



PUBLIC DISCLOSURE

April 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Resource Bank, National Association
Charter Number 5815

555 Bethany Road, DeKalb, IL 60115

Office of the Comptroller of the Currency

Chicago Field Office
2001 Butterfield Road, Suite 400
Downers Grove, IL 60515

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: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors supporting the bank's rating include:

- The average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and credit needs of their assessment area (AA).
- The bank originated the majority of loans in their AA.
- The bank's lending to businesses and farms of different revenue sizes reflects reasonable distribution.
- The geographic distribution of small business and farm loans originated in moderate-income census tracts is excellent.
- The bank's combined community development (CD) loans, investments, and services reflect excellent responsiveness to the CD needs in their AA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation (PE), including the Community Reinvestment Act 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 metropolitan area/AA.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. CTs 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. CTs 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 AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

Community Reinvestment Act (CRA): The statute that requires the Office of the Comptroller of the Currency (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 CT 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 metropolitan area/AA.

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 (MD): 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 MD 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 (MSA): 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 MSA 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 CD.

Rated Area: A rated area is a state or multi-state MA. 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 MA, the institution will receive a rating for the multi-state MA.

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

Resource Bank, National Association (bank or RBNA) is a \$473 million intrastate community bank located in DeKalb, IL. The bank is a 100 percent owned subsidiary of Resource Bancshares, Inc. (RBI). RBI is a one-bank holding company also located in DeKalb, IL. RBI has no other affiliations. The bank received a “Satisfactory” rating at the last CRA evaluation dated July 5, 2016. Since that time, there have been no changes to the corporate structure or mergers or acquisitions. However, the bank opened one loan production office in May 2017 in Geneva, IL.

The bank’s AA contains 22 CTs. Aside from the main location, the bank has eight additional full service branch offices in DeKalb County and one full service branch office in Kane County. Each office contains full-service Automatic Teller Machines (ATMs). Most offices have Sunday hours and all have late evening hours during the week. In addition to physical locations, the bank offers an array of online banking options.

Resource Bank, National Association Branch Locations		
Main Office	555 Bethany Road	DeKalb, IL
DeKalb Office	775 S. Annie Glidden Road	DeKalb, IL
Cortland Office	10 W. North Avenue	Cortland, IL
Genoa Office	310 State Highway 23	Genoa, IL
Hampshire Office (Kane County)	135 W. Oak Knoll Drive	Hampshire, IL
Hinckley Office	280 E. Lincoln Avenue	Hinckley, IL
Malta Office	201 State Route 38	Malta, IL
Shabbona Office	102 S. Indian Road	Shabbona, IL
Somonauk Office	605 E. Market Street	Somonauk, IL
Sycamore Office	351 N. Main Street	Sycamore, IL

The competition in the bank’s AA is significant. The Federal Deposit Insurance Corporation (FDIC) deposit market share report as of June 30, 2018 included 36 institutions with 185 offices in the bank’s AA. RBNA ranked 10th with 3 percent of market share and 10 locations, behind institutions such as JP Morgan Chase (16 percent market share), Old Second (10 percent market share), and BMO Harris Bank, N.A. (8 percent market share) with a combined 47 locations.

The bank’s strategic focus is to be an independent community bank that provides full service banking, investment, and trust services in all branch locations. RBNA works to build lifelong customer relationships by providing value-added benefits and financial solutions for their customers. As of December 31, 2018, total assets were \$473 million, tier one capital was \$44 million, and total loans were \$300 million or 63 percent of total assets. Not included in total loans are the brokered loans, which totaled \$53 million during the evaluation period.

The bank is primarily a commercial/business lender and is a Small Business Administration (SBA) Preferred Express Lender. Agriculture/farm lending is the bank’s second primary lending product. RBNA established the *Be a Farmer Program* to help new farmers launch their own farm business. The bank’s third primary lending product is one- to four-family real estate mortgage loans, which were not included in this evaluation. The bank established a *Simple*

Homeowner Loan to provide quick small loans to homeowners. We provide further details on these products in the *CD Test* section of the Public Evaluation (PE).

The following table provides a breakdown of the bank’s loan originations by product type during the evaluation period.

Loan Category	Dollars (Millions)
Commercial Loans	\$229 Million
Agriculture Loans	\$ 57 Million
1-4 Family Real Estate Loans	\$ 52 Million
Consumer and All Other	\$ 3 Million

Source: Bank’s Loan Origination Reports-Coded by Loan Type

The bank does not have any legal impediments that hinder their ability to meet the needs of their AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

RBNA was evaluated under the Intermediate Small Bank examination procedures, which includes a Lending Test and a CD Test to assess compliance with the CRA. The Lending Test evaluates RBNA’s recent performance of meeting the credit needs of its AA through its lending activity. The Lending Test evaluation only included the bank’s primary loan products of business loans and farm loans. The CD Test evaluates the bank’s responsiveness to CD needs in their AA through qualified lending, investments, and services. We considered the bank’s lending and CD activities from January 1, 2016 through December 31, 2018.

We completed this PE using full-scope examination procedures for the bank’s one AA located in the Elgin MD. The Elgin MD is part of the Chicago-Naperville-Elgin, IL-IN-WI MSA. The AA meets regulatory requirements, contain whole geographies, and does not arbitrarily exclude low- or moderate-income CTs or reflect illegal discrimination. We evaluated data using two separate analysis periods due to changes in census data pursuant to the 2015 American Community Survey (ACS). We analyzed business and farm loans originated in 2016 based on 2010 census data. We compared the bank’s 2016 lending performance to 2016 demographics and aggregate peer lending performance. We analyzed business and farm loans originated in 2017 and 2018 (2017-2018) based on the 2015 ACS data. We compared the bank’s 2017-2018 lending performance to 2017 and 2018 demographics and aggregate peer lending performance. We placed more weight on the bank’s lending activity during 2017-2018, as that time period represented a majority of the lending activity during the evaluation period.

Data Integrity

The bank’s primary products are business loans and farm loans, which are not HMDA reportable loans. As such, we did not test the integrity of the data available to the public in accordance with the HMDA regulation. The bank is not required to report and does not optionally report small business and farm loans on the CRA Loan Application Register (LAR).

Instead, we randomly sampled loans from each of the bank's primary loan portfolios as outlined below.

To evaluate the bank's 2016 business and farm lending performance, we selected a random sample of 20 business and 20 farm loans to determine the level of lending inside the bank's AA. Once determined, we excluded loans outside of the bank's AA and sampled additional loans to ensure a minimum of 20 were in the bank's AA. For farm loans, the bank only made 15 farm loans in the bank's AA.

To evaluate the bank's 2017-2018 business and farm lending performance, we selected a random sample of 20 business and 20 farm loans to determine the level of lending inside the bank's AA. Once determined, we excluded loans outside of the bank's AA and sampled additional loans to ensure a minimum of 20 were in the bank's AA.

Bank management submitted CD loans, investments, and services for CRA consideration. We reviewed each of the activities, only giving the bank credit for the ones that met the regulatory definition for CD loans, investments, and services.

Selection of Areas for Full-Scope Review

RBNA only has one AA, which received a full-scope review. Please refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the findings of the one AA.

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 AA 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this bank 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 bank's next PE in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the lending test is **Satisfactory**. The Lending Test rating is based on the bank's average LTD ratio, level of lending in their AA, lending to businesses and farms with different income levels, geographic distribution of small business and farm loans, and management's responses to consumer complaints.

Loan-to-Deposit Ratio

RBNA's LTD ratio is reasonable considering the bank's size, financial condition, and strong competition for loans and deposits within their AA. We calculated the LTD ratio on a bank-wide basis from January 1, 2016 through December 31, 2018. The bank's quarterly LTD ratio since the last CRA evaluation averaged 66 percent. We compared the bank's LTD ratio to peer banks situated in the bank's AA. The aggregate average LTD ratio for the peer banks was 72 percent, with a low average of 34 percent and a high average of 97 percent. The bank's LTD ratio calculation does not include brokered loans. If included, the bank's LTD ratio would be closer to 70 percent.

Lending in Assessment Area

RBNA's record of lending inside its AA is satisfactory. The bank originated a majority of loans by both volume and dollar amount inside the AA for years 2016 through 2018. We collected data and created a sample of business and farm loans originated during those three years to make this determination. We calculated the proportion of lending inside versus outside the AA on a bank-wide basis. The bank originated 69 percent by volume and 62 percent by dollar amount of its loans inside their AA. Refer to Table D below for further details.

Table D - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business Loans										
2016	12	60%	8	35%	20	\$ 1,681	40%	\$2,486	60%	\$ 4,167
2017-2018	15	75%	5	25%	20	\$ 1,645	61%	\$1,035	39%	\$ 2,680
Farm Loans										
2016	13	65%	7	35%	20	\$ 3,191	62%	\$1,953	38%	\$ 5,144
2017-2018	15	75%	5	25%	20	\$ 3,792	80%	\$ 970	20%	\$ 4,762
Total	55	69%	25	31%	80	\$10,309	62%	\$6,444	38%	\$16,753

Source: 01/01/2016-12/31/2018 examiner sample of loans

Lending to Businesses and Farms of Different Sizes

Refer to Tables R and T in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's loan originations and purchases.

The bank's lending to businesses and farms of different revenue sizes reflects reasonable distribution. We placed more weight on the bank's performance compared to peer due to significant competition in the bank's AA.

Business Loans

The lending distribution to businesses of different sizes in the bank's AA, particularly lending to small businesses (defined as those with gross annual income equal to or less than \$1 million) is reasonable.

In 2016, the bank's percentage of lending to AA small businesses was 75 percent, which is near the 80 percent of small businesses in the bank's AA. However, RBNA significantly exceeds the percentage of aggregate lending of 41 percent. For 2017-2018, the bank's percentage of lending to AA small businesses decreased to 55 percent and is lower than the 79 percent of small businesses in the bank's AA, but remains reasonable. However, RBNA's lending is within a reasonable range above the performance of aggregate lending of 51 percent.

Farm Loans

The lending distribution to farms of different sizes in the bank's AA, particularly lending to small farms (defined as those with gross annual income equal to or less than \$1 million) is reasonable.

In 2016, the bank's percentage of lending to AA small farms was 47 percent, which is significantly lower than the 95 percent of small farms in the bank's AA. However, the bank is within a reasonable range below the percentage of aggregate lending of 50 percent. For 2017-2018, the bank's percentage of lending to AA small farms increased to 65 percent, but is significantly lower than the 96 percent of small farms in the bank's AA. However, RBNA's lending is within a reasonable range above aggregate lending of 54 percent.

Geographic Distribution of Loans

Refer to Tables Q and S in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases.

The geographic distribution of loans to small businesses and farms reflects excellent distribution based on lending performance in moderate-income CTs. We placed more weight on bank performance in moderate-income CTs due to the limited number of low-income CTs for 2016 and 2017-2018.

Business Loans

The geographic distribution of business loans in the bank's AA reflects excellent distribution in moderate-income CTs.

In 2016, the bank's percentage of lending to AA small businesses in moderate-income CTs was 27 percent, which exceeds the 16 percent of small businesses in moderate-income CTs

and significantly exceeds peer lending of 14 percent. In 2016, the bank did not make any small business loans in low-income CTs. However, low-income CTs only contained 5 percent of the AA's small businesses with peer lending at 3 percent. With only 197 small businesses in low-income CTs and significant local competition, lending opportunities in low-income CTs is very limited.

For 2017-2018, the geographic distribution of business loans in the AA also reflects excellent distribution in moderate-income CTs. The bank's percentage of lending to AA small businesses in moderate-income CTs increased to 36 percent, which exceeds the 24 percent of small businesses in moderate-income CTs and is within a reasonable range above peer lending of 21 percent. In 2017-2018, the bank did not make any small business loans in low-income CTs. However, low-income CTs only contained 3 percent of the AA's small businesses with peer lending at 3 percent. With only 139 small businesses in low-income CTs and significant local competition, lending opportunities in low-income CTs is very limited. Additionally, the bank did not make any small business loans in the one not available CT. However, there were only 78 small businesses in the not available CT.

Farm Loans

The geographic distribution of farm loans in the AA reflects excellent distribution in moderate-income CTs.

In 2016, the bank's percentage of lending to AA farms located in moderate-income CTs was 20 percent, which exceeds the 6 percent of farms in moderate-income CTs and significantly exceeds peer lending of 7 percent. The bank did not make any farm loans in low-income CTs. However, with only four farms in low-income CTs and significant local competition, lending opportunities in low-income CTs is very limited.

For 2017-2018, the geographic distribution of farm loans in the AA also reflects excellent geographic distribution in moderate-income CTs. The bank's percentage of lending to AA farms in moderate-income CTs was 15 percent, which exceeds the 8 percent of farms located in moderate-income CTs and significantly exceeds peer lending of 6 percent. The bank did not make any farm loans in low-income CTs. However, with only three farms in the low-income CTs and significant local competition, lending opportunities in low-income CTs is very limited. Additionally, the bank did not make any farm loans in the one not available CT. However, there was just one farm in that CT.

Responses to Complaints

RBNA has not received any written comments or complaints regarding efforts to meet the credit needs of its AA during the evaluation period. The OCC has also not received any written complaints, comments, or inquiries concerning the bank and its efforts to comply with the spirit and intent of the CRA.

COMMUNITY DEVELOPMENT TEST

RBNA's performance under the CD Test is **Outstanding**. The bank's level of CD activities demonstrates excellent responsiveness to the CD needs of their AA. CD loans and investments made during the evaluation period totaled \$7.6 million or 17 percent of tier one capital.

Number and Amount of Community Development Loans

RBNA demonstrated excellent responsiveness to the CD needs of their AA through CD loans. During the evaluation period, the bank originated 23 qualifying CD loans totaling \$6.4 million in its AA, which represented 15 percent of tier one capital.

Of these 23 qualifying CD loans, 19 or \$4.8 million were for economic development. Eleven or \$3.6 million of these were made under the SBA economic development 504 loan program. Job creations were directly related to four of the 19 CD loans. The bank made eight of the economic development loans to Enterprise Zones in the AA. Enterprise Zones are meant to stimulate business and industrial growth, retention in depressed areas, and neighborhood revitalization of depressed areas by means of relaxed government controls and tax incentives. Additionally, the bank made two loans for affordable housing representing \$1.1 million, both in an Enterprise Zone, and another two loans totaling \$350,000 to a community service organization that targets its services to low- and moderate-income persons in DeKalb County.

Number and Amount of Qualified Investments

The level of qualified CD investments provided by the bank reflects excellent responsiveness to the needs of the community. During the evaluation period, RBNA purchased 14 bonds with a book value of \$1.4 million. These bonds were all for DeKalb County School District #428 and aided low- and moderate-income children, as over half the students enrolled in the district are eligible for free or reduced lunch. Additionally, the bank made \$21,000 in qualified donations during the evaluation period.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services provided by bank employees reflects excellent responsiveness to the needs of the community. Bank personnel volunteered in leadership roles across numerous organizations that focus on promoting economic development, community service, and affordable housing to low- and moderate-income families. Seven bank officers or employees provided 767 hours of qualified CD services to 11 different organizations during the evaluation period.

Below are two highlights of employee involvement;

- An employee is the committee chair of the DeKalb County Community Foundation-Economic Development Grant Making Committee. The Foundation's goal is to enhance the quality of life in DeKalb County, IL by proactively addressing community needs and expanding, managing, and distributing philanthropic resources. This committee was formed to outline and establish a program to grant \$300,000 over three years to county municipalities that want to initiate economic development planning and visioning

projects and to implement projects identified in their planning efforts. There are 15 municipalities in the county, each eligible for up to \$20,000. RBNA also pledged \$500 for each municipality that chose to initiate their projects. To date, seven communities have initiated their projects with three more in the pipeline.

- Several bank employees were instrumental in creating the Waterman/Shabbona Business Association. The Association was established to facilitate economic growth and development in the Waterman/Shabbona area.

Responsiveness to Community Development Needs

The bank's overall responsiveness to CD needs in the bank's AA is excellent.

The bank has 10 office locations with full service ATMs. Six of the offices have Sunday hours and all of the offices have extended evening hours. Three offices have a United States Postal Service, including the office that is within walking distance to Northern Illinois University. RBNA offers Internet Banking, On-line Bill Pay, E-Statements, Business On-Line Banking, Mobile Banking, Remote Deposit Capture, and Merchant Services.

The bank offers a variety of special credit programs designed to help meet the credit needs of low- and moderate-income borrowers and small businesses and farms within their AA. These programs are as follows:

- The bank is an authorized SBA Express Lender. This program gives applicants an expedited loan decision with access to flexible loan terms.
- The bank has a *Be A Farmer Program* to encourage new farmers and provide assistance for establishment. The ultimate goal is to combat the long-term economic problem of an aging farming population by encouraging younger people to get into farming. The bank helps the clients develop a realistic business plan and budget. The loans are for three years with annual renewals and no down payments, collateral guarantees, or co-signors are required. RBNA requires Revenue Protection Crop Insurance or Livestock Price Protection Coverage. Since our last evaluation, the bank originated five of these loans totaling \$575,000.
- The bank established the *Simple Homeowner Loan* that allows homeowners to get a small dollar loan quickly and affordably. The loan is an instant approval loan for those with home ownership and a RBNA checking account. Loan amounts are from \$1,000 to \$5,000 at a 6 percent annual percentage rate for a three-year term. The idea behind the loan is to provide customers with quick and easy cash that will prevent them from needing to use risky, high-rate other loan options. Since our last evaluation, the bank originated 142 of these loans totaling \$530,000.
- The bank recognized the lack of local manufactured home lenders. RBNA established a variety of loan programs to aid manufactured home residents. Manufactured home loans are for 62-month terms and are either fully amortizing or a balloon structure depending upon the amount requested. The loans can be for any purpose, including purchase, refinance, and cash-out. Since our last evaluation, the bank originated 28 loans totaling \$908,000.

RBNA offers an office for the Service Corps of Retired Executives program, which provides business planning, counseling, and mentoring for prospective entrepreneurs and existing business owners at no cost. The bank also offers free community rooms in four of their branches to anyone in the community who needs a place to organize, meet, or gather. The rooms are located in a way that the community can access after hours for evening use. The rooms are available for anything from CD needs to hosting private parties.

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 a comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2016 to 12/31/2018) Investment and Service Tests and CD Loans: (01/01/2016 to 12/31/2018)	
Financial Institution	Products Reviewed	
Resource Bank, National Association (RBNA), DeKalb, IL	Business and Farm Loans	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Chicago-Naperville-Elgin, IL-IN-WI MSA Elgin, IL MD #20994	Full-Scope	The Elgin MD contains all of DeKalb and Kane County

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: Resource Bank MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	22	13.6	13.6	72.7	0.0	0.0
Population by Geography	118,759	15.8	11.3	72.9	0.0	0.0
Housing Units by Geography	46,020	13.0	12.3	74.8	0.0	0.0
Owner-Occupied Units by Geography	28,700	1.6	10.2	88.2	0.0	0.0
Occupied Rental Units by Geography	14,627	32.6	17.7	49.6	0.0	0.0
Vacant Units by Geography	2,693	27.5	4.6	67.8	0.0	0.0
Businesses by Geography	5,149	5.2	15.5	79.4	0.0	0.0
Farms by Geography	454	0.9	5.9	93.2	0.0	0.0
Family Distribution by Income Level	27,496	19.6	19.9	24.6	35.9	0.0
Household Distribution by Income Level	43,327	28.0	18.8	19.8	33.5	0.0
Median Family Income MSA - 20994 Elgin, IL MD		\$76,576	Median Housing Value			\$206,989
			Median Gross Rent			\$809
			Families Below Poverty Level			6.8%

Source: 2010 U.S. Census and 2016 D&B Data
 Due to rounding, totals may not equal 100.0
 (*) The NA category consists of geographies that have not been assigned an income classification.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Resource Bank MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	22	9.1	18.2	68.2	0.0	4.5
Population by Geography	118,779	10.1	17.3	68.3	0.0	4.3
Housing Units by Geography	48,360	11.9	19.0	68.4	0.0	0.7
Owner-Occupied Units by Geography	28,450	1.8	15.5	82.6	0.0	0.1
Occupied Rental Units by Geography	15,793	27.2	24.0	47.0	0.0	1.7
Vacant Units by Geography	4,117	23.1	23.7	51.8	0.0	1.3
Businesses by Geography	5,200	3.4	24.1	70.2	0.0	2.3
Farms by Geography	414	0.7	8.7	90.3	0.0	0.2
Family Distribution by Income Level	27,246	25.4	18.6	22.1	33.9	0.0
Household Distribution by Income Level	44,243	31.3	16.8	20.3	31.6	0.0
Median Family Income MSA - 20994 Elgin, IL MD		\$79,687	Median Housing Value			\$176,240
			Median Gross Rent			\$883
			Families Below Poverty Level			9.8%

Source: 2015 ACS Census and 2018 D&B Data
 Due to rounding, totals may not equal 100.0
 (*) The NA category consists of geographies that have not been assigned an income classification.

The bank's one AA is located in the Elgin MD, which is part of the Chicago-Naperville-Elgin, IL-IN-WI MSA. The Elgin MD contains all of Kane and DeKalb counties. The bank's one AA consists of 22 CTs and contains all 21 DeKalb CTs and one Kane CT. The office locations are listed in the *Description of the Institution* section of this PE. The bank's main location is located in a moderate-income CT, while the remaining locations are in middle-income CTs. The bank's Annie Glidden Road location is located one half mile from the bank's low-income CTs.

Tables A above summarize the demographic characteristics of the bank's AA. The first table shows the demographic characteristics of the AA according to the 2010 census data, while the second table shows those same characteristics based on the 2015 ACS data. Notable changes in that timeframe include the shifting of some of the CTs income designations. In 2016, DeKalb County contained three low-income CTs, three moderate-income CTs, 15 middle-income CTs and zero upper-income CTs. Kane County contained one middle-income CT. In 2017 and 2018, the income designations shifted in two DeKalb County CTs, resulting in DeKalb County having two low-income CTs, four moderate-income CTs, 15 middle-income CTs, zero upper-income CTs, and one listed as not available.

Other notable changes include the number of vacant units rising from 2,693 to 4,117, number of farms declining from 454 to 414, median housing value declining from \$206,989 to \$176,240, median gross rent increasing from \$809 to \$883, and families below poverty level increasing from 6.8 percent to 9.8 percent.

The top employer in the region is Northern Illinois University, employing approximately 7,581 people. Other top employers include KishHealth System, employing approximately 1,650 people, DeKalb Community Unit School District #428 employing approximately 1,355 people, and a Target Distribution center employing approximately 1,300 people.

Forty percent of DeKalb County lives in DeKalb, IL, which includes a large university (Northern Illinois University) and reducing the median age of residents in DeKalb to 23.9 years. Many students are low-income and concentrated in the neighborhoods nearest to the University. Recent years have shown a decline in student enrollment, resulting in an increase in the number of available rental units close to the college. Low-income families are now renting these larger student apartments. There is a new plan in place to revitalize the Annie Glidden corridor, which is near the University.

We conducted one community contact during this evaluation. The contact noted housing development is still slow. The contact believes housing development is crucial for the population and workforce to support the area. According to our contact, the local banks are doing well to meet the needs of the community. The contact stated that it is difficult for start-up companies to meet bank underwriting criteria in order to obtain needed financing.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs are presented in one set of 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; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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. The table also presents aggregate peer data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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. 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 AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - 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. The table also presents aggregate peer data for the years the data is available.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2016**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Resource MSA	15	\$1,285	100%	1,686	5.2	0	2.8	15.5	27%	13.8	79.4	73%	83.3	0.0	0	0.0	0.0	0	0.0
Total	15	\$1,285	100%	1,686	5.2	0	2.8	15.5	27%	13.8	79.4	73%	83.3	0.0	0	0.0	0.0	0	0.0

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 and Examiner loan sample.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-18**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Resource MSA	11	\$3,566	100	1,322	3.4	0.0	3.0	24.0	36%	21.0	70.4	64%	74.8	0.0	0.0	0.0	2.3	0.0	1.1
Total	11	\$3,566	100	1,322	3.4	0.0	3.0	24.0	36%	21.0	70.4	64%	74.8	0.0	0.0	0.0	2.3	0.0	1.1

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 and Examiner loan sample.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Resource MSA	15	\$1,285	100%	1,686	79.9	75%	41.1	5.9	25%	14.2	0.0%
Total	15	\$1,285	100%	1,686	79.9	75%	41.1	5.9	25%	14.2	0.0%
<i>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 and Examiner loan sample. Due to rounding, totals may not equal 100.0</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-18
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Resource MSA	11	\$3,566	100%	1,322	79.0	55%	51.2	6.2	45%	14.8	0.0
Total	11	\$3,566	100%	1,322	79.0	55%	51.2	6.2	45%	14.8	0.0
<i>Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 and Examiner loan sample. Due to rounding, totals may not equal 100.0</i>											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2016**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Resource MSA	15	\$4,846	100%	207	0.9	0.0	0.5	5.9	20%	6.8	93.2	80%	92.8	0.0	0.0%	0.0	0.0	0.0%	0.0
Total	15	\$4,846	100%	207	0.9	0.0	0.5	5.9	20%	6.8	93.2	80%	92.8	0.0	0.0%	0.0	0.0	0.0%	0.0

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 and Examiner loan sample.
Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-18**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Resource MSA	20	\$5,267	100%	232	0.9	0.0%	2.2	8.3	15%	6.0	90.5	85%	91.8	0.0	0.0%	0.0	0.2	0%	0.0
Total	20	\$5,267	100%	232	0.9	0.0%	2.2	8.3	15%	6.0	90.5	85%	91.8	0.0	0.0%	0.0	0.2	0%	0.0

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 and Examiner Loan Sample
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2016**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Resource MSA	15	\$4,846	100%	207	95.4	47%	50.2	2.6	53%	2.0	0.0%
Total	15	\$4,846	100%	207	95.4	47%	50.2	2.6	53%	2.0	0.0%

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016.
 Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-18**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Resource MSA	20	\$5,267	100%	232	95.7	65%	53.9	2.4	35%	1.9	0%
Total	20	\$5,267	100%	232	95.7	65%	53.9	2.4	35%	1.9	0%

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018.
 Due to rounding, totals may not equal 100.0