



## **PUBLIC DISCLOSURE**

July 28, 2014

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

Old Second National Bank  
Charter Number: 4596

37-39 South River Street,  
Aurora, IL 60506

Office of the Comptroller of the Currency

ADC-CHICAGO (8308) 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

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

The following table indicates the performance level of **Old Second National Bank (OSNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Old Second National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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:

- An adequate percentage of OSNB’s loans are within the bank’s assessment area (AA.)
- Lending activity reflects good responsiveness regarding the credit needs of the AA.
- The geographic distribution of home mortgage loans is satisfactory and reflects an adequate penetration throughout the AA. The geographic distribution of small loans to businesses is excellent within the AA.
- The loan distribution to borrowers is good and reflects satisfactory performance for small loans to businesses and very good performance for home mortgage lending in the AA.
- Community development (CD) lending had a positive impact on the Lending Test in the AA. The bank had no CD lending in the LaSalle County, IL AAs.
- The bank has an adequate level of qualified CD investments and grants, and exhibited satisfactory responsiveness to credit and community economic development needs, especially in light of the highly competitive market.
- The bank’s delivery systems were reasonably accessible to geographies and individuals of different income levels within the AA.
- OSNB provides a relatively high level of CD services within the AA and is responsive to community needs.

## 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 usually have between 2,500 and 8,000 persons, and 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (FDIC) have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income (LMI) individuals.

**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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on 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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) 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 Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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 1 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

OSNB is a full-service, large community bank located in Aurora, Illinois. OSNB is a wholly owned subsidiary of Old Second Bancorp Inc., a one bank holding company, also located in Aurora, Illinois. OSNB is an interstate bank, currently with 27 full-service banking offices serving portions of Cook, Du Page, Kane, Kendall, DeKalb and Will counties. The banking offices are located in the Chicago-Naperville-Joliet metropolitan statistical area (MSA) and portions of LaSalle County, which is located in a non-MSA. There were no branch office openings or closings since the prior examination.

OSNB's banking locations are supplemented by 24-hour access to deposit accounts through its secure internet banking, fraud protection product, and automated teller machine (ATM) network. The bank has 28 full-service and 43 cash-dispensing ATM locations in Illinois. Bank customers may use any OSNB ATM free of charge.

As of December 31, 2013, the bank reported total assets of \$2 billion. The bank has \$1.1 billion in total loans and \$1.7 billion in total deposits. Total loans represented 56 percent of total assets. The bank's loan portfolio consists of \$308 million or 29 percent in residential real estate loans, \$754 million or 68 percent in commercial loans, \$27 million or 2 percent in agricultural loans, and \$16 million or 1 percent in consumer and other loans. Total deposits as of December 31, 2012, were \$1.7 billion.

OSNB's product offerings include a wide array of business loans, residential real estate mortgage loans, asset management and deposit products. OSNB is a full service lender and serves the needs of the community primarily through residential, multifamily, and small business lending. Additionally, OSNB remains committed to working with LMI borrowers, whose borrowing needs may not fit into any special lending programs, as well as businesses that provide housing for LMI households. The bank's business strategy is to consistently deliver competitive products and services. Besides the downturn of the economy, there are no financial or legal impediments that affect the bank's ability to provide lending, investments, and services within its AAs. As of December 31, 2013, the bank reported \$212 million in tier 1 capital.

OSNB received a rating of Satisfactory in the last CRA evaluation dated July 22, 2011.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation assessed the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed OSNB's residential mortgage loans subject to filing under the HMDA and small loans to businesses for the period beginning January 1, 2011, through December 31, 2013. Loans to small farms and consumer loans were not evaluated because these loans represent a very small percentage (3 percent) of the bank's total originated and purchased loans.

The evaluation of data was completed using two separate analysis periods due to changes in the census data available. Small loans to businesses as well as residential mortgage loans originated in 2011 were compared to demographic data based on 2000 Census data and to 2011 peer data. Loans originated in 2012 and 2013 were compared to demographic data based on 2010 Census data and 2012 peer data. Peer data was not yet available for comparison to the bank's 2013 lending performance.

The Investment Test included a review of investments, grants, and donations made in the bank's AAs that meet the CD criteria. The Service Test evaluation was based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial loans, deposit products and services, and CD services provided in the bank's AAs. We evaluated OSNB's CD services and retail services from January 1, 2011 through December 31, 2013. We evaluated OSNB's investments and CD lending for the period beginning July 23, 2011, through July 28, 2014.

Appendix C contains tables with the facts and data used to evaluate the bank's performance.

### Data Integrity

As part of this CRA evaluation, we tested a representative sample of OSNB's publicly filed HMDA and CRA lending data. We reviewed a sample of HMDA- and CRA-reportable transactions to ensure that key fields were accurately completed on the bank's Loan Application Registers for the years 2011, 2012, and 2013. The HMDA and CRA data was found to be reliable for assessment of the bank's CRA performance.

We also reviewed bank-identified CD loans, investments, and services to verify that the activities met the regulatory definition of CD. We determined that a few of the items did not meet the definition of CD and used corrected lists for our evaluation analysis.

### Selection of Areas for Full-Scope Review

OSNB has two AAs serving portions of Cook, Du Page, Kane, Kendall, DeKalb and Will counties. These counties are located in the Chicago-Joliet-Naperville, MSA IL MD 16974, the Chicago MA., and portions of LaSalle County, located in a non-MSA. The MSA AA includes 293 geographies in portions of Cook, Will, Kendall, DeKalb, DuPage, and Kane Counties. Thirteen geographies are low-income, 60 are moderate-income, 112 are middle-income, and 108 are upper-income. This AA represents the bank's primary AA, accounting for 98 percent

of the bank's deposits and 98 percent of the bank's lending activity during the evaluation period. Therefore, we selected this AA for the full-scope review.

We conducted a limited scope review of the non-MSA AA in this evaluation due to the small amount of transactions conducted in this area. The non-MSA AA has a total of nine geographies with one office. A review of the non-MSA AA demonstrated no significant differences compared to the full review of the primary AA of Chicago and its six counties.

The geographies that make up the bank's AAs include those where the bank has its main office, branches, ATMs, and the majority of the loans originated or purchased during the evaluation period. The AAs consist of whole geographies. The AAs do not reflect any illegal discrimination and do not arbitrarily exclude any low- or moderate-income geographies.

Refer to *Appendix A* for additional information regarding the area receiving a full-scope review.

## **Ratings**

The ratings are based on conclusions in the evaluation of OSNB's performance in the full scope review.

When determining conclusions for the Lending Test, home mortgage lending was given greater weight than small business loans. This weighting is reflective of the bank's distribution of lending volume for home mortgage (65 percent) and small business (29 percent) lending during the evaluation period.

## **Other**

Community credit needs in the AAs were determined by reviewing recent community contacts conducted by the OCC in connection with other CRA examinations of banks operating in the same AAs.

The most commonly identified community development need centers around affordable housing and rehabilitation, of both single-family and multifamily occupancy. Other identified needs are credit and resource assistance to purchase affordable housing, credit and resource assistance to very small businesses and entrepreneurs, and homeownership and foreclosure counseling.

Refer to the profiles in *Appendix C* for additional information.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c) in determining a national bank's (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.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## 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 High Satisfactory. Based on our review, the bank's performance in the Chicago-Joliet-Naperville MSA is good and LaSalle County non-MSA is adequate.

#### Lending Activity

Refer to Tables 1 Lending Volume in *Appendix C* for the facts and data used to evaluate the bank's lending activity.

Overall lending activity in the MSA and non-MSA is good. Lending levels reflect good responsiveness to meet the credit needs in the AA, given the bank's deposit mix and business strategy as well as the positive impact of community development loans. We gave consideration to the fact that lending in the AA declined for home mortgage loans due to economic conditions. Lending activity in the MSA during 2012 and 2013 was excellent. For small loans to businesses, the bank ranked 12th among 325 lenders with a 1.64 percent market share. Affecting the bank's market share is the fact that the top eight banks are all credit card lenders with a combined market share, based on the number of loans, of 66 percent.

OSNB's market share for mortgage lending was 1.85 percent based on the number of loans and 1.65 percent based on dollar amounts. By number of loans, the bank ranked 11th of 409 lenders.

During 2012 and 2013, the bank achieved a 1.25 percent market share based on the number of originations or purchases for residential home purchase loans. The bank ranked 15th out of 451 lenders. The top five lenders had a combined market share of 42 percent. The bank's market share for home improvement loans based on number of loans was 1.29 percent. The bank ranked 17th out of 157 lenders. The top five lenders had a combined market share of 47 percent. The bank ranked 13th out of 579 home refinance lenders with a market share of 1.59 percent based on number of loans. The top five lenders had a combined market share of 38 percent.

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

##### ***Residential Real-estate Lending***

Refer to Tables 8, 9, and 10 in the Chicago-Naperville-Joliet Illinois MSA, and LaSalle Illinois non-MSA section of *Appendix C* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations/ purchases.

### Home Purchase Lending 2012-2013

The borrower distribution for home purchase loans is excellent. Home purchase loans made to low-income borrowers (18 percent) exceeds the percentage of low-income families (16 percent) in the MSA AA. Home purchase loans made to moderate-income borrowers (25 percent) greatly exceeds the percentage of moderate-income families (16 percent). An analysis of market share performance is not meaningful because OSNB's overall market share is only 1.24 percent.

Bank performance in the non-MSA was not inconsistent with home purchase lending in the MSA AA. Home purchase lending to low-income borrowers of 15 percent is comparable to the low-income families in the non-MSA. Home purchase lending to moderate-income borrowers of 20 percent significantly exceeds the percentage of moderate-income families (14 percent) in the non-MSA. The bank holds an overall market share of 3.69 percent.

### Home Improvement Loans 2012-2013

The borrower income distribution of home improvement loans is excellent.

The percentage of home improvement loans to low-income borrowers (18 percent) originated in 2012 and 2013 exceeds the percentage of low-income families of 16 percent in the AA. The percentage of home improvement loans to moderate-income borrowers (36 percent) significantly exceeded the percentage of moderate-income families of 16 percent in the AA. The bank holds an overall market share of 1.26 percent.

The bank did not make any home improvement loans to low- or moderate-income borrowers in the non-MSA.

### Home Refinance Loans 2012-2013

The borrower distribution of home refinance loans is satisfactory.

The borrower distribution of home refinance loans to low-income borrowers (6 percent) is significantly below the percentage of low-income families (16 percent) in the MSA AA. However, the borrower distribution of home refinance loans to moderate-income borrowers (20 percent) greatly exceeds the percentage of moderate-income families of 16 percent. Income constraints made it difficult for low-income borrowers in the MSA AA to refinance home loans. The 2012 and 2013 Federal Financial Institutions Examination Council (FFIEC) adjusted MFI was \$77,300 and \$73,400, respectively. Area unemployment during 2012 was 8.9 percent (*Bureau of Labor Statistics*.) The unemployment rate, as of December 2013, remained high at 9.1 percent, well above the national average of 6.7 percent during the same timeframe. According to the 2010 Census data, the median home value was \$246,845 substantiating the difficulty to obtain home mortgage loans in the AA.

The bank's performance in the non-MSA was not inconsistent with home refinance lending in the MSA AA. Home refinance lending to low-income borrowers of 6 percent is below the low-income families of 15 percent in the non-MSA. Home refinance lending to moderate-income borrowers of 24 percent significantly exceeds the percentage of moderate-income families of 14 percent in the non-MSA. The 2012 and 2013 FFIEC adjusted MFI was \$56,200 and

\$57,400, respectively. Area unemployment during 2012 was 11 percent (*Bureau of Labor Statistics*.) The unemployment rate, as of December 2013, remained high at 11.4 percent. According to the 2010 Census data, the median home value was \$148,928 substantiating the difficulty to obtain home mortgage loans in the non-AA.

### Home Purchase Lending 2011

The borrower distribution for home purchase loans is excellent. Home purchase loans made to low- and moderate-income borrowers (20 percent and 29 percent, respectively) significantly exceeds the percentage of low- and moderate-income families (14 percent and 16 percent, respectively) in the MSA AA. The bank has an overall market share of 1.89 percent.

Bank performance in the non-MSA was not inconsistent with home purchase lending in the MSA AA. Home purchase lending to low-income borrowers of 14 percent is comparable to the low-income families in the non-MSA. Home purchase lending to moderate-income borrowers of 29 percent significantly exceeds the percentage of moderate-income families of 15 percent in the non-MSA. The bank holds an overall market share of 3.40 percent.

### Home Improvement Loans 2011

The borrower income distribution of home improvement loans is excellent.

Home improvement loans made to low-income (29 percent), and moderate-income borrowers (43 percent), significantly exceed the percentage of low- and moderate-income families of 14 percent and 16 percent, respectively.

The bank did not make any home improvement loans to low- or moderate-income borrowers in the non-MSA. Opportunity is very limited due to the high unemployment rate in the non-MSA, and a high poverty level. The 2011 HUD adjusted MFI was \$56,600. The non-MSA has a poverty level of 9 percent and unemployment of 11 percent (*Bureau of Labor Statistics*.) The unemployment rate as of December 2013 remained high at 11.4 percent. According to the 2000 Census data, the median home value was \$96,415 substantiating the difficulty to obtain home mortgage loans in the non-AA.

### Home Refinance Loans 2011

The borrower income distribution of home refinance loans is adequate. The borrower distribution of home refinance loans to low-income borrowers at 6 percent is well below the percentage of low-income families in the MSA AA. The borrower distribution to moderate-income borrowers at 16.38 percent is slightly above the percentage of moderate-income families of 15.74 percent. Income constraints made it difficult for low-income borrowers in the MSA AA to refinance home loans. The 2011 HUD adjusted MFI was \$71,994, with area unemployment at 9.8 percent (*Bureau of Labor Statistics*.) According to the 2000 Census data, the median home value was \$154,386 substantiating the difficulty to obtain home mortgage loans in the AA.

The bank's performance in the non-MSA was not inconsistent with home refinance lending in the MSA AA. Home refinance lending to low-income borrowers of 6 percent is significantly

below the low-income families of 16 percent in the non-MSA. Home refinance lending to moderate-income borrowers of 11 percent is below the percentage of moderate-income families of 15 percent in the non-MSA. The 2011 HUD adjusted MFI was \$56,600, with area unemployment at 11 percent (*Bureau of Labor Statistics*.) According to the 2000 Census data, the median home value was \$96,415, substantiating the difficulty to obtain home mortgage loans in the non-MSA.

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

Refer to Table 11 in the Chicago-Naperville-Joliet Illinois MSA, and LaSalle Illinois non-MSA section of *Appendix C* for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

#### Small Loans to Business 2012-2013

OSNB's distribution of small loans to businesses with revenues of \$1 million or less is satisfactory based on economic conditions and the competitive market in which the bank operates. Over 52 percent of the bank's small loans to businesses were businesses with revenues of less than \$1 million, and 40 percent were to businesses with revenues less than \$100,000. The bank's origination of small loans to businesses that have less than \$1 million in gross annual revenues was well below the percentage of small businesses within the AA of 73 percent; however, the bank is competing with over 250 other lenders in the AA, including several of the largest credit card and national lenders in the U.S. With an overall market share of less than 1 percent, an analysis of market share performance is not meaningful.

Bank performance in the non-MSA is excellent. The bank's origination of small loans of 76 percent, to businesses with less than \$1 million in gross annual revenues, was well above the percentage of small businesses within the AA of 71 percent. More than 52 percent of the small loans to businesses originated during 2012 and 2013 were to businesses with revenues less than \$100,000. With an overall market share of less than 1 percent, an analysis of market share performance is not meaningful.

#### Small Loans to Businesses 2011

OSNB's distribution of small loans to businesses with revenues of \$1 million or less is satisfactory based on economic conditions and the competitive market in which the bank operates. During 2011, 54 percent of the bank's small loans to businesses were businesses with revenues of less than \$1 million and 43 percent were to businesses with revenues less than \$100,000. The bank's origination of small loans was below the percentage of small businesses within the MSA AA of 67 percent; however, the bank is competing with over 300 other lenders in the AA, including several of the largest credit card and national lenders in the U.S. With an overall market share of less than 1 percent, an analysis of market share performance is not meaningful.

Bank performance in the non-MSA is satisfactory. The bank's origination of small loans of 67 percent, to businesses with less than \$1 million in gross annual revenues was near the percentage of small businesses within the AA of 68 percent. Sixty-seven percent of the small loans to businesses originated during 2011 were to businesses with revenues less than

\$100,000. With an overall market share of less than 1 percent, an analysis of market share performance is not meaningful.

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

Overall, the geographic distribution of the bank's lending is Satisfactory and reflects an adequate penetration throughout the AA. The volume of small farm loans is insignificant; therefore, an analysis of their distribution is not meaningful.

#### ***Residential Real-estate Loans***

Refer to Tables 2, 3, and 4 in the Chicago-Naperville-Joliet Illinois MSA, and LaSalle Illinois non-MSA section of *Appendix C* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/ purchases.

The overall geographic distribution of home mortgage loans is Satisfactory in the full-scope AA.

One of the primary factors considered in evaluating the bank's mortgage lending performance in its AAs was the percentage of owner-occupied housing units (OOHUs) located in each AA. According to the 2000 Census for the Chicago-Naperville-Joliet MSA, less than 1 percent of the OOHUs were within the bank's low-income geographies of the MSA AA. This percentage increased to 1.15 percent based on the 2010 Census. According to the 2000 Census, 8 percent of the OOHUs were in moderate-income geographies. This number increased to 14 percent based on the 2010 Census.

According to the 2000 and 2010 Census, there are no OOHUs in low-income geographies in the bank's non-MSA AA in LaSalle County, Illinois. The percentage of OOHUs in moderate-income geographies in the non-MSA AA decreased from 5 percent to zero as a result of the changes in the Census periods from 2000 to 2010, respectively. Therefore, a geographic analysis would not be meaningful.

For our analysis, home refinance loans carried the most weight as the majority of home mortgage lending was for this purpose.

#### **Home Mortgage Loans 2012-2013**

The geographic distribution of home purchase loans in the MSA AA reflected satisfactory penetration throughout the AA. The bank did not originate or purchase any home purchase loans in the low-income geographies during the evaluation period. The percentage of home purchase loans originated or purchased by the bank in the moderate-income geographies (14.37 percent) is slightly higher than the percentage (14.16 percent) of OOHUs. There is little opportunity to make home mortgage loans in the low-income geography within the bank's AA due to the very low percentage of OOHUs in that geography (1.15 percent.) The bank's market share for loans made in the moderate-income geographies (2.39 percent) is two times higher than its overall market share (1.09 percent) for home purchase loans.



The geographic distribution of home improvement loans is excellent. The bank did not make any home improvement loans in the low-income geographies. There is little opportunity to make home improvement loans in the low-income geographies within the bank's AA due to the very low percentage of OOHUs in those geographies (1.15 percent.) The percentage of the bank's home improvement loans in moderate-income geographies (21.43 percent) significantly exceeds the percentage of OOHUs (14.16 percent) in those geographies. The bank's market share for home improvement loans in moderate-income geographies (2.04 percent) is double its overall market share (1.17 percent) for home improvement loans.

The geographic distribution of home refinance loans is satisfactory. The percentage of the bank's home refinance mortgage loans in low-income geographies (0.42 percent) is below the percentage of OOHUs (1.15 percent) in those geographies. There is little opportunity to make home mortgage refinance loans in the low-income geography within the bank's AA due to the very low percentage of OOHUs in that geography (1.15 percent.) The percentage of the bank's refinance loans in the moderate-income geographies (9.49 percent) is well below the percentage of OOHUs (14.16 percent) in those geographies. The bank's market share for refinance loans made in the low-income (2.02 percent) and moderate-income (1.88 percent) geographies exceeds its overall market share (1.45 percent) for refinance loans.

#### Home Mortgage Loans 2011

The geographic distribution of home purchase loans in the MSA AA reflects adequate penetration throughout the AA. The bank did not originate or purchase any home purchase loans in the low-income geographies during 2011. The percentage of the bank's home purchase loans made in the moderate-income geographies (7.67 percent) is commensurate with the percentage of OOHUs (7.59 percent) in those geographies. There is little opportunity to make home mortgage loans in the low-income geography within the bank's AA due to the very low percentage of OOHUs in that geography (0.61 percent.) The bank's market share for loans made in the moderate-income geographies (3.41 percent) is two times higher than its overall market share (1.66 percent) for home purchase loans.

The geographic distribution of home improvement loans is excellent. The bank did not make any home improvement loans in the low-income geography. There is little opportunity to make home improvement loans in the low-income geography within the bank's AA due to the very low percentage of OOHUs in that geography (0.61 percent.) The percentage of the bank's home improvement loans made in the moderate-income geographies (57.14 percent) significantly exceeds the percentage of OOHUs (7.59 percent) that are in those geographies. The bank's market share for home improvement loans made in the moderate-income geographies (8.16 percent) significantly exceeds its overall market share (0.59 percent) for home improvement loans.

The geographic distribution of refinance loans is poor. There is little opportunity to make home mortgage refinance loans in the low-income geography within the bank's AA due to the very low percentage of OOHUs in that geography (0.61 percent.) The percentage of the bank's refinance loans in the moderate-income geographies (2.30 percent) is well below the percentage of OOHUs (7.59 percent) in those geographies. The bank's market share for refinance loans in the moderate-income geographies (1.52 percent) exceeds its overall market share (1.36 percent) for refinance loans.

## ***Multifamily Loans***

Multifamily lending is not a primary product of the bank and not considered a primary factor in the analysis.

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

Refer to Table 6 in *Appendix C* for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### 2012-2013

The bank's geographic distribution of small loans to businesses in the MSA AA is excellent. The percentage of the bank's small loans to businesses in low-income geographies (0.65 percent) is below the percentage of businesses (1.70 percent) in those geographies. There is little opportunity to make small loans to businesses in the low-income geographies within the bank's AA due to the very low percentage of small businesses in those geographies. Given the limited opportunities, OSNB's penetration percentage within these geographies is commendable. The percentage of the bank's small loans to businesses made in the moderate-income geographies (20.78 percent) well exceeds the percentage of businesses (13.18 percent) in those geographies. The bank's market share (0.11 percent) for small loans to businesses in the low-income geographies is below the overall market share of 0.32 percent. The bank's market share in the moderate-income geographies (0.46 percent) exceeds its overall market share (0.32 percent) for small loans to businesses.

There are no low- or moderate-income geographies in the non-MSA AA.

### 2011

The bank's geographic distribution of small loans to businesses in the MSA AA is excellent. The percentage of the bank's small loans to businesses in low-income geographies (2.75 percent) well exceeds the percentage of businesses (0.95 percent) in those geographies. The percentage of the bank's small loans to businesses in moderate-income geographies (6.13 percent) is near the percentage of businesses (7.78 percent) in those geographies. There is limited opportunity to make small loans to businesses in the moderate-income geographies within the bank's AA due to the low percentage of small businesses in those geographies, and very strong competition. OSNB's penetration percentage within these geographies is commendable.

The percentage of lending in moderate-income geographies (11.11 percent) was below the percentage of small businesses (14.78 percent) in the non-MSA AA. There are no low-income geographies in the non-MSA AA. The bank's overall performance was not impacted by the bank's geographic distribution of small loans to businesses in 2011.

## ***Lending Gap Analysis***

Maps and reports detailing OSNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

## ***Inside/Outside Ratio***

The majority of home mortgage loans and small loans to businesses originated or purchased by OSNB over the evaluation period are made in the AA. An adequate percentage of the bank's home mortgage loans (66 percent) and small loans to businesses (82 percent) are within OSNB's AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geographies.

## **Community Development Lending**

Refer to Table 1 Lending Volume in *Appendix C* for the facts and data used to evaluate the bank's level of CD lending.

The bank's CD lending activity in the MSA AA had a significantly positive impact on the Lending Test rating. OSNB made a relatively high level of CD loans during the evaluation period. OSNB originated and renewed loans totaling \$19 million during the review period. The \$19 million consisted of three new originations totaling \$7.8 million and 12 renewals totaling \$11.7 million. The \$19 million in CD loans represents 9 percent of the bank's tier 1 capital as of June 30, 2014. These CD loans help to provide affordable housing, community services to low- or moderate-income individuals, stabilization/revitalization of low- or moderate-income areas, or provide economic development through job creation.

Some specific examples of the CD loans originated during this evaluation period follow:

- The bank provided \$6.3 million to private investors to purchase or refinance affordable multifamily properties in LMI geographies within the City of Aurora, Ottawa and LaSalle.
- The bank originated \$6.4 million in new loans during the review period to a health center that operates in the LMI neighborhoods in the AA. This borrower is a Federally Qualified Health Center (FQHC), which operates under the supervision of the Health Resources and Services Administration (HRSA) that is part of the U.S. Department of Health and Human Services. The borrower's primary funding comes from a grant awarded by the U.S. Department of Health and Human Services, Public Health Service (PHS), Section 330. FQHCs are community-based organizations that provide comprehensive primary care and preventative care, including health, oral, and mental health/substance abuse services to individuals of all ages, regardless of their ability to pay or health insurance status. The bank provided funds totaling \$3 million to construct a building that provides medical services primarily to LMI individuals.
- The bank originated a \$1.8 million dollar credit to a not-for-profit organization that provides affordable housing options to LMI individuals. This organization purchases, builds, rents,

and manages quality housing that is priced below market rates to serve the needs of LMI individuals.

## **Product Innovation and Flexibility**

Product flexibility had a neutral effect on the Lending Test conclusions.

OSNB provided \$1.3 million to home owners in the AA through foreclosure prevention programs. The objective of these loan programs is to provide affordable, sustainable, long-term relief through loan refinancing, restructures, or modifications, to homeowners who are facing foreclosure on their primary residences.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on the limited-scope reviews, the bank's performance under the Lending Test in the non- MSA AA is not inconsistent with the bank's performance in the MSA AA.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in the MSA AA is rated Low Satisfactory.

Refer to Table 14 in *Appendix C* for the facts and data used to evaluate the bank's level of qualified investments.

The bank's responsiveness to the CD needs in the AA is adequate. The bank has exhibited adequate responsiveness through the types of investments it has made and by identifying the needs these investments address. For our review, we focused on the volume and types of investments and grants made by the bank relative to the CD opportunities in the AA. Information gathered from bank management, performance evaluations of similarly situated local financial institutions, and community contacts indicated that there are several investment opportunities in the AA. The investment opportunities include affordable housing initiatives, small business opportunities, opportunities to invest in loan pools developed by Community Development Financial Institutions (CDFIs), and the provision regarding general operating and program support of nonprofit organizations with CD purposes. Although there are investment opportunities in the AA, the bank must compete with many larger regional and national financial institutions for these opportunities.

### **Qualifying Investments**

Total bank investments made during the evaluation period in the bank's AA totaled \$4.3 million, which is 1.89 percent of the tier 1 capital allocated to the AA. One hundred percent of

the bank's qualified investments were to purchase eligible loan pools that focus on affordable housing in the bank's AA, which is a recognized need in the AA.

### **Qualifying Grants/Donations**

OSNB supported many different community organizations with contributions totaling \$78,500. The level of donations made by the bank reflects the bank's willingness to work with a variety of organizations in the AA to assist various CD needs. Some of the more significant donations made during this evaluation period are as follows:

- OSNB gave approximately \$26,000 in donations to a community service organization that provides health-care to LMI individuals.
- OSNB gave approximately \$4,000 in donations to area food pantries.
- OSNB donated \$5,000 to an organization that provides emergency housing and financial aid to LMI individuals.
- OSNB granted \$16,000 to an educational institution to support the school's scholarship fund, which provides scholarship support and career preparation to LMI students in financial need.
- OSNB donated \$4,000 to educational institutions in the AA with primarily a LMI student population. Funds were used for the school's literacy program.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the non MSA AA is not inconsistent with the bank's performance in the MSA AA.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated High Satisfactory. Based on the full-scope review, the bank's performance in the Chicago-Naperville-Joliet MSA is good. Based on a limited-scope review, the bank's performance in the LaSalle County non-MSA is good. Satisfactory retail banking services is positively impacted by the bank's CD services.

### **Retail Banking Services**

Accessibility to the bank's retail delivery systems in the AA is satisfactory. OSNB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. OSNB has 28 branch offices and one production office serving seven counties. Of the

28 offices, only one is not a full service office. There were no branch office openings or closings during the evaluation period.

OSNB's branch distribution was adequate. Bank branches were reasonably accessible to geographies and individuals of different income levels in the AAs. OSNB operated 28 branches and one production office in the AA serving seven counties in Illinois. Using 2010 Census data, there are no offices in the low-income geographies. The bank's main office is the only office located within the moderate-income geographies in the bank's AA in which 20.48 percent of the population resides. However, the moderate-income geography where the main office is located is surrounded by nine of the moderate-income geographies within the bank's AA, providing reasonable accessibility to residents. The bank's performance is reasonable considering the strong competition. The map of all banks with branch locations within the AAs shows that the area is saturated with banking locations accessible to a vast majority of LMI geographies.

OSNB's banking services and business hours do not vary in a way that inconveniences geographies of the AA, particularly LMI individuals; extended banking hours are available at all locations. Branches are open into the evening on weekdays and into the afternoon on Saturdays, and four locations provide Sunday hours for their drive-up facilities. OSNB offers a comprehensive line of retail banking services and specifically targets LMI individuals with services such as free checking, holiday cash accounts, credit products, and passbook savings accounts. Multi-lingual services are available.

The distribution of ATMs is good. The bank has 28 full-service and 43 cash-dispensing ATM locations in the AA. Eleven percent of OSNB's ATMs are located in moderate-income geographies and provides reasonable accessibility to the percentage of the moderate-income population (17.60 percent) within those geographies. OSNB does not have any ATMs in the low-income geographies; however, the ATMs in the moderate-income service the low-income population (2.92 percent) adequately. OSNB allows unlimited free ATM transactions to bank customers. The bank offers pre-paid debit cards to customers and non-customers alike to reach the unbanked population in the AA. Other alternative delivery systems include telephone banking, mobile banking, Internet banking, and on-line bill pay. The bank does not monitor the usage of these alternative delivery services by LMI individuals; therefore, we did not place significant weight on these alternative services in the Service Test conclusions.

## **Community Development Services**

OSNB's provides a relatively high level of CD services.

Bank representatives are involved with several CD activities within the AA, often in a leadership capacity. During the review period, employees provided over 1,000 hours in CD services to the communities that OSNB serves. OSNB provided qualified CD services to organizations that provide affordable housing, community services to LMI individuals and organizations that provide economic development services. The types of services provided include serving as board members, acting as organization treasurers, and participating as committee members, advisors, and mentors for these CD organizations. The bank continues to participate in organizations whose primary purpose is affordable housing, community

services targeted to LMI persons, economic development through the financing of small businesses, and the revitalization of LMI areas.

Major highlights of CD service activities in the AA during the evaluation period include:

- An OSNB officer serves as board president and provided financial expertise to an organization that provides financial and building/construction assistance to targeted individuals or families. This organization provides affordable housing to individuals in the bank's AA. The housing assistance provided to LMI individuals and families is the primary focus of the organization.
- Another OSNB officer serves as vice-chairman and provides financial expertise to an organization that provides a variety of social services to LMI individuals and families. This officer also serves on numerous committees of another organization that provided a variety of social services and planning assistance to organizations and communities to help them meet the needs of LMI community residents.
- One OSNB officer served as president and provided financial expertise to an organization that provides affordable housing to LMI individuals and families in Aurora.
- One OSNB officer serves on the board of an organization that assists an ethnic group of small businesses to develop their business plans and obtain financing. That officer also provides the financial expertise that is needed for the organization. Another OSNB officer served as Treasurer of this organization.
- One OSNB officer provided expertise to a center that promotes health, works to prevent disease, and provides treatment through the delivery of accessible primary healthcare to LMI individuals. The center is culturally sensitive, affordable, and responsive to the needs of the community.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on the limited-scope reviews, the bank's performance under the Service Test in the non-MSA AA is not inconsistent with the bank's overall rating of High Satisfactory performance under the service test.

## 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): 01-01-2011 through 12-31-2013 Investment and Service Tests and CD Loans: 07-23-2011 through 07-28-2014	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Old Second National Bank (OSNB) Aurora, Illinois	Home Mortgage Loans, Small Business Loans, Community Development Loans, and Community Development Investments	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Name: Chicago MA #1600 Counties of Kane, Kendall, Will, Cook, DeKalb and DuPage	Full scope	
Non MA: La Salle County #99	Limited Scope	



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

The full-scope area is composed of parts of the following counties of the Chicago-Joliet-Naperville, IL Metropolitan Division (#16974): Will, DeKalb, Kane, Kendall, Cook, and DuPage.

### Chicago-Joliet-Naperville, IL MSA

Demographic Information for Full Scope Area: OSNB 2012 2013 MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	293	4.44	20.48	38.23	36.86	0.00
Population by Geography	1,553,014	2.92	17.60	36.78	42.70	0.00
Owner-Occupied Housing by Geography	412,264	1.15	14.16	39.12	45.58	0.00
Business by Geography	100,850	1.70	13.18	37.79	47.33	0.00
Farms by Geography	2,733	1.54	10.72	47.09	40.65	0.00
Family Distribution by Income Level	386,030	16.32	15.63	20.90	47.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	123,336	5.50	30.23	40.75	23.52	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2012 FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		72,747 77,300 73,400 8%	Median Housing Value Unemployment Rate (2010 US Census)		246,845 8.9%	

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

Source: 2010 U.S. Census and the FFIEC updated MFI for 2012 and 2013.

Demographic Information for Full Scope Area: O2nd ChgoNapJoliet 2011MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	218	2.75	15.60	50.00	31.65	0.00
Population by Geography	1,263,705	2.04	10.96	44.45	42.55	0.00
Owner-Occupied Housing by Geography	338,665	0.61	7.59	45.48	46.31	0.00
Business by Geography	123,905	0.95	7.78	39.14	52.13	0.00
Farms by Geography	3,039	1.05	5.69	47.94	45.31	0.00
Family Distribution by Income Level	326,144	13.47	15.74	23.99	46.79	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	95,279	3.52	19.18	52.52	24.77	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		56,614 71,994 6%	Median Housing Value Unemployment Rate (2000 US Census)		154,386 9.8%	

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

Source: 2000 US Census and 2011 HUD updated MFI

### LaSalle County Nonmetropolitan Area

Demographic Information for Limited Scope Area: O2 Non MSA 2012-2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	9	0.00	0.00	55.56	44.44	0.00
Population by Geography	37,999	0.00	0.00	52.28	47.72	0.00
Owner-Occupied Housing by Geography	11,154	0.00	0.00	53.03	46.97	0.00
Business by Geography	2,610	0.00	0.00	54.21	45.79	0.00
Farms by Geography	229	0.00	0.00	47.60	52.40	0.00
Family Distribution by Income Level	10,286	14.79	13.78	21.64	49.80	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,938	0.00	0.00	55.65	44.35	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2012 FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		54,549 57,400 56,200 10%	Median Housing Value Unemployment Rate (2010 US Census)		148,928 11%	

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

Source: 2010 U.S. Census and FFIEC updated MFI for 2012 and 2013.

Demographic Information for Limited Scope Area: O2 LaSalle NA 2011						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	9	0.00	11.11	44.44	44.44	0.00
Population by Geography	37,044	0.00	6.38	39.15	54.47	0.00
Owner-Occupied Housing by Geography	10,177	0.00	5.31	42.83	51.86	0.00
Business by Geography	3,261	0.00	14.78	34.31	50.90	0.00
Farms by Geography	211	0.00	2.37	16.59	81.04	0.00
Family Distribution by Income Level	9,614	15.66	15.28	21.52	47.53	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,975	0.00	9.34	45.95	44.71	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		43,613 56,600 9%	Median Housing Value Unemployment Rate (2000 US Census)		96,415 11.4%	

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

Source: 2000 U.S. Census and 2011 HUD updated MFI

OSNB has two AAs serving portions of Cook, Du Page, Kane, Kendall, DeKalb and Will counties. These counties are located in the Chicago-Joliet-Naperville, MSA IL MD 16974, the Chicago MA., and portions of LaSalle County, located in a non-MSA. The MSA AA includes 293 geographies in portions of Cook, Will, Kendall, DeKalb, DuPage, and Kane Counties. Thirteen geographies are low-income, 60 are moderate-income, 112 are middle-income, and 108 are upper-income. This AA represents the bank’s primary AA accounting for 98 percent of

the bank's deposits and 98 percent of the bank's lending activity during the evaluation period, and therefore, received the full-scope review.

As of June 30, 2014, 100 percent of OSNB's deposits were derived from both the MSA and the non-MSA. Over the evaluation period, 65 percent of the AA home mortgage loans and 31 percent of the AA small loans to businesses were derived from the primary MSA.

OSNB's deposits in the counties that make up the AA total approximately \$1.7 billion. According to the FDIC market share report, as of June 30, 2013, OSNB had a deposit market share of 0.50 percent and was ranked 26th among 235 financial institutions. The leading deposit taking institution in the AA has a deposit market share of 23 percent. During 2012, the bank had a deposit market share of 0.55 percent and ranked 25<sup>th</sup> out of 249 financial institutions in the AA. The deposit market share report for the AA includes all of Cook County, which includes the greater metropolitan Chicago area.

The bank has 28 full-service and 43 cash-dispensing ATM locations in the AA. Eleven percent of OSNB's ATMs are located in moderate-income geographies and provides reasonable accessibility to the percentage of the moderate-income population (17.60 percent) within those geographies. OSNB does not have any ATMs in the low-income geographies; however, the ATMs in the moderate-income geographies service the low- income population (2.92 percent) adequately. OSNB allows unlimited free ATM transactions to bank customers. The bank also offers pre-paid debit cards to customers and non-customers alike to reach the unbanked population in the AA.

The economy within the MSA AA is primarily services oriented. Construction and retail trades are also significant industries, closely followed by finance, wholesale, and manufacturing industries. During the evaluation period, the housing market throughout the Chicagoland area, including the bank's AA, has been more negatively impacted than most areas of the nation. Declining property values have been driven by excess housing construction prior to the housing crisis, and an increasing number of mortgage defaults. According to the Department of HUD, the Chicago-Naperville-Joliet Illinois MSA shows that the rate of mortgages at risk of foreclosure in the AA during the evaluation period is consistently higher than the national average. Per LPS Analytics, as of January 2012, Chicago placed 28th out of 366 metropolitan areas ranked by share of mortgages at risk of foreclosure (90 or more days delinquent or in the foreclosure process.) Mortgages at risk of foreclosure increased by 1.5 percent from 125,400 in January 2011 to 127,300 in January 2012, compared with a national decline of 10.4 percent during the same period.

The 2010 Census shows the median value of owner-occupied housing units in the AA of \$246,845. Median sales prices during 2012 in the AA, per Citidata.com, are \$187,700. Considering the estimated median family income for 2012 and 2013 was \$77,300 and \$73,400, respectively, and the high poverty levels in the AA, it is clear that low-income and many moderate- income families generally could not afford mortgage payments as well as taxes and insurance, unless subsidies and other special lending programs provided these borrowers with assistance during the initial home purchase or refinance. Economic conditions during the evaluation period reduced the availability of such assistance.

Economic conditions are starting to slowly improve. The local economy struggled during the evaluation period with unemployment rates higher the state and national averages. As of June

2014, the unemployment level for the MSA AA averaged 7.3 percent. The level of unemployment has decreased from its highest level of 9.8 percent during 2011, but remains higher than the state and national unemployment rates of 6.8 percent. Major employers include Caterpillar Tractor in Kendall County, Hollywood Casino, Waubensee Community College, Grand Victoria Casino, and Fermi National Laboratory in Kane County. Other major employers include St. Joseph's Medical Center in Will County and Northern Illinois University is in DeKalb County.

A moderate level of community resources and opportunities for partnerships exist to facilitate activities to address the community and housing development needs of the AA. These conclusions are based on discussions with two local community development group officials, our review of CRA performance evaluations of other financial institutions operating in the AA, and discussions with bank management.

## 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. [Note: Do not renumber the tables.]

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/AA. Community development loans to statewide or regional entities or made outside the bank’s AA 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/AA. 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 AA.
- 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 AA.
- 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/assessment area. 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/assessment area. The table also presents data on branch openings and closings in each MA/assessment area.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: OSNB 12-13												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013												
Assessment Area (2011):	% 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>												
OSNB 2012 2013 MSA	97.49	1,971	333,613	929	215,038	95	19,584	6	12,462	2,995	568,235	97.50
<b>Limited Review:</b>												
O2 Non MSA	2.51	55	6,166	21	2,465	1	30	0	0	77	8,661	2.50

\* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 1, 2012 through July 28, 2014

\*\*\* Deposit Data as of June 30, 2012 and June 30, 2013. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

LENDING VOLUME												
Geography: OSNB 2011 AA												
Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011												
Assessment Area (2011):	% 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>												
O2nd ChgoNapJoliet2011MSA	96.95	972	161,871	473	104,406	79	14,627	9	7,033	1,524	280,904	0.00
<b>Limited Review:</b>												
O2 LaSalle NA	3.05	25	3,487	18	2,435	5	1,478	0	0	48	7,400	0.00

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 23, 2011 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.



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

Geographic Distribution: HOME PURCHASE															Geography: OSNB 12-13					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Over all	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
OSNB 2012 2013 MSA	508	96.21	1.15	0.00	14.16	14.37	39.12	40.94	45.58	44.69	1.09	0.00	2.39	1.14	0.86									
<b>Limited Review:</b>																								
O2 Non MSA	20	3.79	0.00	0.00	0.00	0.00	53.03	50.00	46.97	50.00	2.67	0.00	0.00	2.45	2.92									

Geographic Distribution: HOME PURCHASE															Geography: OSNB 2011 AA					Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Over all	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
O2nd ChgoNapJoliet2011MSA	313	97.81	0.61	0.00	7.59	7.67	45.48	52.72	46.31	39.62	1.66	0.00	3.41	2.26	1.15									
<b>Limited Review:</b>																								
O2 LaSalle NA	7	2.19	0.00	0.00	5.31	0.00	42.83	71.43	51.86	28.57	2.88	0.00	0.00	4.00	1.83									

<sup>\*</sup> Based on 2012 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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.

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

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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 2000 Census information.

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

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

Geographic Distribution: HOME IMPROVEMENT		Geography: OSNB 12-13				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
OSNB 2012 2013 MSA	28	96.55	1.15	0.00	14.16	21.43	39.12	50.00	45.58	28.57	1.17	0.00	2.04	1.49	0.86
<b>Limited Review:</b>															
O2 Non MSA	1	3.45	0.00	0.00	0.00	0.00	53.03	100.00	46.97	0.00	0.00	0.00	0.00	0.00	0.00

Geographic Distribution: HOME IMPROVEMENT		Geography: OSNB 2011 AA				Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
O2nd ChgoNapJoliet2011MSA	7	100.00	0.61	0.00	7.59	57.14	45.48	42.86	46.31	0.00	0.59	0.00	8.16	0.76	0.00
<b>Limited Review:</b>															
O2 LaSalle NA	0	0.00	0.00	0.00	5.31	0.00	42.83	0.00	51.86	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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)

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: OSNB 12-13					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
OSNB 2012 2013 MSA	1,433	97.68	1.15	0.42	14.16	9.49	39.12	33.71	45.58	56.39	1.45	2.02	1.88	1.58	1.35	
<b>Limited Review:</b>																
O2 Non MSA	34	2.32	0.00	0.00	0.00	0.00	53.03	47.06	46.97	52.94	3.68	0.00	0.00	3.21	4.18	

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: OSNB 2011 AA					Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
O2nd ChgoNapJoliet2011MSA	652	97.31	0.61	0.00	7.59	2.30	45.48	38.50	46.31	59.20	1.36	0.00	1.52	1.81	1.18	
<b>Limited Review:</b>																
O2 LaSalle NA	18	2.69	0.00	0.00	5.31	5.56	42.83	44.44	51.86	50.00	3.17	0.00	6.25	4.04	2.54	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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)

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: OSNB 12-13					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
OSNB 2012 2013 MSA	929	97.79	1.70	0.65	13.18	20.78	37.79	41.12	47.33	37.46	0.32	0.11	0.46	0.38	0.26						
<b>Limited Review:</b>																					
O2 Non MSA	21	2.21	0.00	0.00	0.00	0.00	54.21	38.10	45.79	61.90	0.64	0.00	0.00	0.39	1.34						

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: OSNB 2011 AA					Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
O2nd ChgoNapJoliet2011MSA	473	96.33	0.95	2.75	7.78	6.13	39.14	44.82	52.13	46.30	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review:</b>																					
O2 LaSalle NA	18	3.67	0.00	0.00	14.78	11.11	34.31	33.33	50.90	55.56	0.00	0.00	0.00	0.00	0.00						

\* Based on 2012 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 (2013).

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 (2011).

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

Borrower Distribution: HOME PURCHASE		Geography: OSNB 12-13					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share <sup>*</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
OSNB 2012 2013 MSA	508	96.21	16.32	18.36	15.63	24.75	20.90	22.75	47.15	34.13	1.24	2.09	1.37	1.03	1.04	
<b>Limited Review:</b>																
O2 Non MSA	20	3.79	14.79	15.00	13.78	20.00	21.64	40.00	49.80	25.00	3.69	10.00	4.76	5.33	0.88	

Borrower Distribution: HOME PURCHASE		Geography: OSNB 2011 AA					Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011					Market Share <sup>*</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
O2nd ChgoNapJoliet2011MSA	313	97.81	13.47	19.54	15.74	28.66	23.99	28.34	46.79	23.45	1.89	3.16	2.15	2.09	1.18	
<b>Limited Review:</b>																
O2 LaSalle NA	7	2.19	15.66	14.29	15.28	28.57	21.52	28.57	47.53	28.57	3.40	8.33	3.70	3.39	2.47	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 1.3% 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)

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.9% 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 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: OSNB 12-13					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families**	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
OSNB 2012 2013 MSA	28	96.55	16.32	17.86	15.63	35.71	20.90	17.86	47.15	28.57	1.26	2.94	2.00	1.20	0.82									
<b>Limited Review:</b>																								
O2 Non MSA	1	3.45	14.79	0.00	13.78	0.00	21.64	0.00	49.80	100.00	0.00	0.00	0.00	0.00	0.00									

Borrower Distribution: HOME IMPROVEMENT															Geography: OSNB 2011 AA					Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families**	% BANK Loans****	% Families <sup>4</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
O2nd ChgoNapJoliet2011MS A	7	100.00	13.47	28.57	15.74	42.86	23.99	14.29	46.79	14.29	0.65	2.15	1.69	0.33	0.20									
<b>Limited Review:</b>																								
O2 LaSalle NA	0	0.00	15.66	0.00	15.28	0.00	21.52	0.00	47.53	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2012 Peer Mortgage Data (USPR)

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

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 2000 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>4</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: OSNB 12-13		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>										
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>5</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
OSNB 2012 2013 MSA	1,433	97.68	16.32	6.23	15.63	19.89	20.90	27.25	47.15	46.64	1.71	1.72	2.28	1.81	1.51						
<b>Limited Review:</b>																					
O2 Non MSA	34	2.32	14.79	5.88	13.78	23.53	21.64	17.65	49.80	52.94	4.12	7.14	7.89	3.68	3.48						

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: OSNB 2011 AA		Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>										
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>6</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
O2nd ChgoNapJoliet2011MS A	652	97.31	13.47	5.83	15.74	16.38	23.99	30.87	46.79	46.93	1.68	1.77	2.06	2.16	1.38						
<b>Limited Review:</b>																					
O2 LaSalle NA	18	2.69	15.66	5.56	15.28	11.11	21.52	33.33	47.53	50.00	3.67	3.13	2.47	5.17	3.45						

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 1.4% of loans originated and purchased by bank.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.5% of loans originated and purchased by bank.

<sup>6</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: OSNB 12-13			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	\$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>									
OSNB 2012 2013 MSA	929	97.79	72.93	52.42	40.04	27.99	31.97	0.32	0.50
<b>Limited Review:</b>									
O2 Non MSA	21	2.21	71.00	76.19	52.38	38.10	9.52	0.64	2.34

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: OSNB 2011 AA			Evaluation Period: JANUARY 1, 2011 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	\$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>									
O2nd ChgoNapJoliet2011MSA	473	96.33	67.28	53.49	42.71	28.54	28.75	0.00	0.00
<b>Limited Review:</b>									
O2 LaSalle NA	18	3.67	67.95	66.67	66.67	16.67	16.67	0.00	0.00

<sup>1</sup> Based on 2012 Peer Small Business Data -- US and PR

<sup>2</sup> 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.

<sup>3</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

<sup>4</sup> 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 1.58% of small loans to businesses originated and purchased by the bank.

<sup>1</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>2</sup> 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.

<sup>3</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

<sup>4</sup> 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 2.04% of small loans to businesses originated and purchased by the bank.



**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: OSNB				Evaluation Period: JULY 23, 2011 TO JULY 28, 2014			
MA/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>									
ChgoNapJolietMSA	0	0	3	4,254,063	3	4,254,063	100	0	0
<b>Limited Review:</b>									
LaSalle Non-MSA	0	0	0	0	0	0	0	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation 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.