



## **PUBLIC DISCLOSURE**

April 18, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Lake Forest Bank & Trust Company, National Association  
**Charter Number 25149**

727 North Bank Lane  
Lake Forest, IL 60045

Office of the Comptroller of the Currency

Midsized Bank Supervision  
425 South Financial Place, Suite 2700  
Chicago, IL 60605

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Outstanding**.

The following table indicates the performance level of **Lake Forest Bank & Trust Company, National Association** (Lake Forest) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Lake Forest Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Based on the data in the Tables and applicable performance context discussed in this evaluation, the overall geographic distribution of loans was excellent and overall borrower distribution of loans was good.
- Community development (CD) loans offered were effective in helping the bank address community credit needs and had a significantly positive impact on the bank’s lending test rating. The bank is a leader in CD loans. Lake Forest originated a significant volume of CD loans under various programs. In addition, the bank uses flexible loan programs to effectively serve additional community credit needs.
- Qualified investments were effective and very responsive in helping the bank address CD needs. The bank made a significant level of investments, grants, donations and contributions to many local as well as regional qualified CD groups and programs.
- The bank’s retail locations and alternative delivery systems were effective and responsive in helping the bank provide meaningful financial services across the community. The service delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area (AA).
- CD services were effective and responsive in helping the bank address CD needs. The significant number of financial services serving CD needs provided a significantly positive impact in the community and were consistent with the bank’s capacity and financial expertise.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family

households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

Lake Forest is a \$3.6 billion intrastate financial institution headquartered in Lake Forest, IL. Lake Forest is a subsidiary of Wintrust Financial Corporation (Wintrust). The bank was chartered in 1991 and currently has seven offices and 13 ATMs. Lake Forest did not have any merger or acquisition activity during this evaluation period nor did the bank open or close any branches since the last CRA evaluation.

Wintrust is a financial services holding company based in Rosemont, IL, with total assets of approximately \$30 billion. Wintrust's footprint is centered in the Chicago metropolitan area extending into southern Wisconsin and northwest Indiana. Wintrust operations consist of three primary segments: community banking; specialty financing; and wealth management. Under community banking Wintrust has 15 wholly-owned-banking subsidiaries and operates a national mortgage operation to originate and sell residential mortgages into the secondary market. This nation-wide mortgage operation is conducted through a division of one of its banking subsidiaries. The community banking group accounts for 81.7 percent of Wintrust's total assets and operates 157 banking locations. Specialty finance services include commercial insurance premium financing First Insurance Funding (FIFCO) offered through a division of Lake Forest. Other specialty finance services include lease financing and short-term accounts receivable financing offered through other Wintrust subsidiaries. Wintrust also offers a full range of wealth management services primarily to community banking customers through three separate subsidiaries. All products and services discussed are available to Lake Forest customers.

As of December 31, 2017, Lake Forest reported total equity capital of \$382.7 million and Tier One Capital of \$347.9 million. The bank's primary business strategy is commercial lending with commercial and industrial loans representing 68.4 percent of the bank's total loan portfolio and an additional 14.0 percent in non-farm non-residential real estate secured loans. One-to-four family residential lending represents 6.2 percent and consumer loans are 4.9 percent of the bank's total loan portfolio. In addition to the insurance premium financing product, Lake Forest offers other specialty niche lending programs: insurance agencies doing business under the insurance premium financing program; franchise lending to restaurant franchisees across the nation; and executive partnership loans financing a client's investment in their respective accounting and/or consulting firm. Niche lending for Lake Forest in 2016 and 2017 represented 53.3 percent and 54.6 percent, respectively of the bank's reported small business loans. Lake Forest has elected not to take into consideration any affiliate lending (primarily residential mortgages) for this evaluation period. We took into consideration the bank's business strategy of having significant regional and nation-wide lending programs, when assessing the bank's lending performance within its assessment area (AA) versus outside the AA. It is noted that a full array of residential mortgage products and services are readily available to all consumers through referrals to the bank's affiliated full service mortgage originator. Wintrust has mortgage originators available to meet with any potential applicant at any office. With commercial lending being the bank's primary business strategy our review of the bank's lending performance weighted small business lending performance more than home mortgage and consumer lending.

Lake Forest, as of 2017, delineates 101 census tracts in Lake County, IL and 65 adjacent census tracts in northern Cook County, IL as the bank's AA. Lake County, IL is part of the Lake County-Kenosha County IL-WI Metropolitan Division (MD) (Lake County MD.) Cook County is part of the Chicago-Naperville-Arlington Heights, IL MD (Chicago MD.) Combined these areas are part of the Chicago-Naperville-Elgin, IL-IN-WI MSA (Chicago MSA) and our data presentation in Appendix C is reflected on the MSA level. We analyzed the bank's lending performance data separately for each MD. It is noted that aggregate lending as shown in the tables for small business lending is skewed as the data is run on a county level and the bank has delineated only 5 percent of the census tracts in Cook County (65 out of 1,320 census tracts) and in Lake County the bank delineated only 66 percent of the census tracts (101 out of 154 census tracts.) As such, actual bank small business lending performance to the relative AA demographics was given a higher weight factor than the bank's Chicago MSA aggregate small business lending performance.

Federal Deposit Insurance Corporation (FDIC) deposit market share data dated June 30, 2017, for Lake County and Cook County shows Lake Forest had a 0.91 percent market share making it the 16<sup>th</sup> largest deposit holder out of 123 financial institutions (top 13 percent.) JP Morgan Chase, Bank of America, and BMO Harris Bank NA had the three top deposit market share positions with a combined market share of 48.4 percent. Other national and regional banks were also present in the market place making financial services competition very high. Also within the bank's delineated AA is the Great Lakes Naval Station. The Great Lakes Naval Station is the largest training center in the Navy and the largest military installation in IL. The Great Lakes Naval Station encompasses four census tracts, two are moderate-income and two are unknown- or unclassified-income census tracts. Besides the transitory nature of the service members coming to the station for training, there is no homeownership or businesses within these tracts. All combined this segment of the bank's delineated AA is a challenge to penetrate.

There are no known financial hardships or legal restrictions for Lake Forest that would negatively impact or impede CRA performance during this evaluation period. The bank was rated OUTSTANDING at the prior CRA evaluation dated February 29, 2016.

## Scope of the Evaluation

The evaluation period for this CRA assessment is February 29, 2016, through December 31, 2017. All CD activities and transactions between those dates were taken into consideration. Lake Forest's performance under the lending test covers the time period January 1, 2015, through December 31, 2017. The bank's lending test performance for the years 2015 and 2016 were evaluated on a combined basis. Due to changes in census data effective in 2017, lending performance in 2017 was evaluated separately. As stated above the bank's primary loan category is small business lending, in addition the bank provided sufficient loan data on consumer lending to warrant analysis. With the low volume of reported home mortgage lending, we combined loan types (home purchase, home improvement and refinancing) together making the geographic and borrower home mortgage lending analysis more meaningful.

During a community tour of the bank's AA we visited with six different community representatives. Our contacts included two affordable housing advocates; one small business training center; one high school educational facility; one immigrant advocacy group; and one mayor of a local municipality. While the bank's AA is generally viewed as a wealthy suburban area, there are many credit needs identified within the community especially for the low- and moderate- income areas and for low- and moderate- income persons living in the AA. Affordable housing is a predominate need particularly in light of the very high cost of housing in the area. Educational services are needed to provide strong or alternative opportunities to low- and moderate-income students. Small business development and training is needed to lead successful and sustainable economic redevelopment in low- and moderate-income areas. Health care and legal assistance are also needed CD services.

## Selection of Areas for Full-Scope Review

The Chicago MSA was evaluated as a full-scope review.

## Ratings

The bank's overall rating was based on the area that received full-scope reviews.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated Outstanding. Based on a full-scope review, Lake Forest's overall lending test performance in the Chicago MSA was excellent.

#### Lending Activity

Based on the data in Table 1 Lending Volume and Table 1 Other Products in appendix C, along with the bank's deposit, home mortgage and small business lending market share data, Lake Forest originated a significant volume of loans in the AA relative to its capacity and business strategy. Lake Forest demonstrated a high response level to community needs.

- The proportion of small business loans was greater than the proportion of bank deposits for Lake and Cook Counties, IL. Lake Forest was ranked 16<sup>th</sup> out of 123 or the top 13 percent of financial institutions for market share for deposits and for small business loans the bank was ranked 14<sup>th</sup> out of 127 or the top 11 percent of small business lenders. The top five market share small business lenders were predominately credit card lenders with a combined total market share of 77.9 percent and an average loan size of \$11 thousand. Lake Forest had a small business market share of 0.6 percent and an average loan size of \$62 thousand.
- The bank's volume of consumer and home mortgage lending was adequate during this evaluation period. It is also noted that the bank's affiliated mortgage lending financial institution was listed in the top ten of mortgage lenders for market share in the AA for both home purchase and home refinance lending.
- The bank's volume of CD lending was significant in the AA and represented 16.4 percent of Tier One Capital. The vast majority (81.8 percent) of the CD loans in the AA were for affordable housing, a known credit need in the AA.

#### Distribution of Loans by Income Level of the Geography

##### *Home Mortgage Loans*

Based on the data in Tables 2, 3, 4 and 5 in appendix C, the bank's overall geographic distribution of home mortgage loan originations and purchases for this evaluation period was good.

- For 2015 and 2016 combined, the proportion of home mortgage loans in low-income geographies was stronger than the percentage of owner-occupied housing units in those geographies. The combined proportion of home mortgage loans in moderate-income

geographies was comparable to the percentage of owner-occupied housing units in moderate- income geographies.

- The bank's overall performance in home mortgage lending in low- and moderate-income geographies was comparable to the aggregate distribution of loans in those geographies.
- The bank's home mortgage lending in 2017 was consistent with 2015 and 2016.

### ***Small Loans to Businesses***

Based on the data in Table 6 in appendix C, the bank's overall geographic distribution of small business loan originations and purchases for this evaluation period was excellent.

- For 2015 and 2016 overall, the distribution of the bank's small business loans in low- and moderate-income geographies was excellent. The proportion of small business loans in both low- and moderate-income geographies was significantly stronger than the percentage of AA businesses located in those low- and moderate-income census tracts.
- Even with the skewed demographics on the small business aggregate lending, the bank's overall performance for small business lending in low- and moderate-income geographies was consistent with the aggregate distribution of loans in those geographies.
- The bank's small business lending in 2017 was consistent with 2015 and 2016.

### ***Consumer Loans***

Based on the data in Table 13 in appendix C, the bank's overall geographic distribution of consumer loan originations and purchases for this evaluation period was excellent.

- For 2015 and 2016, overall the distribution of the bank's consumer loans in both low- and moderate-income geographies was excellent. The proportion of consumer loans in both low- and moderate-income geographies was significantly stronger than the percentage of AA households located in those low- and moderate-income census tracts.
- The bank's consumer lending in 2017 was consistent with 2015 and 2016.

### **Lending Gap Analysis**

We performed a lending gap analysis that included a review of reports and maps showing the distribution of branches, applications and loans. We did not identify any unexplained conspicuous lending gaps in the bank's AA.

### **Inside/Outside Ratio**

A high percentage of Lake Forest's home mortgage loans were originated in the AA (69.9 percent) and a substantial majority of the bank's consumer loans were originated in the AA

(84.6 percent). For small business lending, excluding the specialized national niche lending programs described above (Description of the Institution), the bank reports a substantial majority of small business loans originated during this evaluation period inside the AA (80.1 percent). By dollar volume, all of these loan categories had ratios higher than 50 percent for loans originated within the bank's AA.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Based on the data in Tables 8, 9, and 10 in appendix C and the following performance context considerations, the bank's overall borrower distribution of home mortgage loan originations and purchases for this evaluation period was adequate.

- High home costs in the bank's AA raise homeownership affordability hurdles, especially for low- and moderate-income borrowers. The AA's median housing value was just under \$400 thousand. The maximum income level for low-income borrowers was under \$40 thousand making the median housing value greater than nine times the maximum low-income level. The maximum income level for moderate-income borrowers was under \$63 thousand making the median housing value greater than five times the maximum moderate-income level. Please refer to the AA Market Profile Table for further details.
- The proportion of loans to low- and moderate-income borrowers compared to the proportion of low- and moderate-income families was negatively impacted by the ratio of median housing value to income in the AA. The bank's lending performance was adequate given that context.
- Overall the bank's home mortgage lending to low-income borrowers was comparable to aggregate lending reported for Lake and Cook Counties for low-income borrowers. The bank's home mortgage lending to moderate-income borrowers exceeded aggregate lending to moderate-income borrowers.
- The bank's home mortgage lending in 2017 was consistent with to 2015 and 2016.

### ***Small Loans to Businesses***

Based on the data in Table 11 in appendix C, the bank's overall borrower distribution of small business loan originations and purchases for this evaluation period was good.

- For 2015 and 2016 over 36 percent or 524 of the reported loans did not have revenue data available to analyze. Of these 524 loans, 509 loans were FIFCO loans. To analyze the size distribution of FIFCO loans we used loan size as a proxy and determined that only 22 loans or 4.3 percent were greater than \$100 thousand and only eight loans or 1.6 percent were greater than \$250 thousand. The average loan size for the FIFCO portfolio taken into consideration for this evaluation was just over \$22 thousand.

- The analysis of the bank’s non-niche small business lending reflected less than 1 percent of the loans without reported revenues and 69.9 percent of the loans had revenues of \$1 million or less. This was consistent with the percentage of businesses in the AA with revenues of \$1 million or less.
- The bank’s small business lending in 2017 was consistent with 2015 and 2016.

### **Consumer Loans**

Based on the data in Table 13 in appendix C, the bank’s overall borrower distribution of consumer loan originations and purchases for this evaluation period was excellent.

- For 2015 and 2016 the bank’s distribution of reported consumer loans to both low- and moderate-income borrowers was excellent. The percentage of loans made to both low- and moderate-income borrowers was significantly stronger than the proportion of low- and moderate-income households in the bank’s AA.
- The bank’s consumer lending in 2017 was consistent with 2015 and 2016.

### **Community Development Lending**

Based on the data in Table 1 Lending Volume in appendix C, CD lending was excellent. CD lending had a significantly positive impact on the lending test conclusion in the Chicago MSA.

- The level of CD lending in the AA was excellent. Lake Forest made 32 CD loans in its AA for a total of \$57.2 million, which represented 16.4 percent of Tier One Capital. Twenty-three of these loans (71.9 percent) for a total of \$46.8 million (81.8 percent) were for the primary purpose of affordable housing. Affordable housing was a critical CD need in the bank’s AA. Another noted CD need for the AA was economic development. The bank extended two CD loans for \$5.2 million for the primary purpose of economic development, as well as three CD loans (\$4.8 million) for revitalization and stabilization of the AA. The remaining CD loans were to facilitate the provision of CD qualified services in the AA.
- In addition, due to the excellent responsiveness to CD needs within the bank’s AA, we took into consideration an additional 24 CD loans extended by Lake Forest in a broader statewide or regional area. These supplementary loans totaled an additional \$67.6 million loaned by the bank for qualified CD purposes. The CD loans outside of the AA that were taken into consideration were primarily centered in revitalization and stabilization of low- or moderate-income areas in the state or regional area of the bank. Thirteen of the 24 loans (54.2 percent) for \$42.6 million (63.1 percent) had a primary purpose of revitalization and stabilization of low- or moderate-income areas.

Examples of CD loans in the AA include:

- Lake Forest provided over \$40 million in working capital lines of credit or loans to five different AA nursing home facilities that predominately serve Medicaid residents. These lines of credit or loans allowed for the purchase or rehabilitation of senior residential homes

to allow the highest quality of resident care and rehabilitation services, offering highly trained onsite staff and state-of-the-art clinical facilities that primarily served low- and moderate-income seniors.

- The bank financed the purchase of a vacant retail property located in a moderate-income census tract and rehabilitation of that property into a coeducational college preparatory high school campus that caters its corporate work internship school program to low- and moderate-income students. Part of the financing package included the use of New Market Tax Credits reflecting the bank's use of a complex transaction to assist in revitalizing a moderate-income census tract and provide educational opportunities to local low- and moderate-income youth. Lake Forest also provided the school with a working line of credit to support cash flow for current operations.

### **Product Innovation and Flexibility**

Lake Forest used innovative and flexible lending programs in order to further serve AA credit needs. Under each of the programs discussed below the bank originated a significant number of loans during this evaluation period.

- Lake Forest offered financing for the U.S. Small Business Administration (SBA). Wintrust established a specialty SBA lending department within one its financial subsidiaries. These specialized lenders were shared with Lake Forest and other lending affiliates. The SBA products offered included: 7A Program; 504 Program; Express Program; and SBA CAP Lines. Lake Forest also offered in-house Small Business Micro Loans and Small Business Overdraft Protection Lines. These specific products were tailored to effectively meet the credit needs of small businesses with annual revenues of less than \$1 million.
- A full array of mortgage products, including Federal Housing Administration and Veterans Affairs loans were available through the mortgage origination operations of the bank's financial affiliate. In 2017, an innovative program to provide down payment, closing cost, or escrow assistance to low- or moderate-income borrowers was implemented (Wintrust Community Bank Down Payment Program). For the 2017 program year, the maximum grant was \$2,000 per household. Funds were made available through multiple HUD-approved non-profit agencies across the Wintrust footprint. The assistance provided was in the form of a grant paid on behalf of the borrower at the time the borrower closed on a first mortgage for a home purchase and was fully forgiven at closing. The innovative segment of this grant program was that Wintrust did not mandate the borrower use a Wintrust mortgage loan product to qualify for the grant.
- Wintrust group also developed a couple of flexible small dollar fixed rate consumer loan programs in amounts up to \$2,500 with rates lower than most credit cards or other fast cash loans. The Everyday Loan programs were designed specifically for low- and moderate-income individuals in the bank's AA. The Everyday Small Dollar Loan product was an unsecured consumer installment loan for any personal purpose. The Certificate of Deposit Secured Loan product was set for individuals looking to establish or improve their credit reporting data.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chicago MSA was excellent.

Based on the data in Table 14 in appendix C and the following performance context considerations, the bank's level of qualified CD investments, contributions and grants was excellent.

- CD investment opportunities were somewhat limited as the bank's AA was primarily affluent with a high majority of census tracts (78.7 percent) being middle- or upper-income tracts. It was also noted that the market for qualified CD investments was very competitive and crowded with a high number of financial institutions vying for all qualified investments.
- The bank made a significant number of qualified investments. Over the CD evaluation period of 23 months the bank's dollar amount of the investments in the Chicago MSA represented 4.8 percent of the bank's Tier One Capital. Lake Forest had an additional five investments representing 1.4 percent of Tier One Capital in unfunded commitments.
- The bank exhibited an excellent level of responsiveness to the CD needs in the AA. Lake Forest had 120 current- and prior-period investments totaling \$16.7 million. These investments met community needs by investing in organizations that provided needed CD services to low- and moderate-income persons. These services included providing health care and educational opportunities, as well as job and financial training to low- and moderate-income persons. The bank was especially active in supporting local school districts that predominately serve low- and moderate-income families. Affordable housing was supported by the purchase of Illinois Housing Development Bonds and contributions to local affordable housing corporations for various loan pools for use by low- and moderate-income borrowers.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chicago MSA was excellent.

### Retail Banking Services

Based on the data in Table 15 in appendix C, and the following performance context considerations the bank's retail service performance was excellent.

- Lake Forest's delivery systems were readily accessible throughout the AA. The bank operated seven branch offices in the AA, one drive-up facility and 13 ATMs. Overall, the

bank had a significant number of branches and ATMs compared to the population distribution in low- and moderate-income geographies. The bank's distribution of branches in low-income geographies exceeded and in moderate-income geographies was near to the percentage of the AA population living within those geographies.

- The bank made good use of alternative delivery systems through debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. The bank had 13 ATMs in the AA; all were deposit-taking. The bank placed a new full-service ATM at Rosalind Franklin University, North Chicago, IL, which was located in a moderate-income census tract during this evaluation period. This campus is located next to the Captain James A. Lovell Federal Health Care Center (VA Hospital). The bank's ATM distribution in both low- and moderate-income geographies exceeded the percentage of the AA population living in those geographies. These systems provided additional delivery availability and access to banking services for both retail and business customers.
- Lake Forest's record of opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. No branches were opened or closed during this evaluation period.
- The bank's hours and services did not vary in a way that inconvenienced certain portions of the AA, particularly low- and moderate-income individuals or low- and moderate-income geographies. Lake Forest maintained standard business hours and offered traditional banking products, mortgage, consumer and small business lending and services at all branch locations in the AA.

## **Community Development Services**

Based on the level of CD services and the following performance context considerations, the bank's provision of CD services was excellent.

- Lake Forest was a leader in providing CD services in the AA. Of the 54 different organizations bank employees, senior management and members of the board of directors participated with, 50 represented leadership roles within those different organizations. Ten different bank representatives reported 4,620 hours dedicated to CD services during this evaluation period, representing over 200 hours per month. The bank worked with five different affordable housing advocacy groups and 46 CD service organizations that brought educational and health care, as well as affordable housing options, to low- and moderate-income persons and families throughout the AA. The bank also worked with two economic development organizations and one active revitalization agency in the AA.

Notable examples include:

- Money Smart is a comprehensive financial education curriculum designed to help low- and moderate-income individuals outside the financial mainstream enhance their financial skills and create positive banking relationships. Financial education fosters financial stability for individuals, families, and entire communities. The bank provided the Money Smart curriculum to consumers free of charge in several versions over the evaluation period.

Additionally, Wintrust is a FDIC Money Smart Alliance member and works diligently to ensure clients receive the most current training and materials within the Money Smart curriculum.

- A new development planned for North Chicago on the corners of Martin Luther King Jr. Drive & Sheridan Road, will be anchored by the National Museum of the American Sailor that will bring national notoriety. A new main flag 100-room hotel is planned on-site as well as a first run movie theatre. This site sits across from the 18,000 acre Great Lakes Naval Station. Great Lakes Naval Station is the largest recruit training station for the Navy in the country. The bank worked closely with the City of North Chicago to complete plans and financing options for this vital redevelopment project.
- Community Partners for Affordable Housing (CPAH) provides access to quality housing that will be permanently affordable for current and future generations. It has ten core principles, including perpetual affordability, community vibrancy, support, sustainability, and advocacy and education. The perpetual affordability principle states that CPAH will provide housing opportunities for low- and moderate-income households that will remain affordable for future generations. Most homes were limited to households earning less than 80 percent of the Chicago Area Median Income. A bank officer was a member of the board of directors for CPAH and provided technical assistance on financial matters such as budget and financial reporting.
- Family Services strengthens families, the majority of which are low-income, through counseling, education and related support services. It helps individuals succeed at school, at work, in relationships and within the community. A bank officer was a member of the board of directors and a member of the finance committee for this organization.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/2015 to 12/31/2017 Investment and Service Tests and CD Loans: 02/29/2016 to 12/31/2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Lake Forest Bank and Trust Company, NA (Lake Forest)	HMDA Small Business Consumer	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Chicago MSA	Full Scope	

## Appendix B: Community Profiles for Full-Scope Areas

### Chicago MSA

Demographic Information for Full-Scope Area: Chicago MSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	164	5.49	14.63	23.78	54.88	1.22
Population by Geography	726,504	4.37	16.06	24.87	54.09	0.61
Owner-Occupied Housing by Geography	198,895	2.25	11.70	24.52	61.53	0.00
Businesses by Geography	51,115	1.26	8.84	21.22	68.67	0.01
Farms by Geography	899	2.45	13.01	24.81	59.73	0.00
Family Distribution by Income Level	187,469	16.75	14.91	18.27	50.07	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	59,354	9.07	28.76	30.25	31.91	0.01
Median Family Income (MFI)	= \$73,320					
FFIEC Adjusted Median Family Income for 2017	= \$75,525					
Households Below the Poverty Level	= 6%					
				Median Housing Value	= \$396,739	
				Unemployment Rate	= 3.48%	

\* The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2017 Federal Financial Institutions Examination Council (FFIEC) updated MFI.

As of 2017, Lake Forest’s AA consists of 101 census tracts in Lake County, IL, and 65 contiguous census tracts in northern Cook County, IL. The AA consists of two-thirds of all the census tracts in Lake County and 5 percent of all the tracts in Cook County. Lake County, IL is part of the Lake County-Kenosha County, IL-WI MD. Cook County, IL is part of the Chicago-Naperville-Arlington Heights, IL MD. The AA meets regulatory requirements.

Lake Forest’s AA is part of the suburban region that lies north of the City of Chicago. The population of the Lake Forest AA is 728,000, 59 percent of which is in Lake County and 41 percent of which is in Cook County. Lake County, with a population of more than 703,000, is the third most populous county in the Chicago area and in IL, while Cook County has a population of more than 5 million. The FFIEC 2017 estimated median family income (MFI) in Lake County was \$91,600, which was 18 percent higher than for the Chicago MSA. The 2017 MFI in Cook County was \$70,076, which was 6 percent lower than for the Chicago MSA. Of the 38 low- and moderate-income census tracts in the Lake Forest AA, 82 percent are in Lake County and 18 percent are in Cook County.

As of June 30, 2017, Lake Forest had a deposit market share in Lake and Cook Counties of 0.91 percent, which ranked 16<sup>th</sup> out of 123 financial institutions gathering deposits in both counties. JP Morgan Chase Bank, Bank of America and BMO Harris Bank held the top three market shares, which together constituted nearly 50 percent of the deposit market in the two counties. Of the fifteen banks with larger deposit market shares than Lake Forest, eight are large banks headquartered out of state and with operations in many states. In addition, six of Lake Forest’s competitors are regional banks comparable in size to the combined banks owned by Wintrust. Lake Forest gathers all of its deposits from seven branches on the eastern

edge of Lake County. In Lake County, IL alone, Lake Forest ranked second with a deposit market share of 12.6 percent.

The Chicago area as a whole is growing more slowly than the U.S. economy, but unemployment in Lake Forest's AA overall is low. As of February 2018, it was 4.3 percent in the Lake-Kenosha MD, and 5.3 percent in the Chicago-Naperville-Arlington Heights MD, compared to the national unemployment rate of 4.1 percent on the same date.

Large employers headquartered in Lake Forest's AA include Fortune 500 companies such as Walgreens Company, pharmaceutical manufacturers Abbott Labs and Baxter International, snack food maker Mondelez International, and Discover Financial Services, but many smaller retail, manufacturing and commercial businesses constitute an important share of the economy in the AA. The largest industry sectors providing employment in the AA include Professional, Scientific, and Technical Services; Construction; Other Services; and Retail Trade.

Lake Forest's AA is predominantly affluent, and the housing and employment markets function well. Education attainment levels and incomes are high and unemployment is low throughout the AA. However, LMI areas in the Lake Forest AA, which are clustered largely in the northeast corner of Lake County, suffer from higher rates of unemployment than in the rest of the AA, the county and the region. They also experienced stagnant wages, continuing home foreclosures, and slowly recovering residential real estate values compared to the rest of the AA, the county and the region. These communities also have lower homeownership rates than the rest of the area. These conditions give rise to needs for workforce development, small business development and financing, homeowner and homebuyer counseling, down payment and closing cost assistance, flexible home mortgage products, financial education, additional affordable housing, and a variety of social services.

While qualified investments are limited, opportunities and partners for responding to these needs in Lake Forest's AA are available. They include nonprofit, municipal and county-level business development and workforce training initiatives; active SBA 504 certified development companies; a nonprofit micro lender to small businesses that serves the region; many nonprofit organizations devoted to affordable housing development; organizations engaged in housing counseling and financial education; multiple regional community development financial institutions that meet a wide range of community development financing needs in conjunction with banks; and many nonprofit social service organizations.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and

purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Chicago MSA	100.00	64	35,942	1,448	119,354	0	0	32	57,152	1,544	212,448	100.00
Regional Area								24	67,584			

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from June 01, 2014 to December 31, 2017.

\*\*\* Deposit Data as of July 11, 2018. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Chicago MSA	100.00	218	12,146	0	0	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of July 11, 2018. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016	
Assessment Area (2016):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Chicago MSA	218	12,146	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	34	100.00	2.25	0.00	11.70	5.88	24.52	17.65	61.53	76.47	1.40	10.91	26.06	61.63

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	%BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	17	100.00	2.25	5.88	11.70	17.65	24.52	17.65	61.53	58.82	1.26	5.04	17.64	76.06

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Chicago MSA	10	100.00	2.25	10.00	11.70	10.00	24.52	0.00	61.53	80.00	0.41	5.04	18.95	75.60					

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	3	100.00	5.57	0.00	20.17	66.67	38.84	0.00	35.42	33.33	10.34	20.69	54.31	14.66

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Chicago MSA	1,448	100.00	1.26	2.28	8.84	9.25	21.22	19.96	68.67	68.51	4.55	17.24	33.38	44.83					

\* Based on 2016 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2016).

**Table 7a. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Chicago MSA	0	0.00	2.45	0.00	13.01	0.00	24.81	0.00	59.73	0.00	3.45	16.55	33.10	46.90	

\* Based on 2016 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2016).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>1</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	34	100.00	16.75	9.38	14.91	15.63	18.27	15.63	50.07	59.38	7.86	14.17	18.91	59.06

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 27.3% of loans originated and purchased by BANK.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	17	100.00	16.75	11.76	14.91	11.76	18.27	11.76	50.07	64.71	4.54	7.17	15.53	72.76

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago MSA	10	100.00	16.75	0.00	14.91	12.50	18.27	12.50	50.07	75.00	2.79	6.99	15.03	75.19

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 31.3% of loans originated and purchased by BANK.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Chicago MSA	1,448	100.00	81.92	44.61	81.49	8.29	10.22	147,405	58,864

\* Based on 2016 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.90% of small loans to businesses originated and purchased by the bank.

**Table 12a. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Chicago MSA	0	0.00	90.77	0.00	0.00	0.00	0.00	148	58

\* Based on 2016 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2016).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 13. Geographic and Borrower Distribution of Consumer Loans**

Geographic and Borrower Distribution: CONSUMER LOANS										Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area:	Geographic Distribution										Borrower Distribution								
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	
<b>Full Review:</b>																			
Chicago MSA	218	100.00	3.99	20.18	15.36	28.90	26.76	20.64	53.88	29.82	19.34	44.95	14.95	16.97	16.43	8.72	49.28	21.10	

\* Consumer Loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of households is based on 2010 Census information.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ILLINOIS			Evaluation Period: FEBRUARY 29, 2016 TO DECEMBER 31, 2017				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Chicago MSA	15	9,209	105	7,511	120	16,720	100.00	5	5,006

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings / Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS / CLOSINGS																	
Geography: ILLINOIS																	
Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Chicago MSA	100.00	7	100.00	14.29	14.29	0.0	71.42	0	0	0	0	0	0	4.37	16.06	24.87	54.09

