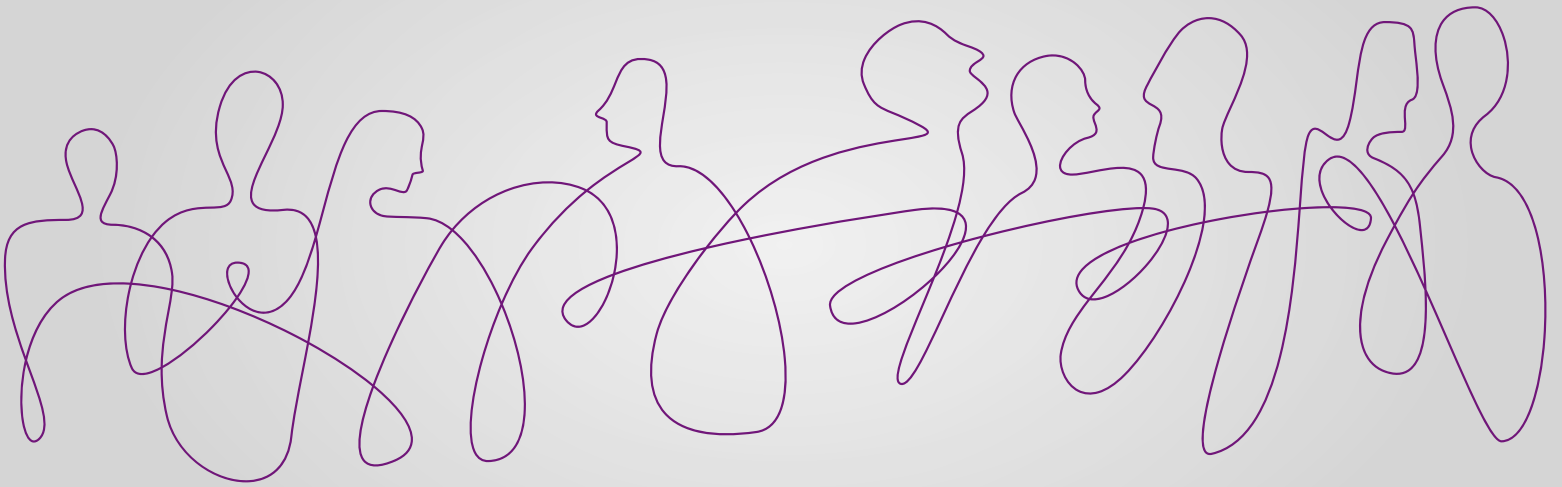




**First  
Midwest  
Bancorp, Inc.**



2020

# Momentum for All

Our Corporate Social Responsibility Report

# Welcome.

Welcome to our inaugural Corporate Social Responsibility (CSR) Report. In this report, you will learn more about our approach to CSR and Diversity, Equity and Inclusion (DEI), our commitment to our clients, colleagues and the communities we serve and how we integrate environmental, social and governance (ESG) factors into our business model.

## At the heart of our efforts lies our vision, mission and values.



### VISION

To be the partner of choice for financial services in the markets we serve, and one of the nation's top performing financial institutions.



### MISSION

To help our clients achieve financial success.



### VALUES

To serve our clients with integrity, excellence, responsibility and passion.

## They drive a culture

**Centered**  
on client  
needs

**Rooted**  
in service  
excellence

**Dedicated**  
to bettering our  
communities

**Focused**  
on attracting top  
industry talent

**Committed**  
to creating long-  
term value for  
our stakeholders

# First Midwest At-A-Glance

First Midwest is a relationship-focused financial institution and the 3rd largest independent bank based in Illinois.



**\$21bn**  
of total assets



**\$14bn**  
of additional assets under management



**2,100+**  
colleagues



**100+**  
locations across the Midwest



## Commercial

Middle Market, Business Banking, Structured Finance, ESOP, Commercial Real Estate, Healthcare, Treasury Management, Equipment Leasing

**\$10.6bn** of total loans;  
**\$11.6bn** of average deposits



## Consumer

More than **100** consumer branches and dedicated Consumer, Mortgage and eCommerce teams

**\$4.2bn** of total loans;  
**\$1.5bn** of checking accounts;  
**\$2.4bn** of savings accounts;  
**\$3.6bn** of average deposits



## Small Business

Products and services for every stage of a growing business

**\$274mm** of total loans;  
**\$469mm** of checking accounts;  
**\$90mm** of savings accounts



## Wealth

Full-service Wealth Management capabilities, including Private Banking, Fiduciary and Investment Management Services

**\$14bn** of assets under management

**Michael L. Scudder**  
Chairman and  
Chief Executive Officer  
First Midwest Bancorp, Inc.



## Letter from our Chairman and CEO

At First Midwest, social responsibility is more than just a strategic priority; it is the fabric of our culture. It is a shared belief that through our commitment to service and action, we contribute to the prosperity of current and future generations. We, here at First Midwest, call this **Momentum for All**.

Every day, our more than 2,100 colleagues come together with a common goal—to serve as our clients’ most trusted financial partner, helping them to achieve financial success. Through this partnership, we serve as an essential resource to individuals and businesses—whether it’s guiding a young family through home ownership, enabling a couple to live out their retirement dreams, helping a small business expand or assisting commercial clients in managing their cash flow. Our success becomes their success and by extension, benefits our communities.

To us, social responsibility is also about contributing beyond what we do in our everyday course of business. Through our partnerships with various nonprofit organizations and the First Midwest Charitable Foundation, our strong spirit of community support shines as we contribute time, expertise and funding to local philanthropic organizations that help spur economic momentum for people and businesses.

Social responsibility, after all, starts and ends with character. Throughout our history, our colleagues have been committed to living our values of integrity, service, responsibility and passion. As a result,

there is a tremendous “can do” attitude across our organization, and it shows. I am proud to be surrounded by so many good people who strive to do the right thing every day for our clients, communities and each other.

### Navigating Through 2020

The true spirit of our commitment was on full display throughout 2020—a year defined by a global pandemic, a volatile economic and political environment and a national reckoning on racial and social justice. While these times were challenging both personally and professionally for our teams, First Midwest’s commitment to upholding our values did not waiver.

From the outset of the COVID-19 outbreak, we embraced our role as an essential business by:

- Providing clients with vital on-site support as we adapted our health and safety protocols to protect their well-being, as well as that of our colleagues.
- Offering aid and valuable support to ease the financial burden on businesses and individuals through payment deferral and fee assistance programs. We were proud to have done our part to stand up the federally sponsored Paycheck Protection Program (PPP), helping to secure more than \$1.2 billion in loans and impacting the lives of more than 150,000 small business owners, employees and their families.

- Recognizing the valuable contributions of our colleagues through bonuses, pay premiums, enhanced benefits and paid time off programs.
- Engaging our Black and Latino colleagues in honest and candid conversations about race and equality.
- Building upon our longstanding history of supporting our communities by committing \$2.5 million in financial support to local nonprofit organizations, including \$750,000 in support to local United Way chapters.
- Increasing our investment in low- and moderate-income neighborhoods and striving to provide more students access to enhanced college-to-career programs.
- Encouraging philanthropic giving by enhancing our matching gifts program and incenting contributions to nonprofit organizations that support civil rights, anti-racism and social justice causes.

The strain of the pandemic did not lessen, but rather strengthened, our commitment to our diversity, equity and inclusion. In March, I joined other industry leaders in signing the CEO Action for Diversity and Inclusion pledge, one of the largest CEO-driven business commitments to advance diversity and inclusion in the workplace. In doing so, we committed to building a trusting environment

“At First Midwest, social responsibility is more than just a strategic priority; it is the fabric of our culture.”

to discuss topics of race and inclusion, supporting our colleagues on their learning journey to minimize unconscious bias and blind spots and sharing these plans with the board of directors to drive accountability.

### Building Momentum for All

On behalf of our entire leadership team, I am honored to share with you our inaugural CSR Report. In the pages that follow, you will get a true sense of what First Midwest is all about—how we express our character, how we live our mission and values and how we hold ourselves to the highest standard in doing so.

We are proud of our accomplishments and longstanding history of service, and we look forward to continuing to build on our progress as we strive to create **Momentum for All**.



**Michael L. Scudder**  
Chairman and Chief Executive Officer  
First Midwest Bancorp, Inc.

## First Midwest and Old National Agree to Combine

June 1, 2021, marked a significant milestone for our company. We announced our plan to combine with Old National Bancorp and its subsidiary bank, Old National Bank, headquartered in Evansville, Indiana.

Through this combination, we will create one of the largest independent banks in the Midwest, with \$45 billion of assets and more than 270 locations across Illinois, Indiana, Kentucky, Michigan, Minnesota and Wisconsin.

Like First Midwest, Old National has a longstanding history of service and a strong spirit of community. Its colleagues contribute a significant amount of time, expertise and funding to local philanthropic organizations in its footprint. Old National was one of only three U.S. financial institutions to have earned a “World’s Most Ethical Company” honor by the Ethisphere Institute for the 10th consecutive year.

We are excited about the opportunities this partnership will provide to our clients, colleagues and communities, and we look forward to building a future together that continues to create **Momentum for All**.



## Letter from our Head of Corporate Social Responsibility and Diversity, Equity and Inclusion

I am proud to introduce our first CSR Report.

As our world evolves, CSR and DEI have become increasingly important for businesses and society. For more than 80 years, service has been an integral part of our culture, and we recognize the imperative to strategically build CSR and DEI into every facet of how we do business.

I joined First Midwest in August 2019 to build upon and lead our CSR and DEI strategy. I am thrilled to work alongside our executive team and our colleagues on this exciting journey. Since I joined, we have spent a considerable amount of time being very thoughtful about our purpose, goals and objectives for building an enterprise-wide CSR and DEI strategy.

We began with a robust framework centered on our key stakeholders, anchored by our vision for impact—**Momentum for All**. We believe investing our time, talent and resources in areas that are important to our clients, colleagues and the communities we serve will accelerate economic and social momentum for current and future generations.

Of course, no one could have predicted we would face a worldwide health crisis and a racial justice reckoning that required an immediate response and tested the meaning of corporate citizenship across

the country. During this unimaginable moment in time, we stood firm in our role as a corporate citizen and amplified our values of service, integrity, passion and responsibility. From supporting our Black and Latino colleagues with a listening ear, to enhancing our support for our colleagues and their families, to significantly increasing our corporate philanthropy, this year underscored why CSR and DEI is more important than ever.

As we look to the future, our commitment is unwavering. We are in the recovery phase, where our collective work to build a more just and equitable society will require companies to step up even more. Our values will continue to guide us in this work, and I am honored to work with the more than 2,100 First Midwest colleagues who embody them every day. We are excited to partner with a similarly focused organization in Old National to continue on our journey to create **Momentum for All**.

**Corliss V. Garner**  
Senior Vice President  
Head of Corporate Social Responsibility  
and Diversity, Equity and Inclusion  
First Midwest Bank

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# Our Journey

Being a good corporate citizen has been part of our corporate fabric since the founding of our company. When forming what would ultimately become First Midwest Bank shortly after the Great Depression, our founders established a commitment to treat all of our clients, regardless of stature or wealth, with respect and a focus on their financial needs. Since then, our colleagues have maintained that commitment. We are proud of our longstanding and rich history of serving our clients, colleagues and communities.

We also understand the increasingly important role CSR and DEI play in our corporate culture, to advance our strategic business priorities and shape our future as a strong corporate citizen.

With that, we doubled down in investing in this important area in August 2019 by hiring Corliss Garner, a seasoned leader with more than 20 years of CSR, DEI and banking experience. Over the past 2 years, Corliss has partnered with First Midwest leaders and colleagues to further advance and evolve our CSR and DEI approach, as well as refined a strategic framework that outlines our priorities and objectives.



Anchored in our vision, mission and values, First Midwest drives business performance and accelerates economic and social momentum by investing in our colleagues, clients and the communities we serve.

With best-in-class corporate citizenship and integration of diversity, equity and inclusion into every facet of our culture, we become a stronger partner to meet the evolving needs of our current stakeholders and future generations.

## CSR Strategic Framework

In creating our CSR strategic framework, our Board considered and has endorsed the SASB and TCFD guidelines, and we intend to continue working towards disclosing against those frameworks.



### Talent Acquisition & Mobility

Recruit, retain and develop diverse talent at all levels to drive high performing, productive and innovative teams



### Workplace Culture

Foster a culture of belonging and trust where everyone feels valued and encouraged to express authenticity and uniqueness in the workplace



### Community Investment & Visibility

Accelerate inclusive economic momentum for individuals and businesses through strategic philanthropy, partnerships, lending and investments



### Colleague Engagement

Deepen colleague engagement and drive social impact through enterprise-wide volunteerism and giving platforms



### Sustainability and Operational Excellence

Advance economic impact through socially responsible and diverse procurement policies and sustainable environmental practices



### Corporate Governance

Bolster confidence of our stockholders, regulators and clients through prudent governance, risk, ethical and compliance practices



# 2020 Highlights

We are proud of the progress we made on our CSR and DEI journey in 2020.



**\$1.2bn**  
in small business  
PPP loans  
Helped **~9,000**  
clients through  
accommodation programs



**~25**  
consecutive years  
Outstanding CRA rating



**8,000**  
participants in our financial  
literacy education programs



**465 tons**  
of materials recycled



**\$2.5mm**  
in donations from  
the First Midwest  
Charitable Foundation



**1,200+**  
service hours during  
Virtual Volunteer Week



**\$300,000**  
in donations through our  
Colleague Giving Campaign



**\$800,000**  
in CRA grants



**\$377mm**  
of CRA-qualified community  
development loans



**100+**  
modules in annual  
compliance training



**62%**  
women new hires

**46%**  
minority new hires



**2020 Chicago Tribune Top  
Workplaces** as highest rated  
commercial bank in Chicago

**2020 Best-in-State Bank**  
by *Forbes*

# Our COVID-19 Response

2020 was a year like no other. While COVID-19 created challenges and obstacles for all of us, we are proud of the steps we took to support our clients, colleagues and communities.

## Accommodating Clients



**Continued to serve clients** through lobby, drive-up and online channels

**164 ATMs** operating at full capacity



Helped **9,000 clients** through payment deferral and fee assistance programs and services to consumers, small businesses and commercial clients

- Consumer, mortgage, auto loan deferrals
- Small business loan deferrals
- Foreclosure and repossession programs



Secured approval for **~6,000 PPP loans** totaling **\$1.2bn**, impacting the lives of more than **150,000 small businesses, employees and their families**

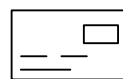


## ASSISTING INDIVIDUALS AND FAMILIES



### April 2020

Committed to the Chicago Housing Solidarity Pledge, which offered eligible renters and mortgage holders deferred payment agreements and other financial relief in response to the economic fallout.



### May 2020

Partnered with the Illinois Department of Financial and Professional Regulation (IDFPR) to waive stimulus check cashing fees for non-clients.

## Supporting Colleagues



**Maintained current pay levels** for all colleagues despite reductions in hours and operations

Awarded **bonus and pay premiums** for those working on-site



Enhanced **health insurance programs and 401(k) plan** benefits to provide greater coverage and additional support

**Added provisions** for emergency medical and hardship loans



**86%** of colleagues in non-retail branches worked remotely

Expanded **paid time off programs** to help those with challenging circumstances

Distributed **washable, reusable masks** to all colleagues



### STAYING CONNECTED

With things changing on a daily basis and many of our colleagues working remotely, we adapted our communications to keep colleagues engaged, informed and connected with leadership.

#### Virtual townhall calls

Led by CEO Mike Scudder, we hosted monthly virtual townhall calls with colleagues to provide pandemic and business updates.

#### Pandemic updates

We established a Pandemic Portal on our intranet, where colleagues could access the latest news and updates on our facilities, policies and client programs, as well as answers to frequently asked questions.

#### Colleague feedback

We distributed a pulse survey to colleagues specifically related to our efforts around the COVID-19 pandemic.

### ENHANCING COLLEAGUE SUPPORT

We took several steps to enhance our benefits programs, including:

- **Premium pay and bonuses for front-line workers**
- **Coverage of virtual doctor visits and COVID-19 tests at 100%**
- **Emergency medical and hardship loan programs**

We also introduced several programs to accommodate colleagues who were unable to come to work due to childcare issues, school closings or other unexpected hardship situations:



#### Hardship Time Off

Colleagues could receive up to 120 hours of additional paid time off.



#### Vacation Donation Program

More than 1,000 hours of PTO were donated by colleagues to provide additional support for other colleagues in need.



#### Care.com

First Midwest covered one year of premium membership fees with Care.com to ease the burden of expenses related to care providers.

## Contributing to Communities



Committed **\$2.5mm** from the First Midwest Charitable Foundation to support immediate and long-term needs

Distributed **\$750,000 to United Way** chapters across First Midwest's local markets



Aided individuals and families through **affordable housing and financial sustainability** and supported small businesses

Supported the **Chicago Housing Solidarity Pledge** to provide relief to tenants and building owners



Enhanced **matching gifts program** to support colleague donations to 501(c)(3) organizations

Purchased **food and other personal supplies** for organizations supporting communities in need



### LAKE AREA UNITED WAY, LAKE COUNTY, INDIANA

As measures were taken to prevent the spread of COVID-19, the Lake County, Indiana chapter of United Way began to receive phone calls and emails from people who never had to seek assistance before. They were scared, and they weren't sure where to turn.

**In 2020, First Midwest provided this chapter with a donation to help them support impacted individuals in their community:**



"Theresa is disabled and lives in Hammond with her husband. He was laid off from his job at the casino due to the pandemic. Because of your gift, Lake Area United Way was able to help Theresa pay her rent and her utilities for the month of April until her husband's unemployment was able to kick in."



"Amanda was required to quarantine for two weeks due to a family member testing positive for COVID-19. She works at a local gas station that does not provide paid time off. With your help, we were able to ensure that Amanda's rent and utilities were paid and that she had food on the table for her family for the weeks to come."

*"We would like to thank First Midwest for its partnership. Its generous donation greatly impacted countless lives of families in Lake County, and we could not do this positive work without you."*

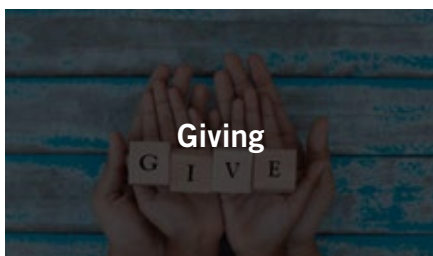
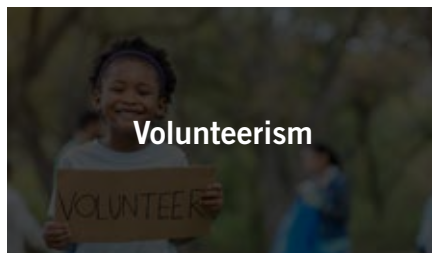
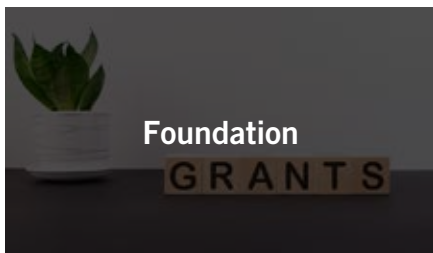
— Brandi Adams, Director of Resource Development, Lake Area United Way



# Social Responsibility

2020 presented all of us with unprecedented—and in some cases devastating—challenges. We saw those challenges exacerbated for the most vulnerable in the communities we serve, particularly in communities of color.

More than ever before, these communities needed multi-faceted support. At First Midwest we saw this need clearly, and we rose to the challenge. We leaned into our values even more, increasing our focus on driving **Momentum for All** through our foundation, community investments, colleague donations and volunteer programs.



## STRATEGIC PILLARS



### Momentum for People

Our economy prospers when we provide individuals and families access to socioeconomic opportunities that advance financial stability and mobility. We strive to build career opportunities and vital wrap-around services that provide pathways to economic prosperity for those most in need.



### Momentum for Business

Helping existing businesses grow and fostering new business incubation fuel the ecosystem of economic opportunity for all. We are committed to doing our part to provide tools and services that build the capacity of entrepreneurs and drive business development.

## EPIC ACADEMY COLLEGE PREP

Meet EPIC Academy College Prep, a public, open-enrollment charter high school serving low-income Black and Latino students in South Chicago. In 2020, we partnered closely with EPIC Academy on several initiatives:

- Awarded a grant that is being used to fund a program that teaches students interview skills, project management and other skills.
- Participated in EPIC's career intensives program, a week-long career exploration program that exposes students to unique career experiences while in high school.
- Conducted mock interviews with students during our Virtual Volunteer Week.





## First Midwest Charitable Foundation

Established in 2003, the First Midwest Charitable Foundation has a broad mission and purpose to support charitable organizations. We have focused our giving to causes that accelerate inclusive economic momentum for people and businesses.

# \$2.5 million

**OVER A TWO-YEAR PERIOD**  
Our largest commitment to date



**In 2020, this included:**

## \$750,000 to United Way

supporting emergency food and housing needs related to COVID-19



## \$500,000

in grants to nonprofit clients



## \$250,000

in grants to 80+ nonprofit organizations nominated by colleagues



The Moraine Valley Community College Foundation received a grant to help support its Student Emergency Assistance Program during the COVID-19 pandemic.

Susan Wade, our vice president of Public Fund Banking, serves as the Foundation's treasurer.

“These emergency funds were requested because students had a hardship that would impair their ability to continue taking classes. We’ve helped with rent, car payments, utility bills and other types of needs, which has made a difference in the lives of these students.”



— Susan Wade,  
First Midwest Bank  
Vice President of  
Public Fund Banking

We continued our **partnership** with the college during our annual Colleague Volunteer Week, where First Midwest colleagues volunteered:



## 120+ hours

of time to review almost  
**500 scholarship applications**



## Volunteerism

Building on our longstanding history of service, our colleagues play an important role in driving social impact through volunteerism and personal philanthropy.

### Virtual Volunteer Week

In 2020, we held our inaugural Volunteer Week, with colleagues donating

1,200+ hours of service to  
20 nonprofit organizations

in our client portfolio through virtual volunteer projects.



Family Services of Lake County, IL:  
Children's Books Donation



IL Action for Children:  
Children's Books Donation



OMNI Youth Services: Cards/letters of  
encouragement and inspiration for youth



## Matching Gifts Program

Our matching gifts program provides full- and part-time colleagues with a dollar-for-dollar match, up to \$1,000 per year, for their contributions to nonprofit organizations. In 2020, we doubled this match for donations to United Way's COVID-19 recovery funds, as well as to social justice, anti-racism and racial equity causes. We are proud that colleague participation in the program has tripled since the prior year.

**Here are just a few stories of the organizations benefiting from the support of our colleagues through the Matching Gifts program:**

"I grew up in a community where, at a very young age, I witnessed domestic violence towards women and children. I was taught to believe that it was 'normal' and that you do not intervene. When it happened to me as an adult, I thought no one would step in to help and that I had to deal with it myself.

I was blessed to find out that it was not true—there are people and organizations that will help, no questions asked. I have found that Connections for Abused Women & their Children (CAWC), located in Chicago, IL, is an organization that does a tremendous job helping individuals of domestic violence physically, as well as mentally and emotionally.

I am grateful to work for First Midwest because they look at these so-called taboo topics and recognize they are important to talk about. They are willing to help in any way possible to make sure these organizations stay open and are readily available for any and every woman and family in need."



**Yahaira Diaz-Talavera, Teller Supervisor  
Chicago, IL**

"I support Guest House of Milwaukee not only financially, but with my time as the current board treasurer. I donate and volunteer not only because of what the organization does, but how.

For nearly 40 years, Guest House has provided dignified and innovative solutions to those experiencing homelessness or unstable housing. It has taken significant effort to address the underlying root causes by offering addiction and mental health counseling services, case management support, access to affordable housing and connections to sustainable employment.

Recently, Guest House took on a public position committing to address racial inequities. I am incredibly proud to offer my support to achieving all these goals. The match that First Midwest Bank offers is important because it exhibits the social and financial commitment the bank has in the communities we serve."



**Tracy L. Meeks, Commercial Banking Officer  
Milwaukee, WI**

"I support DuPage Pads because of its wide breadth of support for individuals and families in need across all of their communities in DuPage County. It is focused not only on providing temporary housing, but supporting those who need permanent housing, medical attention and employment training and opportunities. The services provided by DuPage Pads have positive, life-altering impacts to those that they're able to serve, which is why my support, coupled with the First Midwest Bank matching program, is so important!"



**Eddie Hanacek, CPA, Senior Division Finance Officer  
Chicago, IL**

## Colleague Giving Campaign

Our annual Colleague Giving Campaign is an opportunity for colleagues to make one-time or ongoing contributions to nonprofit organizations.

In 2020, we expanded the program to provide colleagues more choice in expressing their personal philanthropy and engaged our most senior leaders in driving excitement across the company.

Colleague participation in the program continues to increase each year, and 100% of our Executive Management Committee donated to organizations reflecting their personal values and commitments.

Colleagues donated more than  
**\$300,000**  
 of their own funds to organizations supporting communities in need.



## OUR COLLEAGUE COMMITMENTS

“I was proud to support Alison Cares Foundation during our Colleague Giving Campaign. The mission of this organization is very personal to me. Jennifer Flory, the agency’s founder, and I both lost children to an accidental drug overdose. Her nonprofit organization is making a difference helping others who are struggling with the opioid epidemic during the COVID-19 pandemic. I would love to start my own nonprofit to support this cause, but in the interim, I help and refer other families struggling with this disease to this organization.”



**Gigi Cairo,**  
 Director of Procurement  
 Chicago, IL

“My friend is a transgender woman who works for TransChicago—a program established by the Puerto Rican Cultural Center to help those in the Latino and Black transgender community obtain comprehensive HIV prevention and treatment services. I support TransChicago’s social justice mission by assisting with HIV testing for the LGBTQ+ community to promote HIV awareness and knowledge, and I was happy to provide additional financial support through our Colleague Giving Campaign.”



**Rosendo Montalvo,**  
 Branch Operations Administrator  
 Plainfield, IL

## Community Investment

At First Midwest, we believe we succeed when our communities thrive.

We maintain a strong and active community development program focused on community development loans and investments, as well as flexible products and services designed to build financial capabilities, financial literacy, capacity building and education programs.

Organizations we support include those that address:

<b>Homelessness</b>	<b>Violence prevention</b>
<b>Poverty eradication</b>	<b>Affordable housing</b>
<b>Small business development</b>	<b>Entrepreneurship</b>
<b>Financial literacy</b>	<b>Educational support</b>

Key highlights include:

~25 years

Overall **Outstanding CRA rating** by the Federal Reserve under the Community Reinvestment Act

\$377mm

of CRA-qualified community development loans, including **\$27mm** related to our participation in the Paycheck Protection Program

\$167mm+

of CRA-qualified community development investments

\$176mm+

in total CRA investments

\$52mm

of new originations of CRA-qualified community development investments

1,600

no-cost checking accounts provided to unbanked or underbanked clients

\$800,000 in CRA grants

to organizations focused on affordable housing, small business development and economic revitalization

Underlying all of our business activities is a commitment to fairness and ethical treatment. We maintain a robust fair practices program focused on our compliance with fair lending laws and regulations, which includes monitoring and analysis to detect and protect against any potential discriminatory activity.



Since 1966, Spanish Coalition for Housing (SCH) has been an advocate against housing discrimination for the Latino community in Chicago.

Today, the organization provides comprehensive counseling, education and housing resources for low-to-moderate income communities.



For the past 5+ years, First Midwest has provided financial support for its housing programs, and we have conducted several first-time homebuyer workshops for SCH's clients. SCH is also a client and recently received Paycheck Protection Program funding to support its operations during the pandemic.



With these PPP funds, SCH hosted its first-ever virtual Homebuyer Expo—Camino a Su Casa—to provide the resources and education that are typically available during its annual in-person expo.

## Affordable Housing

We offer a wide range of products and services intended to make home ownership more accessible and affordable, including:

- **Mortgage loan options**
- **Down payment assistance programs**
- **First-time homebuyer assistance programs**
- **Government loan options**

Our residential lending business includes dedicated CRA officers who coordinate our participation in homeownership development initiatives and help us accommodate the financial needs of low- and moderate-income borrowers.

We are also proud to partner with several organizations across our geographic footprint to facilitate their ability to offer affordable housing services through:

**Financial education**

**Financial counseling**

**Homeownership development programs**

**Security deposit assistance**



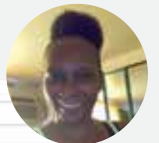
The Housing Authority of the County of DeKalb provides support for the housing needs of low-income residents in DeKalb County, IL. Since partnering with the organization in 2016, we have established a **Security Deposit Assistance Program** to help low-income families obtain financial assistance to successfully rent homes and apartments.

In 2020, this program supported housing security for



**60+ families**

many of whom were elderly, veterans or people with disabilities.



My Name is Leola Wright  
I am a tenant at  
Briarwood apts. I would  
like to thank First  
Midwest Bank for their  
support in helping my family  
with the Security deposit  
at Briarwood. We appreciate  
their assistance in our  
time of need  
Thank you  
Leola Wright

## Small Business

Small businesses play a vital role in contributing to the strength and vibrancy of our communities through economic growth and job creation.

We offer a variety of products and services—from checking accounts to small business loans to treasury management solutions—to help small businesses grow and prosper.

We also provide funding and other support to organizations dedicated to strengthening and developing small businesses. This includes supporting micro loan programs, scholarships for low- and moderate-income participants in small business academies, small business entrepreneur training programs and workshops to assist regional small business sustainability and expansion.



## FEDERAL HOME LOAN BANK OF CHICAGO

First Midwest partnered with the Federal Home Loan Bank of Chicago to provide financial relief to minority-owned businesses in underserved communities impacted by COVID-19. Funds were awarded through a matching grant to organizations that could provide direct support to businesses in their respective communities, including:

- Englewood Chamber of Commerce
- Little Village Chamber of Commerce
- Wisconsin Women's Business Initiative Corporation
- Black Chamber of Commerce of Lake County

## HAMMOND DEVELOPMENT CORPORATION

First Midwest has a longstanding partnership with the Hammond Development Corporation, which promotes small business development for women and minority owned businesses in Hammond, IN and throughout Lake County, Indiana. Our support has funded micro-loans for small businesses and the NxLevel training program for budding entrepreneurs. Upon completion of the program, the entrepreneurs receive a laptop and are eligible for rent subsidies.



## ENTREPRENEURS OF COLOR FUND

We are proud to be part of select financial institutions and foundations to support the Entrepreneurs of Color Fund. We have invested \$1mm into this growing fund in partnership with Local Initiatives Support Corporation (LISC) Chicago to provide capital and wraparound services to minority-owned businesses on the south and west sides of Chicago.



## Flexible Products and Services

We offer a variety of flexible products and services across our commercial, retail and residential lending lines of business that are structured to be affordable and support the financial sustainability of our clients and communities with a focus on unbanked or underbanked communities. These products and services include:

- Credit-building consumer products
- Down payment and closing cost assistance programs
- Affordable check cashing services



## Financial Literacy and Education

Although the pandemic made our efforts in 2020 more challenging, we are proud to have collaborated with various community groups to provide more than 70 financial education events to approximately 2,200 participants—the majority held virtually.

Our programs covered a wide range of financial-related topics, designed to help unbanked and underbanked communities including first-time homebuying, personal budgeting and financial planning, starting and growing a business and more.

Overall, we partnered with

**30+ organizations**

**160+ hours of education**

in service provided to the community

# Corporate Culture

## Our Culture

At First Midwest, we aim to foster a culture of belonging and trust, where everyone feels valued and encouraged to express their own authenticity and uniqueness in the workplace.

## Workplace Recognitions

We were proud to be awarded several workplace recognitions in 2020, which were earned through client and colleague feedback.



### 2020 *Chicago Tribune* Top Workplaces

We were awarded a Top Workplaces 2020 honor by *The Chicago Tribune*. The list is based on employee feedback around several aspects of workplace culture, including alignment, execution and connection.

Ranked #1  
commercial bank in Chicago

### Forbes “Best Banks” Lists

We were named to *Forbes Magazine’s* 2020 “Best-in-State Banks” and “World’s Best Banks” lists. Banks were rated on overall recommendations and satisfaction, as well as five subdimensions (trust, terms and conditions, branch services, digital services and financial advice).



Ranked #2  
on the “Best-in-State Banks”  
list for banks in Illinois

Ranked #14  
on the World’s Best Banks  
list among 75 U.S. banks

“Earning these awards is a reflection of the special culture we have built over the past several years, as well as the commitment of our colleagues to serve our clients and maintain a great place to work. Being recognized in 2020 was even more meaningful given the environment in which we were operating. We are extremely grateful for our colleagues’ contributions and thank them for their unwavering dedication to supporting our clients, communities and each other.”



**Mark Sander, President**  
Chicago, IL



## Engaging our Colleagues

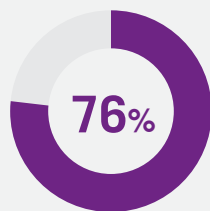
Our colleagues are at the core of our culture. Their engagement and commitment to our clients, communities and each other are critical in our efforts to make First Midwest a great place to work.

We routinely ask colleagues to provide their direct input on their experience as a First Midwest colleague through our formal engagement surveys. These surveys enable colleagues to provide their open and honest feedback on ways we can evolve and refine our actions and priorities.

We are proud that approximately 85% of our colleagues routinely participate in these surveys. In 2020, our engagement score improved 9 percentage points, and we saw year-over-year score improvements in more than 90% of the questions.

We also incorporated specific questions related to diversity, equity and inclusion into our 2020 survey and were pleased that more than three-quarters of our colleagues answered favorably to our actions and initiatives in this area.

### Overall engagement score



up 9 points YOY and in line with FSN\*

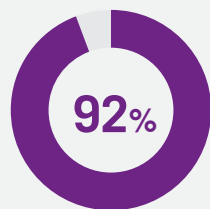
### Survey participation



84%

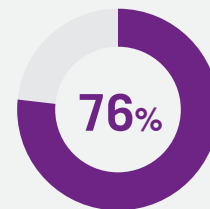
Sept. 2020

### Score improvements



more favorable responses than in 2019

### Diversity, equity and inclusion



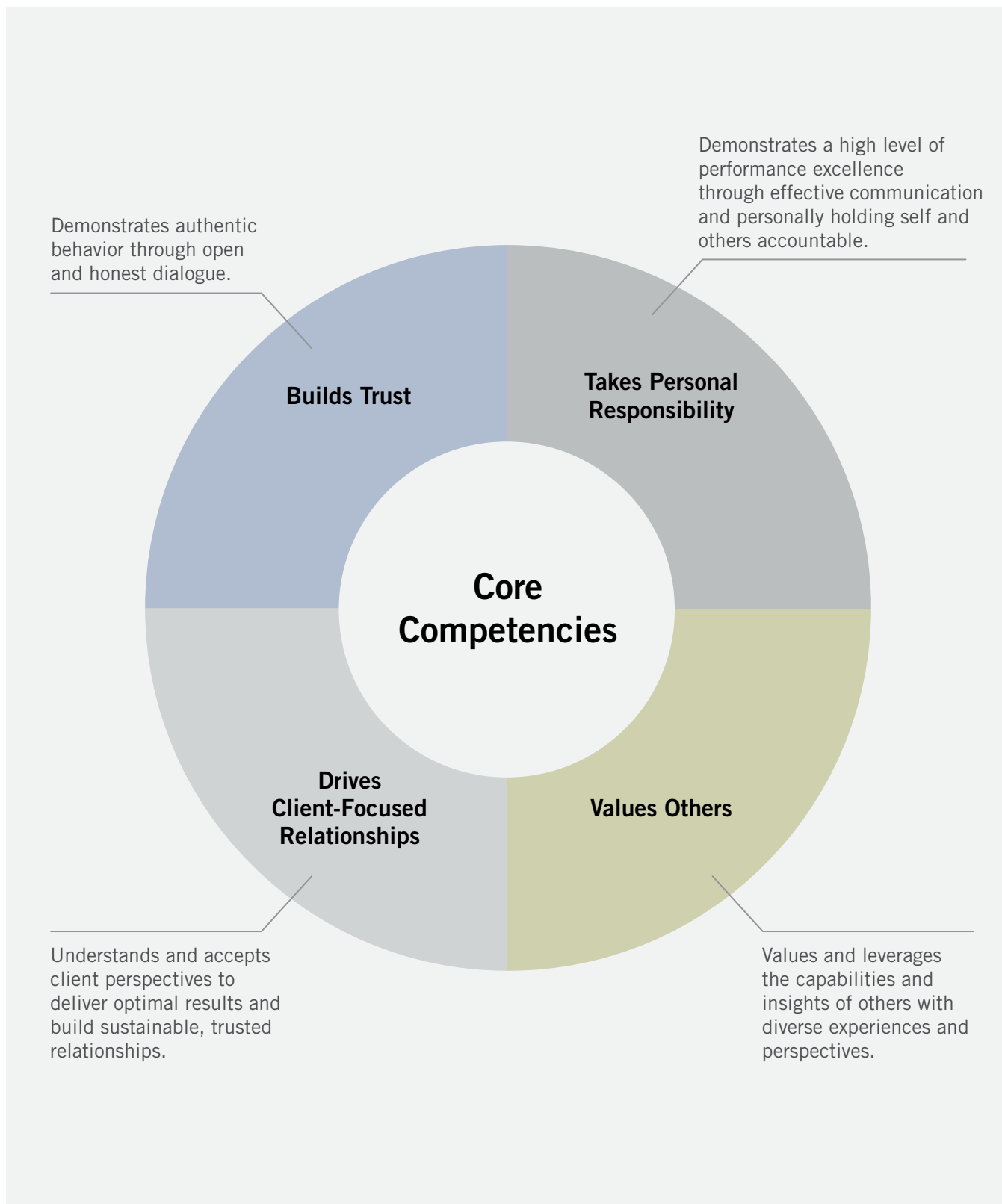
colleagues answered favorably to DEI items

**\*Financial Services Norm (FSN):**

An external benchmark based on the average score of respondents from the financial services industry.

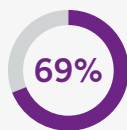
## Supporting and Developing our People

We focus on four core competencies to hire, evaluate and develop colleagues. These competencies are aligned closely with First Midwest's vision, mission and values.

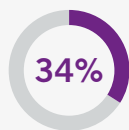


## Hiring Top Talent

Our colleague base is comprised of:



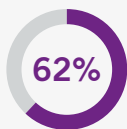
women



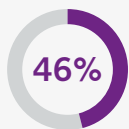
minorities

While the volume of hiring was lower in 2020 due to the pandemic, our metrics reflect our ongoing efforts to build an increasingly diverse workforce.

Of our overall jobs filled, approximately:



women



minorities

For the senior and executive roles in the company:



of jobs filled were either female or minority candidates

Several steps we are taking in 2021 to continue our progress in this area include:

- Analyzing workforce data and the mobility of our talent to identify opportunities to recruit, develop and promote more women and minorities into leadership.
- Working with outside experts to evaluate our talent practices, processes and policies and hold ourselves accountable to building a more diverse, equitable and inclusive workplace.

## Developing Talent

We offer colleagues ample opportunities for development, career growth and advancement. All colleagues have access to a robust learning management system to build critical skills and enhance their talents.

We have a comprehensive manager onboarding program for recently promoted managers to support them on their leadership journey, and we offer several development sessions for people leaders that focus on high impact communication, leading change and strategic thinking.



We also host an annual Lead with Momentum leadership summit, where more than **450 of our people leaders** gather for a day focused on leadership development.

## Evaluating Colleague Performance

Over the past several years, we have furthered our efforts to create a pay-for-performance culture. Every colleague receives regular feedback from their manager, and we conduct an annual performance management process that includes:

- **Goal setting**
- **Mid-year check-ins to assess progress and support development**
- **Year-end performance reviews calibrated to ensure consistency and fairness**

We also conduct annual talent reviews to assess the performance and potential of colleagues in each part of our business. Those are followed up by development planning sessions and “action forums” designed to ensure colleagues are given the right opportunities to grow and develop over the course of the coming year.

We have implemented strategic succession plans for all our leadership roles within the organization, with a goal of developing ready-now successors for our senior leadership roles. We are also focused on identifying and developing successors who would be ready within the next one-to-three years to take on senior leadership roles. In 2021, we have a stronger focus on integrating gender and racial diversity in our succession planning process.

## Advancing Diversity, Equity and Inclusion

Our corporate culture is rooted in fostering an inclusive work environment where colleagues and clients are valued and respected. We are committed to advancing diversity, equity and inclusion at every level of the company.

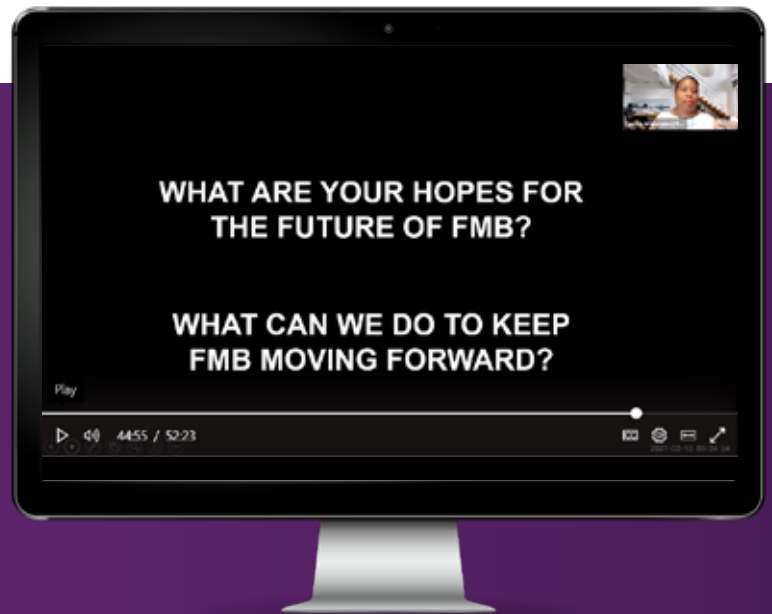
### DEI In Action

Our commitment to advancing our DEI journey remains strong. In addition to building a sustainable infrastructure to advance our strategy, we focused our efforts in 2020 on engaging our executive leaders, elevating awareness of diversity, equity and inclusion across the organization and empowering the voices of our colleagues.

## CEO **ACT!ON** FOR DIVERSITY & INCLUSION

In March 2020, First Midwest CEO Mike Scudder reinforced our commitment to DEI by signing the CEO Action for Diversity and Inclusion Pledge, one of the largest CEO-driven business commitments to act on and advance diversity and inclusion in the workplace. The pledge outlines a specific set of actions that the signatory CEOs will take to cultivate a trusting environment, where all ideas and perspectives are welcomed, and colleagues feel empowered to discuss topics of diversity, equity and inclusion.

Mike Scudder, along with President Mark Sander and Chief Human Resources Officer Doug Rose, hosted listening sessions with small groups of our Black and Latino colleagues. The goal of each session was to provide space for colleagues to candidly discuss the topic of race and the impact of racism by sharing their authentic personal and professional experiences. These important conversations elevate courageous dialogue across the company and lay the foundation for us to advance our journey to becoming a more diverse and inclusive organization.



## Career Development

First Midwest offers several early career development programs that expose students from various socioeconomic backgrounds and communities to careers in the banking industry.

### High School and College Students



Since 2018, we have partnered with Cristo Rey High School in Chicago to host an after-school study program for high school students. This program encourages career exploration and helps students develop basic professional skills to support their learning and development.

#### First Midwest Internship Program

For college students, we offer a summer internship program that provides exposure to the many facets of the banking industry and the corresponding career paths.

In 2020, our class of 18 summer interns was:



women and minorities

In 2021, our class of 20 summer interns was:



women



minorities



In 2020, we launched a five-year partnership with DePaul University in Chicago and its John L. Keeley Jr. Center for Financial Services.

Among our goals with this partnership, we hope to:

- Increase the number of diverse applicants to the Keeley Center for Financial Services
- Increase financial assistance and internship opportunities to diverse students
- Enhance the cultural competency of the Keeley Center scholars



### College Graduates

Our Leadership, Exploration and Development (LEAD) Program offers an opportunity for recent college graduates to rotate through various departments in our organization and broaden their knowledge of our business, working environment and the industry.

Our 2020 LEAD participant class consisted of:



women and minorities

Our 2021 class consists of:



women



minorities



Pictured top left to bottom right: Rolando Alvarado, Eric Denby, Mounika Devakonda, Monica Klee, Cristian Medina and Annie Smith

# Corporate Governance and Leadership

At First Midwest, we are committed to maintaining strong corporate governance principles and practices. This commitment runs throughout our company—from the Board of Directors to executive management to each of our colleagues. It is our policy to conduct business honestly, ethically and in compliance with all applicable laws, rules and regulations. We believe our practices are foundational to the long-term success of the company and drive value for our stockholders and other key stakeholders.

## STOCKHOLDER ENGAGEMENT

We maintain an annual stockholder engagement program to promote an open dialogue between the company and our stockholders. We consider the feedback provided in these meetings when evaluating our corporate practices, including with respect to our business strategy, the composition of our Board of Directors, our corporate governance practices, our executive compensation programs and our CSR and DEI activities.

## Our Board of Directors

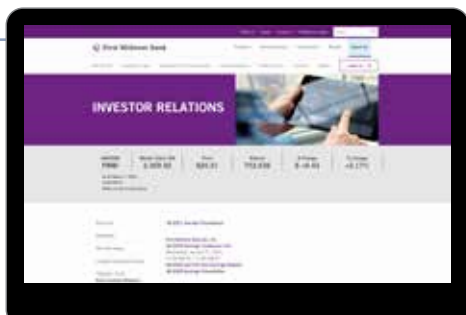
First Midwest's Board of Directors is currently composed of 11 directors, each of whom satisfies the independence requirements of our Corporate Governance Guidelines and the rules of the Nasdaq Stock Market, other than our Chief Executive Officer and our President.

Because our Chairman of the Board also serves as our Chief Executive Officer, we maintain the position of Lead Independent Director. This position is currently held by Ellen Rudnick. We believe this structure allows Mr. Scudder to focus on and drive the overall strategic vision for and leadership of the company while enabling our independent directors, led by Ms. Rudnick, to provide robust, objective oversight of the company's affairs and independent challenge of management as appropriate.



Seated Left to Right: J. Stephen Vanderwoude (retired May 2021), Stephen Van Arsdell, Michael Scudder, Mark Sander

Back Row Left to Right: Ellen Rudnick, Phupinder Gill, Barbara Bojegrain, Thomas Brown, Peter Henseler, Frank Modruson, Kathryn Hayley, Michael Small



Extensive information regarding our corporate governance principles and practices can be found on the [investor relations section of our website](#) and in our [annual meeting proxy statement](#) filed with the Securities and Exchange Commission. This includes our Corporate Governance Guidelines, Code of Ethics and Standards of Business Conduct, Code of Ethics for Senior Financial Officers, Related Party Transaction Policy and the charters for each of our Board's standing committees.

## Board Composition and Diversity

The Nominating and Corporate Governance Committee of our Board of Directors is responsible for identifying, evaluating and recommending nominees for the Board and annually reviews the composition of the Board. The Committee attempts to include directors who, when taken together with the other nominees and continuing directors, will create a group of individuals who offer a range of professional experience, background, gender or minority status, perspectives and skills.

We are proud of the diversity of our Board of Directors. Currently, 3 of our directors are diverse on the basis of gender and 1 of our directors is diverse on the basis of race. Additionally, each of our directors has extensive professional experience that contributes to a diversity of skills, perspectives and leadership qualities leveraged by the Board in its activities.

## 2020 WOMEN ON BOARDS



We are proud to be honored by 2020 Women on Boards, a national campaign committed to raising the percentage of women on corporate boards, for having at least 25% of its board consist of female directors.

## Board Committees and Oversight

Our Board has four standing committees:

**Audit Committee**

**Compensation Committee**

**Enterprise Risk Committee**

**Nominating and Corporate Governance Committee**

Each committee consists solely of independent directors and supports the Board's oversight functions, including risk management, in their respective areas of focus. Each committee has the appropriate resources and authority to discharge its duties and responsibilities. This includes the authority to select, retain, terminate and approve the fees and other retention terms of consultants, legal counsel or other advisors, as the committee deems appropriate, without Board or management approval.

## Oversight of Corporate Social Responsibility and Diversity, Equity and Inclusion

As part of our commitment to good corporate governance, our Board is actively involved in the oversight of our CSR and DEI practices, including our environmental, social and governance reporting.



The **Nominating and Corporate Governance Committee** reviews and oversees our CSR and DEI policies, programs, framework and initiatives.



Our **Enterprise Risk Committee** oversees our framework to identify, monitor, measure and report on enterprise risks, which include ESG and climate-related risks.



Our **Compensation Committee** oversees our compensation programs, policies and practices, including our human capital management efforts.



# Risk Management

Risk is inherent in every business, particularly for regulated financial institutions. We have organized our risk profile and enterprise risk management framework into the following eight categories: Credit, Market, Liquidity, Operational, Compliance and Regulatory, Legal, Strategic and Reputational risks. We are mindful that risk oversight is not about eliminating all risks, but rather identifying, quantifying and managing risks at appropriate levels to achieve customer needs and business objectives in a prudent manner.

We support our risk oversight process through a governance structure involving our Board of Directors and management. Management is responsible for the day-to-day management of the risks the Company faces. Management establishes and maintains risk management processes, policies and tolerance ranges designed to balance our operations and business opportunities with risk mitigation in order to create stockholder value. It is management's responsibility to anticipate, identify and communicate risks to the Board of Directors and its committees. Management annually updates its capital plan, which includes a stress test exercise to capture key financial and operational risks facing the Company and assesses the Company's ability to maintain capital ratios in excess of the minimum regulatory guidelines even under stressed conditions. Our Chief Risk Officer is responsible for the design and implementation of our risk management processes. Our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board must satisfy itself that our enterprise risk management framework, policies and profiles are appropriate and functioning as contemplated.



# Compliance

As a financial institution, we are subject to extensive federal and state regulation. Consistent with our commitment to honest and ethical conduct, we maintain a company-wide compliance program, which is led by our Chief Compliance Officer, who reports to the Chief Risk Officer. Our Board, primarily through the Enterprise Risk Committee, receives quarterly reports on our compliance activities and programs from the Chief Risk Officer and Chief Compliance Officer.

## Compliance Structure

Our primary regulators include the Board of Governors of the Federal Reserve and the Illinois Department of Financial and Professional Regulation. We are also subject to regulatory oversight by the Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, U.S. Department of the Treasury, Securities and Exchange Commission and a range of other federal and state regulatory authorities. We manage our compliance activities through a team of subject matter experts covering areas ranging from Bank Secrecy Act/Anti-Money Laundering (BSA/AML), information and cybersecurity, fraud and physical security and consumer and fair practices compliance. Our Legal department actively supports our compliance efforts and is responsible, together with our financial reporting team, for our SEC and public reporting obligations. Our internal audit function also plays a critical role in auditing and testing our controls and procedures.

## Compliance Training

Our underlying belief is that compliance is everyone's responsibility, with everything they do, every day. We maintain an annual compliance training program, which applies to all colleagues and is customized to each colleague's role within the company.

In 2020, colleagues completed more than 100 training modules on topics such as anti-money laundering and the Bank Secretary Act, identity theft, Gramm-Leach Bliley privacy, the Bank Bribery Act, the Sarbanes-Oxley Act, the Community Reinvestment Act, diversity in the workplace and the Americans with Disabilities Act.

## Whistleblower Policy

We maintain a comprehensive whistleblower policy in furtherance of our commitment to conduct our affairs in compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. The policy establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal control or auditing matters. The policy also provides a process for colleagues to submit confidential, anonymous concerns regarding questionable accounting or auditing matters. Our Audit Committee oversees the administration of the whistleblower policy and determines the application of corrective action as appropriate. Additionally, we maintain an InTouch reporting system, through which colleagues can report possible fraudulent actions, policy violations, inappropriate behavior or unethical or unlawful conduct they witness. Reports can be made anonymously.

# Information Security

First Midwest recognizes the importance of maintaining our clients' trust with respect to their confidential financial information, and we devote significant attention to managing cybersecurity risk. We maintain a comprehensive information and cybersecurity program that combines administrative, technical and operational security safeguards.

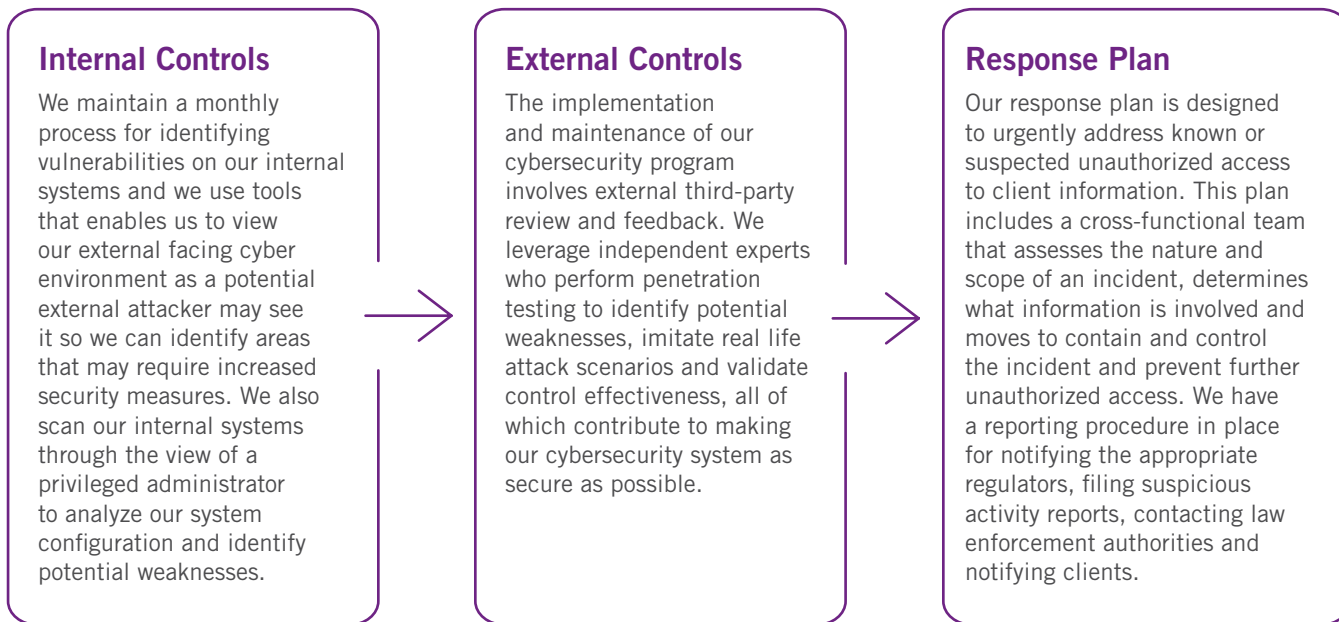
## Program Structure and Governance

Information and cybersecurity risk oversight is a component of First Midwest's enterprise risk management framework. Our Board of Directors oversees the management of information and cybersecurity risk and senior management is responsible for the design and implementation of the policies, processes and procedures used to address and mitigate this risk. The Board and our Enterprise Risk Committee receive periodic reports from senior management on the effectiveness of our information and cybersecurity program and review our inherent risks, the plans and programs designed to address these risks and our progress in doing so.

External parties, including expert cybersecurity firms, penetration testers and banking regulators, annually assess our information and cybersecurity program. We use the findings to analyze the effectiveness of our program and to identify opportunities to address and remedy any residual risks. In addition, we maintain robust cyber insurance.

## Implementation and Maintenance

First Midwest's cybersecurity controls are designed using the widely recognized National Institute of Standards and Technology's Cybersecurity Framework, which provides a holistic approach to implementing information and cybersecurity safeguards throughout our infrastructure.



## Continuous Colleague Training

At First Midwest, we expect each colleague to be responsible for the security and confidentiality of sensitive information. Our colleagues complete privacy and information awareness training on an annual basis. For our executives and those who have privileged administrator access to our systems, we provide additional targeted awareness courses that discuss specific threats that may pertain to them based on their role. We also use a phishing awareness service that creates simulated phishing attacks and provides training to any colleagues who fail to identify the simulations as phishing.

# Environmental Responsibility

We recognize the opportunity to advance economic and social impact through sustainable and environmentally conscious business operations. As we build on our strong foundation of operating our business responsibly and efficiently, we do so with a sharp focus on long-term sustainability.

## Climate Change

We are committed to taking a holistic approach to climate risk. Teams from across First Midwest Bank have undertaken to analyze the impact of climate change on our business and operations, including our credit portfolio.

## Sustainable Facility Management

Our investment in our physical footprint is at the forefront of our sustainability initiatives. This footprint includes our headquarters, located in Chicago, as well as more than 100 branch and operating centers located throughout the Midwest. We have focused on reducing our environmental impact at each of these locations to reduce our overall organizational climate impact.

### Energy Efficiency



Installed **HVAC controls** in properties to better monitor, implement and control energy-saving techniques



Implemented a **LED light replacement program**, converting more than 96% of exterior lighting and 50% of interior lighting

### Recycling and Waste Reduction

In 2020, we continued our recycling and shredding program, resulting in the recycling of

930,000 pounds = 465 tons  
of material translating to:



~8,000 trees saved



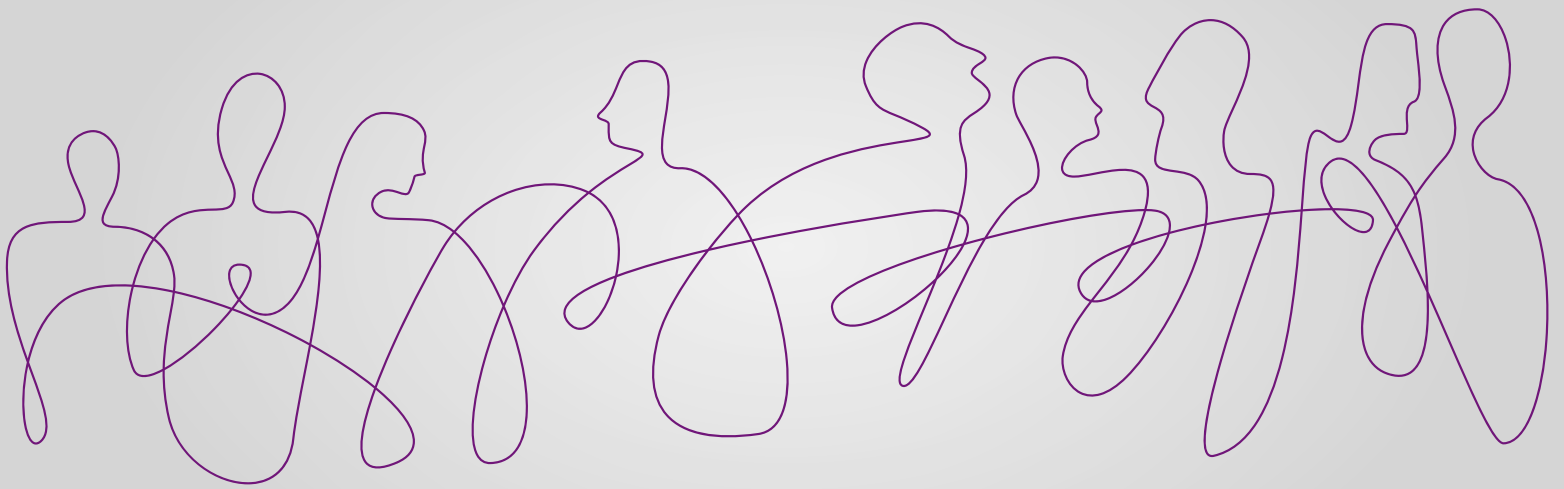
3.2 million gallons in saved water



~28,000 pounds of eliminated pollutants



1.9mm kilowatts in saved energy



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