 3.50% in the same quarter of 2011, and reflected an increase of 4 basis points compared to the fourth quarter of 2011.
- Noninterest income of \$10.5 million was \$1.5 million higher for the quarter ended March 31, 2012, as compared to 2011 reflecting higher mortgage sale and OREO lease revenues.
- Noninterest expenses of \$22.5 million were \$2.1 million or 8.7% lower in the quarter ended March 31, 2012 than in the same period in 2011 reflecting reduced expenses in most categories most notably FDIC insurance reflecting assessment changes..

Capital

- Bank leverage capital ratio decreased to 9.22% from 9.34% at December 31, 2011.
- Bank total capital ratio decreased to 12.88% from 12.97% at December 31, 2011.
- Company leverage ratio decreased to 4.68% from 4.98% at December 31, 2011.
- Company total capital ratio decreased to 11.79% from 12.38% at December 31, 2011.
- Company tangible common equity to tangible assets decreased from (0.08)% in the fourth quarter of 2011 to (0.25)% in the first quarter of 2012 and declined from 0.22% at March 31, 2011.

Asset Quality/Balance Sheet Overview

- Nonperforming loans declined \$13.5 million (9.7%) during the first quarter of 2012 to \$125.4 million as of March 31, 2012, from \$138.9 million as of December 31, 2011.
- The provision for loan loss expense increased to \$6.1 million for the first quarter ended March 31, 2012, compared to \$4.0 million in the same period in 2011 and \$1.4 million in the fourth quarter of 2011.
- Loans that were classified as performing but 30 to 89 days past due and still accruing interest decreased to \$7.4 million at March 31, 2012, from \$12.1 million at December 31, 2011 and \$12.2 million at March 31, 2011.
- Securities available-for-sale increased \$51.8 million during 2012 to \$359.4 million from \$307.6 million at December 31, 2011 with no significant impact on the current liquidity profile and under limits specified in our Investment Policy. At \$154.7 million or 43.0% of the total portfolio, U. S. Government agency mortgage backed securities are the largest component of the total portfolio.

Non-GAAP Presentations: Management has traditionally disclosed certain non-GAAP ratios to evaluate and measure the Company's performance, including a net interest margin calculation. The net interest margin is calculated by dividing net interest income on a tax equivalent basis by average earning assets for the period. Management believes this measure provides investors with information regarding balance sheet profitability. Management also presents an efficiency ratio that is non-GAAP. The efficiency ratio is calculated by dividing adjusted noninterest expense by the sum of net interest income on a tax equivalent basis and adjusted noninterest income. Management believes this measure provides investors with information regarding the Company's operating efficiency and how management evaluates performance internally. Consistent with industry practice, management also disclosed the tangible common equity to tangible assets and the Tier 1 common equity to risk weighted assets in the discussion immediately above and in the following tables. The tables provide a reconciliation of each non-GAAP measure to the most comparable GAAP equivalent.

Forward Looking Statements: This report may contain forward-looking statements. Forward looking statements are identifiable by the inclusion of such qualifications as expects, intends, believes, may, likely or other indications that the particular statements are not based upon facts but are rather based upon the Company's beliefs as of the date of this release. Actual events and results may differ significantly from those described in such forward-looking statements, due to changes in the economy, interest rates or other factors. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. For additional information concerning the Company and its business, including other factors that could materially affect the Company's financial results, please review our filings with the Securities and Exchange Commission.

Financial Highlights (unaudited)
In thousands, except share data

| | As of and for the Three Months Ended March 31, | | Year to Date December 31, |
|---|--|--------------|------------------------------|
| | 2012 | 2011 | 2011 |
| Summary Statements of Operations: | | | |
| Net interest and dividend income | \$ 15,104 | \$ 16,537 | \$ 63,950 |
| Provision for loan losses | 6,084 | 4,000 | 8,887 |
| Noninterest income | 10,464 | 8,941 | 36,008 |
| Noninterest expense | 22,452 | 24,598 | 97,569 |
| Provision for income taxes | - | - | - |
| Net loss | (2,968) | (3,120) | (6,498) |
| Net loss available to common stockholders | (4,191) | (4,279) | (11,228) |
| Key Ratios (annualized): | | | |
| Return on average assets | (0.61%) | (0.60%) | (0.32%) |
| Return to common stockholders on average assets | (0.86%) | (0.82%) | (0.56%) |
| Return on average equity | (15.81%) | (15.52%) | (8.15%) |
| Return on average common equity | (372.68%) | (150.82%) | (120.30%) |
| Net interest margin (non-GAAP tax equivalent) ¹ | 3.48% | 3.50% | 3.54% |
| Efficiency ratio (non-GAAP tax equivalent) ¹ | 69.28% | 75.63% | 73.57% |
| Tangible common equity to tangible assets ² | (0.25%) | 0.22% | (0.08%) |
| Tier 1 common equity to risk weighted assets ² | (0.28%) | 0.31% | (0.05%) |
| Company total capital to risk weighted assets ³ | 11.79% | 11.65% | 12.38% |
| Company tier 1 capital to risk weighted assets ³ | 5.90% | 6.04% | 6.21% |
| Company tier 1 capital to average assets | 4.68% | 4.88% | 4.98% |
| Bank total capital to risk weighted assets ³ | 12.88% | 11.97% | 12.97% |
| Bank tier 1 capital to risk weighted assets ³ | 11.61% | 10.68% | 11.70% |
| Bank tier 1 capital to average assets | 9.22% | 8.64% | 9.34% |
| Per Share Data: | | | |
| Basic loss per share | (\$0.30) | (\$0.30) | (\$0.79) |
| Diluted loss per share | (\$0.30) | (\$0.30) | (\$0.79) |
| Dividends declared per share | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Common book value per share | (\$0.04) | \$ 0.71 | \$ 0.22 |
| Tangible common book value per share | (\$0.35) | \$ 0.34 | (\$0.11) |
| Ending number of shares outstanding | 14,084,328 | 14,034,991 | 14,034,991 |
| Average number of shares outstanding | 14,043,545 | 13,973,870 | 14,019,920 |
| Diluted average shares outstanding | 14,196,143 | 14,213,701 | 14,220,822 |
| End of Period Balances: | | | |
| Loans | \$ 1,322,348 | \$ 1,601,761 | \$ 1,368,985 |
| Deposits | 1,763,870 | 1,902,349 | 1,740,781 |
| Stockholders' equity | 70,611 | 80,186 | 74,002 |
| Total earning assets | 1,741,869 | 1,899,769 | 1,751,662 |
| Total assets | 1,981,548 | 2,115,406 | 1,941,418 |
| Average Balances: | | | |
| Loans | \$ 1,349,443 | \$ 1,651,952 | \$ 1,527,311 |
| Deposits | 1,744,325 | 1,912,603 | 1,806,924 |
| Stockholders' equity | 75,512 | 81,544 | 79,725 |
| Total earning assets | 1,752,478 | 1,927,944 | 1,817,586 |
| Total assets | 1,957,514 | 2,122,275 | 2,015,464 |

1 Tabular disclosures of the tax equivalent calculation including the net interest margin and efficiency ratio for the quarters ending March 31, 2012, and 2011, respectively, are presented below

2 The information to reconcile GAAP measures and the ratios of Tier 1 capital, total capital, tangible common equity or Tier 1 common equity, as applicable, to average total assets, risk-weighted assets or tangible assets, as applicable, are presented below

3 The Company and the Bank are subject to regulatory capital requirements administered by federal banking agencies. Those agencies define the basis for these calculations including the prescribed methodology for the calculation of the amount of risk-weighted assets.

Financial Highlights, continued (unaudited)
In thousands, except share data

| | Three Months Ended March 31, | | Year Ended December 31, |
|------------------------------------|---------------------------------|------------|----------------------------|
| | 2012 | 2011 | 2011 |
| Asset Quality | | | |
| Charge-offs | \$ 12,122 | \$ 9,087 | \$ 41,169 |
| Recoveries | 1,651 | 1,907 | 7,971 |
| Net charge-offs | \$ 10,471 | \$ 7,180 | \$ 33,198 |
| Provision for loan losses | 6,084 | 4,000 | 8,887 |
| Allowance for loan losses to loans | 3.60% | 4.57% | 3.80% |
| Nonaccrual loans ¹ | \$ 111,321 | \$ 178,757 | \$ 126,786 |
| Restructured loans | 12,407 | 13,909 | 11,839 |
| Loans past due 90 days | 1,711 | 342 | 318 |
| Nonperforming loans | 125,439 | 193,008 | 138,943 |
| Other real estate | 101,680 | 85,570 | 93,290 |
| Receivable from swap terminations | - | 722 | - |
| Nonperforming assets | \$ 227,119 | \$ 279,300 | \$ 232,233 |

¹ Includes \$9.9 million and \$28.4 million in nonaccrual restructured loans at March 31, 2012, and 2011, respectively.

Major Classifications of Loans

| | | | |
|--------------------------------|--------------|--------------|--------------|
| Commercial and industrial | \$ 103,203 | \$ 139,344 | \$ 98,099 |
| Real estate - commercial | 676,297 | 794,251 | 704,492 |
| Real estate - construction | 60,285 | 104,630 | 71,436 |
| Real estate - residential | 464,596 | 531,311 | 477,200 |
| Installment | 3,544 | 4,753 | 3,789 |
| Overdraft | 234 | 372 | 457 |
| Lease financing receivables | 1,944 | 2,397 | 2,087 |
| Other | 12,211 | 25,250 | 11,498 |
| | 1,322,314 | 1,602,308 | 1,369,058 |
| Unearned origination fees, net | 34 | (547) | (73) |
| | \$ 1,322,348 | \$ 1,601,761 | \$ 1,368,985 |

Major Classifications of Deposits

| | | | |
|---|--------------|--------------|--------------|
| Noninterest bearing | \$ 369,619 | \$ 371,940 | \$ 361,963 |
| Savings | 213,702 | 193,141 | 196,870 |
| NOW accounts | 287,650 | 266,103 | 275,957 |
| Money market accounts | 310,520 | 303,295 | 288,508 |
| Certificates of deposits of less than \$250,000 | 544,699 | 716,894 | 577,212 |
| Certificates of deposits of \$250,000 or more | 37,680 | 50,976 | 40,271 |
| | \$ 1,763,870 | \$ 1,902,349 | \$ 1,740,781 |

Old Second Bancorp, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands)

| | (unaudited) March 31, 2012 | (audited) December 31, 2011 |
|---|----------------------------------|-----------------------------------|
| Assets | | |
| Cash and due from banks | \$ 35,455 | \$ 2,692 |
| Interest bearing deposits with financial institutions | 41,162 | 48,257 |
| Cash and cash equivalents | 76,617 | 50,949 |
| Securities available-for-sale | 359,371 | 307,564 |

| | | |
|---|---------------------|---------------------|
| Federal Home Loan Bank and Federal Reserve Bank stock | 12,583 | 14,050 |
| Loans held-for-sale | 6,405 | 12,806 |
| Loans | 1,322,348 | 1,368,985 |
| Less: allowance for loan losses | 47,610 | 51,997 |
| Net loans | 1,274,738 | 1,316,988 |
| Premises and equipment, net | 49,830 | 50,477 |
| Other real estate owned, net | 101,680 | 93,290 |
| Mortgage servicing rights, net | 3,806 | 3,487 |
| Core deposit and other intangible asset, net | 4,483 | 4,678 |
| Bank-owned life insurance (BOLI) | 53,090 | 52,595 |
| Other assets | 38,945 | 34,534 |
| Total assets | <u>\$ 1,981,548</u> | <u>\$ 1,941,418</u> |
| Liabilities | | |
| Deposits: | | |
| Noninterest bearing demand | \$ 369,619 | \$ 361,963 |
| Interest bearing: | | |
| Savings, NOW, and money market | 811,872 | 761,335 |
| Time | 582,379 | 617,483 |
| Total deposits | 1,763,870 | 1,740,781 |
| Securities sold under repurchase agreements | 1,804 | 901 |
| Other short-term borrowings | 15,000 | - |
| Junior subordinated debentures | 58,378 | 58,378 |
| Subordinated debt | 45,000 | 45,000 |
| Notes payable and other borrowings | 500 | 500 |
| Other liabilities | 26,385 | 21,856 |
| Total liabilities | 1,910,937 | 1,867,416 |
| Stockholders' Equity | | |
| Preferred stock | 71,108 | 70,863 |
| Common stock | 18,729 | 18,628 |
| Additional paid-in capital | 65,985 | 65,999 |
| Retained earnings | 12,916 | 17,107 |
| Accumulated other comprehensive loss | (3,171) | (3,702) |
| Treasury stock | (94,956) | (94,893) |
| Total stockholders' equity | 70,611 | 74,002 |
| Total liabilities and stockholders' equity | <u>\$ 1,981,548</u> | <u>\$ 1,941,418</u> |

Old Second Bancorp, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except share data)

| | (unaudited) Three Months Ended March 31, | |
|--|--|-----------|
| | 2012 | 2011 |
| Interest and Dividend Income | | |
| Loans, including fees | \$ 17,666 | \$ 21,216 |
| Loans held-for-sale | 84 | 51 |
| Securities, taxable | 1,498 | 878 |
| Securities, tax exempt | 103 | 142 |
| Dividends from Federal Reserve Bank and Federal Home Loan Bank stock | 74 | 69 |
| Interest bearing deposits with financial institutions | 25 | 70 |
| Total interest and dividend income | 19,450 | 22,426 |
| Interest Expense | | |
| Savings, NOW, and money market deposits | 300 | 576 |
| Time deposits | 2,605 | 3,993 |
| Other short-term borrowings | 3 | - |
| Junior subordinated debentures | 1,197 | 1,113 |
| Subordinated debt | 237 | 203 |
| Notes payable and other borrowings | 4 | 4 |
| Total interest expense | 4,346 | 5,889 |
| Net interest and dividend income | 15,104 | 16,537 |
| Provision for loan losses | 6,084 | 4,000 |
| Net interest and dividend income after provision for loan losses | 9,020 | 12,537 |
| Noninterest Income | | |
| Trust income | 1,651 | 1,784 |
| Service charges on deposits | 1,831 | 1,817 |
| Secondary mortgage fees | 296 | 227 |

| | | |
|---|-------------------|-------------------|
| Mortgage servicing gain, net of changes in fair value | 187 | 370 |
| Net gain on sales of mortgage loans | 2,647 | 1,236 |
| Securities gains, net | 101 | 139 |
| Increase in cash surrender value of bank-owned life insurance | 495 | 463 |
| Debit card interchange income | 760 | 700 |
| Lease revenue from other real estate owned | 1,179 | 520 |
| Net gain on sales of other real estate owned | 23 | 234 |
| Litigation related income | 116 | - |
| Other income | 1,178 | 1,451 |
| Total noninterest income | 10,464 | 8,941 |
| Noninterest Expense | | |
| Salaries and employee benefits | 9,049 | 8,929 |
| Occupancy expense, net | 1,235 | 1,345 |
| Furniture and equipment expense | 1,155 | 1,460 |
| FDIC insurance | 1,000 | 1,739 |
| General bank insurance | 846 | 825 |
| Amortization of core deposit and other intangible asset | 195 | 229 |
| Advertising expense | 318 | 233 |
| Debit card interchange expense | 342 | 373 |
| Legal fees | 685 | 943 |
| Other real estate expense | 4,654 | 5,314 |
| Other expense | 2,973 | 3,208 |
| Total noninterest expense | 22,452 | 24,598 |
| Loss before income taxes | (2,968) | (3,120) |
| Provision for income taxes | - | - |
| Net loss | (2,968) | (3,120) |
| Preferred stock dividends and accretion | 1,223 | 1,159 |
| Net loss available to common stockholders | \$ (4,191) | \$ (4,279) |
| Basic loss per share | \$ (0.30) | \$ (0.30) |
| Diluted loss per share | (0.30) | (0.30) |
| Dividends declared per share | - | - |

ANALYSIS OF AVERAGE BALANCES,
TAX EQUIVALENT INTEREST AND RATES
Three Months ended March 31, 2012, and 2011
(Dollar amounts in thousands - unaudited)

| | 2012 | | | 2011 | | |
|---|---------------------|----------|-------|---------------------|----------|-------|
| | Average Balance | Interest | Rate | Average Balance | Interest | Rate |
| Assets | | | | | | |
| Interest bearing deposits | \$ 44,018 | \$ 25 | 0.22% | \$ 113,100 | \$ 70 | 0.25% |
| Federal funds sold | - | - | - | 1,465 | - | - |
| Securities: | | | | | | |
| Taxable | 326,886 | 1,498 | 1.83 | 128,174 | 878 | 2.74 |
| Non-taxable (tax equivalent) | 10,579 | 159 | 6.01 | 14,976 | 219 | 5.85 |
| Total securities | 337,465 | 1,657 | 1.96 | 143,150 | 1,097 | 3.07 |
| Dividends from FRB and FHLB stock | 13,325 | 74 | 2.22 | 13,698 | 69 | 2.01 |
| Loans and loans held-for-sale 1 | 1,357,670 | 17,774 | 5.18 | 1,656,531 | 21,280 | 5.14 |
| Total interest earning assets | 1,752,478 | 19,530 | 4.41 | 1,927,944 | 22,516 | 4.67 |
| Cash and due from banks | 16,409 | - | - | 34,882 | - | - |
| Allowance for loan losses | (51,362) | - | - | (78,812) | - | - |
| Other noninterest bearing assets | 239,989 | - | - | 238,261 | - | - |
| Total assets | <u>\$ 1,957,514</u> | | | <u>\$ 2,122,275</u> | | |
| Liabilities and Stockholders' Equity | | | | | | |
| NOW accounts | \$ 277,077 | \$ 72 | 0.10% | \$ 272,092 | \$ 139 | 0.21% |
| Money market accounts | 300,762 | 166 | 0.22 | 303,604 | 319 | 0.43 |
| Savings accounts | 205,165 | 62 | 0.12 | 184,861 | 118 | 0.26 |
| Time deposits | 593,561 | 2,605 | 1.77 | 785,937 | 3,993 | 2.06 |
| Interest bearing deposits | 1,376,565 | 2,905 | 0.85 | 1,546,494 | 4,569 | 1.20 |
| Securities sold under repurchase agreements | 1,675 | - | - | 1,754 | - | - |
| Other short-term borrowings | 10,165 | 3 | 0.12 | 3,036 | - | - |
| Junior subordinated debentures | 58,378 | 1,197 | 8.20 | 58,378 | 1,113 | 7.63 |
| Subordinated debt | 45,000 | 237 | 2.08 | 45,000 | 203 | 1.80 |
| Notes payable and other borrowings | 500 | 4 | 3.16 | 500 | 4 | 3.20 |
| Total interest bearing liabilities | 1,492,283 | 4,346 | 1.17 | 1,655,162 | 5,889 | 1.44 |
| Noninterest bearing deposits | 367,760 | - | - | 366,109 | - | - |
| Other liabilities | 21,959 | - | - | 19,460 | - | - |

| | | | | | | |
|---|---------------------|------------------|--------------|---------------------|------------------|--------------|
| Stockholders' equity | 75,512 | - | - | 81,544 | - | - |
| Total liabilities and stockholders' equity | <u>\$ 1,957,514</u> | | | <u>\$ 2,122,275</u> | | |
| Net interest income (tax equivalent) | | <u>\$ 15,184</u> | | | <u>\$ 16,627</u> | |
| Net interest income (tax equivalent) to total earning assets | | | <u>3.48%</u> | | | <u>3.50%</u> |
| Interest bearing liabilities to earning assets | <u>85.15%</u> | | | <u>85.85%</u> | | |

1. Interest income from loans is shown on a tax equivalent basis as discussed in the table on page 18 and includes fees of \$417,000 and \$525,000 for the first quarter of 2012 and 2011, respectively. Nonaccrual loans are included in the above stated average balances.

Note: Tax equivalent basis is calculated using a marginal tax rate of 35%.

The following tables provide a reconciliation of each non-GAAP measure to the most comparable GAAP equivalent.
(Dollar amounts in thousands- unaudited)

| | Three Months Ended March 31, | | Year to Date December 31, |
|---|---------------------------------|------------------|------------------------------|
| | 2012 | 2011 | 2011 |
| Net Interest Margin | | | |
| Interest income (GAAP) | \$ 19,450 | \$ 22,426 | \$ 85,423 |
| Taxable equivalent adjustment: | | | |
| Loans | 24 | 13 | 87 |
| Securities | 56 | 77 | 262 |
| Interest income (TE) | 19,530 | 22,516 | 85,772 |
| Interest expense (GAAP) | 4,346 | 5,889 | 21,473 |
| Net interest income (TE) | <u>\$ 15,184</u> | <u>\$ 16,627</u> | <u>\$ 64,299</u> |
| Net interest income (GAAP) | <u>\$ 15,104</u> | <u>\$ 16,537</u> | <u>\$ 63,950</u> |
| Average interest earning assets | \$ 1,752,478 | \$ 1,927,944 | \$ 1,817,586 |
| Net interest margin (GAAP) | 3.46% | 3.48% | 3.52% |
| Net interest margin (TE) | 3.48% | 3.50% | 3.54% |
| Efficiency Ratio | | | |
| Noninterest expense | \$ 22,452 | \$ 24,598 | \$ 97,569 |
| Less amortization of core deposit and other intangible asset | 195 | 229 | 847 |
| Less other real estate expense | 4,654 | 5,314 | 24,356 |
| Adjusted noninterest expense | 17,603 | 19,055 | 72,366 |
| Net interest income (GAAP) | 15,104 | 16,537 | 63,950 |
| Taxable-equivalent adjustment: | | | |
| Loans | 24 | 13 | 87 |
| Securities | 56 | 77 | 262 |
| Net interest income (TE) | 15,184 | 16,627 | 64,299 |
| Noninterest income | 10,464 | 8,941 | 36,008 |
| Less litigation related income | 116 | - | - |
| Less securities gain, net | 101 | 139 | 631 |
| Less gain on sale of OREO | 23 | 234 | 1,311 |
| Adjusted noninterest income, plus net interest income (TE) | 25,408 | 25,195 | 98,365 |
| Efficiency ratio | 69.28% | 75.63% | 73.57% |

| | (unaudited) As of March 31, | | (unaudited) December 31, | |
|---|--------------------------------|--------------|-----------------------------|-----------|
| | 2012 | 2011 | 2011 | |
| | (dollars in thousands) | | | |
| Tier 1 capital | | | | |
| Total stockholders' equity | \$ 70,611 | \$ 80,186 | \$ | 74,002 |
| Tier 1 adjustments: | | | | |
| Trust preferred securities | 24,594 | 27,743 | | 25,901 |
| Cumulative other comprehensive loss | 3,171 | 3,042 | | 3,702 |
| Disallowed intangible assets | (4,483) | (5,296) | | (4,678) |
| Disallowed deferred tax assets | (2,220) | (2,129) | | (2,592) |
| Other | (381) | (433) | | (349) |
| Tier 1 capital | \$ 91,292 | \$ 103,113 | \$ | 95,986 |
| Total capital | | | | |
| Tier 1 capital | \$ 91,292 | \$ 103,113 | \$ | 95,986 |
| Tier 2 additions: | | | | |
| Allowable portion of allowance for loan losses | 19,705 | 21,992 | | 19,736 |
| Additional trust preferred securities disallowed for tier 1 capital | 32,031 | 28,883 | | 30,724 |
| Subordinated debt | 45,000 | 45,000 | | 45,000 |
| Tier 2 additions subtotal | 96,736 | 95,875 | | 95,460 |
| Allowable Tier 2 | 91,292 | 95,875 | | 95,460 |
| Other Tier 2 capital components | (7) | (7) | | (7) |
| Total capital | \$ 182,577 | \$ 198,981 | \$ | 191,439 |
| Tangible common equity | | | | |
| Total stockholders' equity | \$ 70,611 | \$ 80,186 | \$ | 74,002 |
| Less: Preferred equity | 71,108 | 70,151 | | 70,863 |
| Intangible assets | 4,483 | 5,296 | | 4,678 |
| Tangible common equity | \$ (4,980) | \$ 4,739 | \$ | (1,539) |
| Tier 1 common equity | | | | |
| Tangible common equity | \$ (4,980) | \$ 4,739 | \$ | (1,539) |
| Tier 1 adjustments: | | | | |
| Cumulative other comprehensive loss | 3,171 | 3,042 | | 3,702 |
| Other | (2,601) | (2,562) | | (2,941) |
| Tier 1 common equity | \$ (4,410) | \$ 5,219 | \$ | (778) |
| Tangible assets | | | | |
| Total assets | \$ 1,981,548 | \$ 2,115,406 | \$ | 1,941,418 |
| Less: | | | | |
| Intangible assets | 4,483 | 5,296 | | 4,678 |
| Tangible assets | \$ 1,977,065 | \$ 2,110,110 | \$ | 1,936,740 |
| Total risk-weighted assets | | | | |
| On balance sheet | \$ 1,514,322 | \$ 1,659,385 | \$ | 1,511,815 |
| Off balance sheet | 34,138 | 48,806 | | 34,824 |
| Total risk-weighted assets | \$ 1,548,460 | \$ 1,708,191 | \$ | 1,546,639 |
| Average assets | | | | |
| Total average assets for leverage | \$ 1,950,430 | \$ 2,114,417 | \$ | 1,925,953 |

Old Second Bancorp, Inc.

J. Douglas Cheatham

Chief Financial Officer

(630) 906-5484

Source: Old Second Bancorp, Inc.