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RE: Application by Old National Bank to merge with First Midwest Bank

The National Community Reinvestment Coalition (NCRC) and our undersigned member organizations request that Old National Bank's proposed merger with First Midwest Bank include a forward-looking community benefits plan. This plan should detail how Old National Bank will address concerns regarding their lending and Community Reinvestment Act (CRA) performance, and how this transaction will serve the needs of underserved communities throughout their footprint. We also request that the Federal Reserve and the OCC hold hearings as part of the review of this merger to provide community members an opportunity to offer feedback on a strategy for increasing Old National Bank's lending to people of color as well as borrowers with low- and-moderate incomes (LMI).

The Need for a Community Benefits Plan

Bank merger law requires federal regulators to evaluate how the proposed transaction will meet the convenience and needs of the community after a merger is approved. Known as the public benefits standard, the agencies assess the merger's impact on the convenience and needs of the communities to be served. The Bank Merger Act of 1960 gave the three federal bank agencies the authority to review and approve mergers, including language mandating public benefits.[1] Amending the Federal Deposit Insurance Act, the Bank Merger Act mandates that a federal bank agency shall not approve a merger transaction:

[1] For a history of bank merger law, see Earl W. Kintner and Hugh Hansen, *A Review of the Law of Bank Mergers*, *Boston College and Commercial Law Review*, Volume 14, Number 2 December 1972, p. 222, http://lawdigitalcommons.bc.edu/cgi/viewcontent.cgi?article=1367&context=bclr. The Bank Merger Act is implemented in Section 18(c) of the Federal Deposit Insurance Act,

> whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.
>
> In every case, the responsible agency shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, the convenience and needs of the community to be served, and the risk to the stability of the United States banking or financial system.[2]

The first part of the law states that agencies can allow anticompetitive impacts only if these are outweighed by the public interest as evidenced by the proposed transaction meeting convenience and needs of the communities to be served. However, the second phrase applies the public interest test to all transactions.

The public can best ascertain whether the probable effect of the merger will benefit the public if the banks have developed a plan that indicates that they will increase their lending, investment, and services after the merger. Accordingly, NCRC requests that the combined banks commit to a community benefits agreement negotiated with community stakeholders that creates targets for improving lending, investments, and services. An agreement would also make it possible for community groups and the general public to be able to monitor the progress of the combined banks in lending, investing, and services over the term of the agreement. The community benefits agreement must address reinvestment performance across the bank's entire footprint and also address specifically how it will overcome anti-competitive impacts in the Danville, IL market.

It would also be helpful for community groups to have more detail on the types of community development initiatives that the combined banks are interested in pursuing, which would make it easier for community groups to partner with Old National to help the bank meet its goals. We believe that CRA strategies are most effective when developed in collaboration with local community organizations and demonstrate a significant and proactive commitment to people and communities with LMI, as well as people and communities of color.

While not required in all mergers, there is growing acceptance among regulators that a prospective and detailed commitment in the form of a community benefits agreement is necessary for establishing how banks will serve their communities. Recent examples of this

[2] See the FDIC webpage section on the Federal Deposit Insurance Act, specifically Section 18(c)(5)(B) via https://www.fdic.gov/regulations/laws/rules/1000-2000.html

include the Federal Reserve referencing a community benefits plan that NCRC and KeyBank agreed to as evidence of how an expanding KeyBank would be serving "convenience and needs" and addressing concerns raised during their merger approval process.[3] Other examples include the Office of the Comptroller of the Currency's (OCC) approval of two mergers (Valley National-1st United and Sterling-Hudson Valley) conditional upon each bank writing a community benefits plan that had to be approved and monitored by the OCC.[4] The OCC and the Federal Reserve also approved the CIT-One West merger with multiple conditions, including requiring CIT to present a revised, public plan to be approved and monitored by the OCC.[5]

The merger application provides a lengthy recitation of the banks' CRA accomplishments, including several examples of commendable community development loans and investments. Yet, the application does not mention weaknesses in lending performance nor does it describe measurable goals for future lending, investment, and services. It describes internal bank committees and staff committed to community reinvestment and how the banks engage with community-based organizations.[6] Describing the process for community reinvestment programs is a commendable part of bank applications, but process does not guarantee future public benefits like a community benefits plan or agreement would.

After the merger, the combined banks would have $44.7 billion in assets, making it the 54th largest bank in the United States, based on FDIC call report information as of March 2021.[7] Per its position within the top 100 banks in the country based on asset size, the combined bank will have a heightened responsibility to adhere to the public benefits requirement in bank law and to offset anti-competitive impacts in the wake of the merger and in future years. Even in markets where the combined bank does not exceed conventional anti-trust thresholds immediately after the merger, it's bulked up status positions it as a dominant player that could grow rapidly in future years.

[3] Federal Reserve Approval of KeyBank-First Niagara Merger. Available online at https://www.federalreserve.gov/newsevents/press/orders/orders20160712a1.pdf.

[4] OCC Approval of Valley National-1st United Merger. Available online at http://www.occ.gov/topics/licensing/interpretations-and-actions/2014/crad163.pdf. OCC Approval of Sterling-Hudson Valley Merger. Available online at http://www.occ.gov/topics/licensing/interpretations-and-actions/2015/crad167.pdf.

[5] OCC Approval of CIT-OneWest Merger. Available online at http://www.occ.treas.gov/news-issuances/news-releases/2015/nr-occ-2015-105a.pdf. Federal Reserve Approval of CIT-OneWest Merger. Available online at http://www.federalreserve.gov/newsevents/press/orders/orders20150721a1.pdf.

[6] Bank Merger Act Application for the proposed merger of First Midwest Bank, an Illinois state chartered, member bank ("First Midwest Bank"), with Old National Bank, a national banking association ("Old National Bank"), pp. 140-143.

[7] Call report information from the FDIC can be obtained via https://www7.fdic.gov/sdi/main.asp?formname=customddownload

The increased use of community benefits plans would make the CRA more effective and bring more transparency to how banks are meeting their reinvestment obligations in local markets. Regulators should continue this trend and raise the bar by encouraging banks to engage in community benefits planning with community stakeholders for all mergers and acquisitions. We also believe that a community benefits plan is particularly warranted for this merger application given gaps in the merging banks' lending record to LMI borrowers, small businesses, and people of color.

Home Purchase Lending Performance – Old National Often Lags its Peers

We compared the home purchase lending of Old National and First Midwest Bank from 2017 through 2019 in several markets to aggregate lending data in these markets. We found that in multiple markets Old National Bank substantially trailed in lending to borrowers with LMI and people of color.[8]

The analysis focused on home purchase lending because a lack of homeownership opportunities has been a driving force behind racial disparities in wealth across the decades.[9] In particular, systemic discrimination against African Americans and other people of color has produced gaps in current homeownership rates that rival those that existed before Congress passed the Fair Housing Act in 1968.[10] A concrete commitment by the combined bank to boost home purchase lending would be a clear public benefit. Moreover, home purchase lending to underserved populations is feasible in Midwest markets that have experienced less home value increases than coastal markets during the last several years.

Old National's home purchase lending to LMI borrowers lags in most assessment areas

NCRC examined home purchase lending in eight Old National assessment areas (AAs). These areas are: Evansville, IN; Indianapolis, IN; Louisville, KY; Ann Arbor, MI; Grand Rapids, MI; Minneapolis, MN; Madison, WI; and Milwaukee, WI.

In six of these eight AAs,[11] Old National Bank considerably lagged its peers by 5 or more percentage points in the percent of home purchase loans it issued to borrowers with LMI. For example, of the 571 Old National loans issued in the Grand Rapids AA from 2017 through 2019,

[8] See Appendix for information on specifics of home purchase lending analysis, as well as charts.
[9] Bruce Mitchell PhD., Senior Research Analyst and Juan Franco, Senior GIS Specialist, *HOLC "Redlining" Maps: The Persistent Structure Of Segregation And Economic Inequality*, March 2018, https://ncrc.org/holc/.
[10] Dedrick Asante-Muhammad, Jamie Buell, Joshua Devine, *60% Black Homeownership: A Radical Goal For Black Wealth Development*, NCRC, March 2021, https://www.ncrc.org/60-black-homeownership-a-radical-goal-for-black-wealth-development/
[11] The six AAs are Evansville, Grand Rapids, Indianapolis, Ann Arbor, Minneapolis and Louisville.

just 116 or 20% were for LMI borrowers. In contrast, all lenders in aggregate issued about 37% of their loans to LMI borrowers during this time period in Grand Rapids.

In almost half (three out of eight) of the AAs examined (Grand Rapids, Ann Arbor and Louisville), NCRC found that Old National lagged the industry in home purchase lending in LMI tracts by five or more percentage points. For instance, in Louisville, KY Old National made 8% of these loans in LMI tracts in contrast to the 18% issued by all lenders, as a group, from 2017 through 2019.

Old National's home purchase lending to minorities lags in half of the assessment areas examined

In half of the AAs examined (Grand Rapids, Indianapolis, Ann Arbor, and Louisville), the percent of Old National's home purchase lending to people of color is five percentage points or more lower than that of all lenders as a group. For instance, in Indianapolis, Old National made 12% of its loans to people of color while all lenders, in aggregate, issued 18% of their loans to people of color from 2017 through 2019. In addition, Old National made just 9 out of 444 loans or 2% of its loans to African Americas in Indianapolis whereas all lenders, as a group, made 8% of their loans to African Americans from 2017 through 2019.

Both Banks Lag in Lending to Small Businesses

Old National lags behind peers in lending to small businesses

NCRC examined small business lending in the following eight areas: Louisville MSA, KY; Evansville MSA, IN; Indianapolis, IN; Kent County in the Grand Rapids MSA, MI; Washtenaw County in the Ann Arbor, MSA, MI; Minneapolis, MN; Madison MSA, WI; Milwaukee MSA, WI.

In five of the eight areas (Louisville, Evansville, Indianapolis, Washtenaw and Minneapolis), Old National lagged its peers by 5 percentage points or more in lending to small businesses with revenues under $1 million during 2017 through 2019. The gaps were pronounced in Louisville (24 percentage points) and Minneapolis (25 percentage points). For instance, in Minneapolis, all lenders, as a group, made 55.9 percent of their loans to small businesses in contrast to just 30.6 percent for Old National.

Old National lagged by 5 percentage points or more in lending in LMI tracts in Washtenaw County, MI and the Milwaukee MSA. In Milwaukee, for example, all lenders, as a group, made 20.7% of their small business loans in LMI tracts whereas Old National issued just 11.7%.

First Midwest also lags in lending to small businesses

Of the more than 5,600 loans First Midwest issued to businesses in the Chicago MSA from 2017 through 2019, just 30.8% were to small businesses under $1 million in revenue. In contrast, all lenders, as a group, made 47.3% of their loans to these businesses during this time period.

Community Benefits Agreement should address a lack of Flexible Loan Products, Marketing, or Partnerships

Typically gaps in lending to certain borrowers are the result of a lack of products that meet particular credit needs, policies that disparately impact certain groups, gaps in marketing, or a lack of partnerships. Old National has developed innovative and flexible loan products as well as utilizing government-insured lending in both home purchase and small business lending. However, the bank does not make extensive use of these products.

For home purchase lending, Old National developed a proprietary home mortgage product called the Home Manager Mortgage (HMM) that featured a 97% loan-to-value ratio and no private mortgage insurance requirements.[12] The most recent CRA exam, however, noted that the bank issued just 42 of these mortgages during the exam cycle. In addition, reviewing performance in the Evansville, IN AA, one of the bank's major AAs, the exam stated that the bank made limited use of innovative and flexible loan products.[13]

As part of a community benefits agreement, the combined banks should make specific commitments regarding expanding their flexible and innovative loan programs. These include government-insured lending and proprietary loan products including Old National's HMM. First Midwest Bank brings to the merger its participation in a low down payment home mortgage program offered through the Federal Home Loan Bank of Chicago and a home improvement loan product.[14] It is also a significant multifamily lender.[15] Given the rental housing crisis, which was exacerbated by the pandemic, NCRC wants to see a commitment to increasing the multifamily lending, particularly lending that commits to financing long-term affordable housing managed by nonprofits and/or cooperative housing that has tenants on the board of directors.

[12] OCC CRA exam of Old National Bank, October 2019, p. 8, https://www.occ.gov/static/cra/craeval/Nov20/8846.pdf
[13] CRA exam of Old National Bank, p. 19.
[14] Federal Reserve Bank of Chicago CRA exam of First Midwest Bank, p. 13, https://www.federalreserve.gov/apps/CRAPubWeb/CRA/BankRatingResult#20190930
[15] CRA exam of First Midwest Bank, p. 38.

Community Development Lending and Investing is Good Overall, but Inconsistencies should be Addressed

Using data from the most recent CRA exams, NCRC calculated an annualized level of community development (CD) lending and investment for both banks and found that both of them offer annualized CD financing of about 1.4% of assets. The public, however, would want to know whether the benchmark of 1.4% of assets would be maintained or improved upon after the merger. Only a community benefits agreement would provide certainty whether a public benefit in the form of improved CD financing would be attained as a result of this merger.

A community benefits agreement could also expand upon the combined banks' expertise to better respond to community needs. An example of this is First Midwest Bank's expertise in making loans to the healthcare sector.[16] The combined banks could further utilize First Midwest's healthcare niche to help nonprofit hospitals comply with their Community Health Needs Assessments (CNHAs) that are required once every three years and are submitted to the Internal Revenue Service.[17] The combined banks could then devote CD financing to address affordable housing and community development projects that address health needs identified in the CNHAs. A community benefits agreement could identify nonprofit hospital partners and community-based organizations that can be involved in these initiatives.

A community benefits agreement would also build upon the CD services record of the combined banks. For instance, Old National Bank devoted more than 10,000 service hours in its Evansville AA, where the bank had an Outstanding rating on its service test according to its most recent CRA exam.[18] This level of service should be maintained and replicated in the other AAs. In addition, First Midwest Bank's CRA exam states that "FMB also participates in Offsite Banking and On the Job Banking. These services are remote, offering deposit services, loan applications, and financial counseling across the combined assessment area. Offsite Banking occurs in a total of 20 nursing homes, schools, and other places of high traffic and On the Job Banking services 750 workplaces."[19] This innovative approach to CD services should be expanded upon in a community benefits agreement.

An area of significant weakness in community development investment is Old National's performance in Illinois. The most recent CRA exam recorded a rating of Needs to Improve on the investment test for Illinois. A low level of investment appears to be the reason for this rating. In the Danville, IL AA, Old National Bank's level of qualified investments was $217,000, which

[16] Merger application, p. 143.
[17] Karen Kali and Marjanna Smith, *Hospitals Can Partner With Banks Under The Community Reinvestment Act To Create Healthy Communities*, NCRC, January 2021, https://ncrc.org/hospitals-can-partner-with-banks-under-the-community-reinvestment-act-to-create-healthy-communities/
[18] CRA exam of Old National Bank, p. 22.
[19] CRA exam of First Midwest Bank, p. 17.

was just 1.1% of allocated tier 1 capital.[20] In contrast, in Evansville, IN where the bank received an Outstanding on its CRA exam, its level of investments was 9.8% of tier 1 capital.[21] In a community benefits agreement, the combined bank should commit to an investment goal that would commit the bank to a reasonable increase in needed community development investments, and to addressing gaps in Old National's level of investing in Danville compared to other assessment areas.

Anti-Competitive Levels of Deposits Must be Compensated for in Danville, IL

NCRC's anti-competitiveness analysis conducted via web applications available through the Federal Reserve System indicated that this proposed merger exceeds anti-trust thresholds in the Danville, IL market. As stated above, a federal agency can still approve a merger when a market experiences anti-competitive impacts but only if the public benefits of the merger clearly and substantially exceed the anti-competitive impacts. The parties to this merger do not describe any specific and clear public benefits accruing to the Danville market that would meet this legal standard. Instead they take great pains to describe in an unconvincing analysis how the merger would not exceed anti-trust thresholds.[22]

Mergers receive heightened consideration if a proposed merger increases the Herfindahl-Hirschman Index (HHI) by 200 or more points and the post-merger HHI is 1,800 or higher (the Federal Reserve Bank of St. Louis has a web-based calculation tool for HHI analysis[23]). Also, a merger receives more anti-trust scrutiny if the post-merger market share of an institution is more than 35 percent of the geographical area's deposits.[24] In addition, the Bank Holding Company Act prohibits the Federal Reserve Board from approving a merger if the combination would result in a bank owning more than 10 percent of the nation's deposits or 30 percent of the deposits in any one state.[25]

Using the Federal Reserve Bank of St. Louis HHI calculator, NCRC found that the post-merger HHI in the Danville MSA would be 2071 and that the merger would increase the HHI by 566 points. This clearly exceeds the widely used screen of an increase of 200 and a post-merger HHI of 1,800.

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[20] Old National Bank CRA exam, p. 45.
[21] Old National Bank CRA exam, p. 20.
[22] Merger application, p. 19.
[23] Federal Reserve Bank of St. Louis, Welcome to CASSIDI: Competitive Analysis and Structure Source Investment for Depository Institutions, https://cassidi.stlouisfed.org/index
[24] See FAQ #4 via https://www.federalreserve.gov/bankinforeg/competitive-effects-mergers-acquisitions-faqs.htm. Also the Federal Reserve Board approval orders discuss anti-competitive factors with specific references to HHI analysis. See orders on banking applications in the press release section of the Federal Reserve Board via https://www.federalreserve.gov/newsevents/pressreleases.htm
[25] 12 U.S.C. § 1842(d)(2)(A) and (B), see https://www.law.cornell.edu/uscode/text/12/1842

The combined banks argued in their application that deposits of credit unions and thrifts in the Danville market should receive a weight of 100% instead of 50% as they are commonly weighted. This would affect the pre-merger HHI index, the post-merger HHI index, and the increase in points. NCRC does not agree with this alternative calculation because it ignores the substantial market share of the combined banks post-merger. Post-merger the combined banks would control about 27% of the deposits in the Danville market according to the FDIC website's calculations of market share.[26] As stated above, a market share approaching 30% is a trip wire for deposit share in any one state. Accordingly, a level approaching 30% should require a clear and substantial public benefit to exceed any anti-competitive impact.

Instead of spending considerable time trying to dispute conventional anti-trust analysis, the combined banks should pay special attention to the Danville MSA in a community benefits agreement. It should aim for levels of lending, investing, and services that exceed the levels deemed outstanding in the most recent CRA exams of the banks. In addition to quantitative benchmarks, the combined banks should engage in extensive dialogue with community stakeholders in the Danville MSA to determine what types of loans, investments, and services would be particularly responsive to their needs.

Conclusion

Given the issues identified in this letter, we request that the Federal Reserve and the OCC request additional information from Old National Bank and First Midwest Bank on their plans to address gaps in their home purchase record to borrowers with LMI and people of color. Their lending to small businesses under $1 million also needs to be improved. In addition, the anti-competitive impact on the Danville market must be addressed with a specific plan to provide public benefits that exceeds the constraints on competition caused by this proposed merger.

We believe that this application would benefit greatly from a forward-looking community benefits plan developed with community stakeholders. NCRC and our member's commitment and presence throughout the combined banks' footprint is strong and we are uniquely poised to assist the banks with improving their performance. Many of our members are community development financial institutions, small business technical assistance providers, and housing counselors that have been preoccupied with the dramatic increase in need for their services caused by the COVID-19 pandemic and have not had ample time to comment on this merger. This is why we are requesting that the OCC and Federal Reserve hold hearings to go over the concerns identified in this letter and provide community members an opportunity to offer

[26] FDIC, Deposit Market Share Reports - Summary of Deposits, https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2

feedback on a strategy for improving the banks' community reinvestment and fair lending performance.

Thank you for considering this request. We also request that each sign on organization be considered as a separate commenter, and that they be sent copies of all future correspondence related to this comment. If you have any questions about this letter, feel free to contact Jesse Van Tol, NCRC's Chief Executive Officer, at 202-464-2709 or jvantol@ncrc.org.

Sincerely,

Jesse Van Tol
Chief Executive Officer
NCRC

Sign On Organizations

Acts Housing
Bank On Greater Milwaukee
Chicago Community Loan Fund
Chicago Lawyers' Committee for Civil Rights
Chicago Rehab Network
Community Action Agency
Continuum Of Care Network NWI, Inc.
Fair Housing Center of Central Indiana, Inc.
Housing Action Illinois
Jewish Community Action
LINC UP
Metropolitan Consortium of Community Developers
Metropolitan Milwaukee Fair Housing Council
Neighborhood Housing Services of Chicago
Northwest Indiana Reinvestment Alliance
Prosperity Indiana
REBOUND, Inc.
River City Housing, Inc.
The Resurrection Project

Universal Housing Solutions CDC
Urban Economic Development Association of Wisconsin, Inc. (UEDA)
VIA CDC
Woodstock Institute
YWCA Southeast Wisconsin

Appendix

Home Purchase Lending Analysis

Notes on Home Purchase Lending Analysis

- Lending information refers to the percentage of all owner occupied, 1-4 family dwelling, home purchase loans originated from Old National or First Midwest Bank from 2017 through 2019 in the specified geography and to the specified applicant group, compared to the percentage of originations of all owner occupied, 1-4 family dwelling, home purchase loans originated by all other lenders in the same specified time period, geography, and applicant group.
- We acknowledge that there are limitations in the use of HMDA data, but by comparing Old National and First Midwest Bank's lending to the aggregate of lenders operating in the same market at the same time we address those concerns since other lenders face similar constraints. Comparing to aggregate is also how these banks were evaluated on their last CRA performance evaluations.
- Our analysis paid particular attention to home purchase lending because we want to evaluate how well the banks are providing access to homeownership, which is crucial to an individuals or families ability to grow wealth, and because a lack of homeownership opportunities has been a driving force behind racial disparities in wealth.
- Our analysis focused on 2017 through 2019 because that was the last three years of publically available data available at the beginning of the drafting of this letter. 2020 Home Mortgage Disclosure Act data is now available, but there was not sufficient time to incorporate an analysis of 2020 data before the end of the comment period.
- "Hispanic" refers to families/borrowers that identify as Hispanic or Latino
- "MINB" includes Black or African Americans, Asians, and Hispanics as well as Native Americans, other racial groups and bi-racial families/borrowers. The only population not included in this label would be "Non-Hispanic White."
- "MINT" refers to 50% or greater minority population
- "LMIB" refers to low- and moderate-income, and low is < 50% MSA/MD median income, and moderate is 50-79.99% MSA/MD median income.
- "LMIT" refers to low- and moderate-income census tract, and low is < 50% MSA/MD median income, and moderate is 50-79.99% MSA/MD median income

Subject Bank	**Old National in Evansville**				
Geography	Gibson, Posey, Vanderburgh, Warrick, and Henderso				
Filters	Owner occupied, 1-4 units, site built, Home purchase				
	Loans				
	Subject		Peer		Difference
	#	%	#	%	
Total Records	707		12,804		
Hispanic	12	2%	194	2%	0%
Native American	1	0%	23	0%	0%
Asian	19	3%	175	1%	1%
Black	39	6%	328	3%	3%
HoPI	0	0%	13	0%	0%
White	614	87%	11,343	89%	-2%
No Data	19	3%	698	5%	-3%
LMIB	241	34%	5,141	40%	-6%
LMIT	105	15%	1,944	15%	0%
MINB	71	10%	729	6%	4%
MINT	6	1%	90	1%	0%
Female Only	148	21%	2,863	22%	-1%
Same Sex	14	2%	228	2%	0%

Subject Bank	**Old National in Indianapolis**				
Geography	Counties: Boone, Hamilton, Hendricks, Johnson, Madison, M				
Filters	Owner occupied, 1-4 units, site built, Home purchase loans				
	Old Nat.		Peer		Difference
	#	%	#	%	
Total Records	444		87,879		
Hispanic	8	2%	3,899	4%	-3%
Native American	0	0%	161	0%	0%
Asian	36	8%	5,061	6%	2%
Black	9	2%	6,864	8%	-6%
HoPI	0	0%	128	0%	0%
White	352	79%	65,725	75%	4%
No Data	38	9%	5,818	7%	2%
LMIB	135	30%	33,160	38%	-7%
LMIT	71	16%	16,258	19%	-3%
MINB	53	12%	16,067	18%	-6%
MINT	21	5%	7,167	8%	-3%
Female Only	84	19%	21,214	24%	-5%
Same Sex	7	2%	1,754	2%	0%

Subject Bank	**Old National in Louisville**				
Geography	Jefferson (KY) and Clark (IN)				
Filters	Owner occupied, 1-4 units, site built, Home purchase				
	Subject		Peer		Difference
	#	%	#	%	
Total Records	100		39,760		
Hispanic	2	2%	2,488	6%	-4%
Native American	0	0%	87	0%	0%
Asian	2	2%	1,207	3%	-1%
Black	7	7%	4,140	10%	-3%
HoPI	0	0%	58	0%	0%
White	69	69%	28,841	73%	-4%
No Data	20	20%	2,816	7%	13%
LMIB	21	21%	17,713	45%	-24%
LMIT	8	8%	7,155	18%	-10%
MINB	11	11%	7,962	20%	-9%
MINT	4	4%	2,616	7%	-3%
Female Only	14	14%	10,988	28%	-14%
Same Sex	1	1%	811	2%	-1%

Subject Bank	**Old National in Ann Arbor**				
Geography	Ann Arbor MSA (Washtenaw County)				
Filters	Owner occupied, 1-4 units, site built, Home purchase				
	Old Nat.		Peer		Difference
	#	%	#	%	
Total Records	424		11,750		
Hispanic	10	2%	319	3%	0%
Native American	0	0%	30	0%	0%
Asian	23	5%	963	8%	-3%
Black	8	2%	566	5%	-3%
HoPI	1	0%	13	0%	0%
White	377	89%	8,553	73%	16%
No Data	5	1%	1,274	11%	-10%
LMIB	67	16%	3,830	33%	-17%
LMIT	42	10%	2,499	21%	-11%
MINB	42	10%	1,882	16%	-6%
MINT	13	3%	657	6%	-3%
Female Only	77	18%	2,506	21%	-3%
Same Sex	14	3%	335	3%	0%

Subject Bank	**Old National in Grand Rapids**				
Geography	Grand Rapids MSA (Kent County)				
Filters	Owner occupied, 1-4 units, site built, Home purchase lc				
	Old Nat.		Peer		Difference
	#	%	#	%	
Total Records	571		28,621		
Hispanic	8	1%	1,444	5%	-4%
Native American	1	0%	71	0%	0%
Asian	14	2%	810	3%	0%
Black	10	2%	1,043	4%	-2%
HoPI	0	0%	28	0%	0%
White	537	94%	21,662	76%	18%
No Data	1	0%	3,504	12%	-12%
LMIB	116	20%	10,518	37%	-16%
LMIT	74	13%	6,321	22%	-9%
MINB	33	6%	3,391	12%	-6%
MINT	18	3%	2,009	7%	-4%
Female Only	83	15%	6,468	23%	-8%
Same Sex	18	3%	686	2%	1%

Subject Bank	**Old National in Minneapolis**				
Geography	Counties: Anoka, Dakota, Hennepin, Ramsey, Scott, and				
Filters	Owner occupied, 1-4 units, site built, Home purchase lo				
	Subject		Peer		Difference
	#	%	#	%	
Total Records	340		141,223		
Hispanic	11	3%	6,782	5%	-2%
Native American	0	0%	637	0%	0%
Asian	13	4%	11,187	8%	-4%
Black	42	12%	7,603	5%	7%
HoPI	0	0%	223	0%	0%
White	252	74%	103,188	73%	1%
No Data	22	6%	11,168	8%	-1%
LMIB	111	33%	57,408	41%	-8%
LMIT	70	21%	29,999	21%	-1%
MINB	66	19%	26,327	19%	1%
MINT	34	10%	12,338	9%	1%
Female Only	88	26%	34,455	24%	1%
Same Sex	10	3%	3,892	3%	0%

Subject Bank	**Old National in Madison**				
Geography	Madison MSA (Counties: Columbia, Dane, Green, an				
Filters	Owner occupied, 1-4 units, site built, Home purchase				
	Subject		Peer		Difference
	#	%	#	%	
Total Records	535		27,550		
Hispanic	19	4%	769	3%	1%
Native American	0	0%	86	0%	0%
Asian	28	5%	1,329	5%	0%
Black	31	6%	441	2%	4%
HoPI	0	0%	36	0%	0%
White	373	70%	22,951	83%	-14%
No Data	83	16%	1,873	7%	9%
LMIB	228	43%	8,702	32%	11%
LMIT	85	16%	3,245	12%	4%
MINB	78	15%	2,628	10%	5%
MINT	12	2%	304	1%	1%
Female Only	119	22%	5,300	19%	3%
Same Sex	10	2%	722	3%	-1%

Subject Bank	Old National in Milwaukee			
Geography	Milwaukee MSA (Counties Milwaukee and Waukesha			
Filters	Owner occupied, 1-4 units, site built, Home purchase			
	Old Nat.		Peer		Difference
	#	%	#	%	
Total Records	297		44,366		
Hispanic	16	5%	3,632	8%	-3%
Native American	1	0%	130	0%	0%
Asian	18	6%	2,200	5%	1%
Black	28	9%	2,878	6%	3%
HoPI	0	0%	49	0%	0%
White	223	75%	32,992	74%	1%
No Data	10	3%	2,388	5%	-2%
LMIB	100	34%	14,948	34%	0%
LMIT	53	18%	8,549	19%	-1%
MINB	63	21%	8,857	20%	1%
MINT	32	11%	5,142	12%	-1%
Female Only	73	25%	10,081	23%	2%
Same Sex	7	2%	903	2%	0%

Small Business Lending Analysis

Notes on Small Business Lending Analysis

- CRA small business loan data was used for this analysis.
- Data from the years 2017 through 2019 was combined.
- Only non-credit card loans was considered. In the peer group, a lender was eliminated if its average loan size was $10,000 or less, which is commonly considered credit card lending.

Old National Small Business Lending Compared to Peers						
2017-2019		Business Loans				
Non credit card small business loans		Old Nat.		Peer		Difference
		#	%	#	%	
Grand Total	Total Loan #	5,973		463,026		
	LMI Tract Loans	1,479	24.8%	102,212	22.1%	2.7%
	Numsbrev Under 1M	2,247	37.6%	233,963	50.5%	-12.9%
Evansville MSA	Total Loan #	1,474		11,602		
	LMI Tract Loans	470	31.9%	3,101	26.7%	5.2%
	Numsbrev Under 1M	586	39.8%	5,204	44.9%	-5.1%
Indianapolis MSA	Total Loan #	1,354		86,939		
	LMI Tract Loans	415	30.6%	22,115	25.4%	5.2%
	Numsbrev Under 1M	507	37.4%	39,754	45.7%	-8.3%
Kent County, Michigan	Total Loan #	525		33,330		
	LMI Tract Loans	97	18.5%	7,709	23.1%	-4.7%
	Numsbrev Under 1M	237	45.1%	14,382	43.2%	2.0%
Louisville MSA	Total Loan #	161		48,385		
	LMI Tract Loans	35	21.7%	12,093	25.0%	-3.3%
	Numsbrev Under 1M	40	24.8%	23,764	49.1%	-24.3%
Madison MSA	Total Loan #	162		26,604		
	LMI Tract Loans	23	14.2%	4,592	17.3%	-3.1%
	Numsbrev Under 1M	80	49.4%	13,745	51.7%	-2.3%
Milwaukee MSA	Total Loan #	223		66,105		
	LMI Tract Loans	26	11.7%	13,668	20.7%	-9.0%
	Numsbrev Under 1M	122	54.7%	32,245	48.8%	5.9%
Minneapolis MSA	Total Loan #	1,762		169,960		
	LMI Tract Loans	385	21.9%	35,617	21.0%	0.9%
	Numsbrev Under 1M	539	30.6%	94,923	55.9%	-25.3%
Washtenaw County, Michigan	Total Loan #	312		20,101		
	LMI Tract Loans	28	9.0%	3,317	16.5%	-7.5%
	Numsbrev Under 1M	136	43.6%	9,946	49.5%	-5.9%

First Midwest Bank Small Business Loans Compared to Peers

2017-2019

Non credit card loans

		Business Loans				
		Subject		Peer		Difference
		#	%	#	%	
Chicag MSA All Counties Listed Be	Total Loan #	5,626		567,610		
	LMI Tract Loans	1,411	25.1%	114,465	20.2%	4.9%
	Numsbrev Under 1M	1,733	30.8%	268,541	47.3%	-16.5%
Cook County, Illinois	Total Loan #	2,796		361,034		
	LMI Tract Loans	1,009	36.1%	96,460	26.7%	9.4%
	Numsbrev Under 1M	856	30.6%	172,586	47.8%	-17.2%
DeKalb County, Illinois	Total Loan #	179		3,162		
	LMI Tract Loans	86	48.0%	895	28.3%	19.7%
	Numsbrev Under 1M	103	57.5%	1,588	50.2%	7.3%
DuPage County, Illinois	Total Loan #	560		87,561		
	LMI Tract Loans	16	2.9%	3,192	3.6%	-0.8%
	Numsbrev Under 1M	127	22.7%	39,843	45.5%	-22.8%
Grundy County, Illinois	Total Loan #	217		1,898		
	LMI Tract Loans	0	0.0%	0	0.0%	0.0%
	Numsbrev Under 1M	106	48.8%	770	40.6%	8.3%
Kane County, Illinois	Total Loan #	450		30,405		
	LMI Tract Loans	35	7.8%	5,870	19.3%	-11.5%
	Numsbrev Under 1M	61	13.6%	14,107	46.4%	-32.8%
Kendall County, Illinois	Total Loan #	46		5,743		
	LMI Tract Loans	0	0.0%	0	0.0%	0.0%
	Numsbrev Under 1M	29	63.0%	3,003	52.3%	10.8%
Lake County, Indiana	Total Loan #	276		18,814		
	LMI Tract Loans	71	25.7%	3,571	19.0%	6.7%
	Numsbrev Under 1M	97	35.1%	8,455	44.9%	-9.8%
McHenry County, Illinois	Total Loan #	201		18,482		
	LMI Tract Loans	5	2.5%	421	2.3%	0.2%
	Numsbrev Under 1M	61	30.3%	9,377	50.7%	-20.4%
Will County, Illinois	Total Loan #	901		40,511		
	LMI Tract Loans	189	21.0%	4,056	10.0%	11.0%
	Numsbrev Under 1M	293	32.5%	18,812	46.4%	-13.9%