NEWS RELEASE

Old Second Bancorp, Inc. Announces First Quarter Net Income of $5.5 million

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AURORA, Ill., April 24, 2013 /PRNewswire/ -- 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 2013. The Company reported a net income of $5.5 million, compared to a net loss of $3.0 million in the first quarter of 2012. The Company's net income 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 $4.2 million, or $0.30 per diluted share, in the first quarter of 2012.

Bill Skoglund, Chairman and CEO said "First quarter results depict a once again profitable organization transitioning through an improving but still challenging marketplace. Our businesses are working through difficult issues in an environment of historically low interest rates while facing intense competition from both smaller scale community banking entities as well as much larger financial entities. We also continue to make great progress in putting legacy asset quality issues behind us."

"Nonperforming loans (nonaccrual and other troubled relationships) dropped by 44.3% year over year and 15.5% since December 31, 2012. Our continuing portfolio of other real estate owned properties has benefited from improving market conditions as property valuation decreases have somewhat moderated. Our Bank and Company regulatory capital ratios remained strong with the Bank leverage ratio at 9.94% for March 31 under a very liquid balance sheet profile. Our lending teams continue to make progress on stabilizing total loans and building pipelines in the quarter although loan volume is down since year-end 2012. While it will take additional time to work through remaining past asset quality issues as the economic environment slowly improves, we have an organization wide commitment to realizing our core earnings potential for shareholders."

The Company's release of $2.5 million from its loan loss reserve for the first quarter of 2013 benefited earnings and compares to a $6.1 million provision in the first quarter of 2012. The allowance for loan losses was 55.33% of nonperforming loans as of March 31, 2013, an increase from 46.73% as of December 31, 2012, and compared to 37.95% a year earlier. Old Second further improved its overall asset quality by maintaining an elevated level of investment securities while improving overall portfolio duration under its investment program.

2013 Financial Highlights/Overview

Earnings

- First quarter net income before taxes of $5.5 million compared to a net loss before taxes of $3.0 million in the same quarter of 2012.
- First quarter net income available to common stockholders of $4.2 million compared to a net loss to common stockholders of $4.2 million in the same quarter of 2012.
- The tax-equivalent net interest margin was 3.18% during the first quarter of 2013 compared to 3.48% in the same quarter of 2012, and reflected an increase of 1 basis point compared to the fourth quarter of 2012.
- Noninterest income of $10.6 million was $132,000 higher for the quarter ended March 31, 2013, as compared to 2012, reflecting higher gains on securities sold and recapture of expense previously recorded on restricted stock awards.
- Noninterest expenses of $21.5 million were $925,000 or 4.1% lower in the quarter ended March 31, 2013 than in the same period in 2012, reflecting overall expense control and reduced expenses in most categories most notably in other real estate owned ("OREO") expenses and legal fees.

Capital

	March 31, 2013	December 31, 2012	Basis Point Change
The Bank's leverage capital ratio	9.94%	9.67%	0.27%
The Bank's total capital ratio	15.56%	14.86%	0.70%
The Company's leverage capital ratio	5.11%	4.85%	0.26%
The Company's total capital ratio	14.13%	13.62%	0.51%
The Company's tangible common equity to tangible assets	0.05%	(0.13)%	0.18%

Asset Quality & Earning Assets Review

- Nonperforming loans declined $12.8 million (15.5%) during the first quarter of 2013 to $69.8 million as of March 31, 2013, from $82.6 million as of December 31, 2012. Our March 31, 2013, lower level of nonperforming loans as measured at quarter-end was the lowest since September 30, 2008. Nonperforming loans declined primarily because of successful negotiations by our staff with guarantors and movement to OREO, as well as loans being upgraded to accruing status.

- Loans that were classified as performing but 30 to 89 days past due and still accruing interest decreased to $10.9 million at March 31, 2013, from $12.9 million at December 31, 2012, and increased from $7.4 million at March 31, 2012.
- OREO declined from $72.4 million at December 31, 2012, to $65.7 million at March 31, 2013. Property dispositions totaling $11.7 million were offset by new OREO and improvements to existing OREO of $7.0 million. Valuation write-downs of properties held for sale reduced the reported total by $2.1 million with related expense recognized.
- Securities available-for-sale decreased $4.1 million during 2013 to $575.7 million from $579.9 million at December 31, 2012. At $220.7 million (38.3% of the portfolio) and $131.7 million (22.9% of total) asset-backed securities and collateralized mortgage-backed securities were the largest components of the portfolio as of March 31, 2013. Asset-backed securities were heavily oriented to those backed by student loan debt under a guarantee from the U.S. Department of Education.

For full earnings information, please visit the Investor Relations page at **www.oldsecond.com**.

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.

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