



PUBLIC DISCLOSURE

April 25, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Libertyville Bank & Trust Company
Charter Number: 25197

507 N. Milwaukee Ave.
Libertyville, Illinois 60048

Office of the Comptroller of the Currency

Midsized & Trust Bank Supervision
425 S. Financial Place, Suite 1700
Chicago, IL 60605

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

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Overall CRA Rating

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

The following table indicates the performance level of Libertyville Bank & Trust Company, NA with respect to the Lending, Investment, and Service Tests:

| Performance Levels | Libertyville Bank & Trust Company Performance Tests | | |
|---------------------------|--------------------------------------------------------|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | X | X | |
| High Satisfactory | | | |
| 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:

- The Lending Test rating is based on the performance in the state of Illinois rating area. The excellent geographic distribution of loans in its Assessment Area (AA), the excellent level of community development (CD) lending, and the extensive use of flexible lending programs was considered in arriving at the overall Lending Test rating.
- The Investment Test rating is based on performance in the state of Illinois rating area. The bank has an excellent level of qualified CD investments and grants across the rating area and at the regional level.
- The Service Test rating is based on performance in the state of Illinois rating area. Branch distribution in the bank’s AA was adequate.

Lending in Assessment Area

A very small percentage of the bank’s loans are in its AA.

The bank originated and purchased 6.7 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|----------------------------------------------------------|-----------------|------------|---------------|-------------|---------------|---------------------------------|-------------|----------------|-------------|------------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | 60 | 32.1 | 127 | 67.9 | 187 | 37,529 | 21.8 | 134,566 | 78.2 | 172,095 |
| Small Business | 1,440 | 6.3 | 21,457 | 93.7 | 22,897 | 181,174 | 18.9 | 778,788 | 81.1 | 959,962 |
| Small Farm | 2 | 66.7 | 1 | 33.3 | 3 | 526 | 78.5 | 144 | 21.5 | 670 |
| Consumer | 45 | 88.2 | 6 | 11.8 | 51 | 386 | 56.6 | 296 | 43.4 | 682 |
| Total | 1,547 | 6.7 | 21,591 | 93.3 | 23,138 | 219,615 | 19.4 | 913,794 | 80.6 | 1,133,409 |
| <i>Source: Bank Data</i> | | | | | | | | | | |
| <i>Due to rounding, totals may not equal 100.0%</i> | | | | | | | | | | |

Nationwide lending programs utilized by the bank impact the ratio of loans located inside the bank's AAs. The bank purchases loans from First Insurance Funding (FIFCO), an affiliate of the bank, which impacts the ratio of loans located inside the bank's AA. During the evaluation period, the bank purchased 21,010 loans from FIFCO. A significant majority of the FIFCO purchased loans are located outside of the bank's AA and revenue data was not provided.

Small business loans are the bank's primary product based on volume of loans by number. Conclusions are factored into the overall analysis of the geographic distribution of lending by income level of geography.

Description of Institution

Libertyville Bank and Trust Company, NA (LBT or the bank) is a \$2.2 billion intrastate bank headquartered in Libertyville, Illinois. LBT is a wholly-owned subsidiary of Wintrust Financial Corporation (WFC). As of December 31, 2021, WFC was a \$50 billion financial services holding company located in Rosemont, Illinois. WFC's business strategy includes working with customers in the Chicago metropolitan area, southern Wisconsin, and northwest Indiana by way of their 15 wholly-owned banking subsidiaries and more than 150 bank locations.

WFC locations provide a wide range of lending and deposit products and services to their customers. WFC residential mortgage applications are referred to Wintrust Mortgage (WM). WM, a division of Barrington Bank & Trust, is a national residential mortgage operation with offices throughout the United States. WM offers a wide variety of retail mortgages and originates nearly all WFC mortgages. Loans that cannot be sold on the secondary market are purchased by any one of the 15 WFC banks for their portfolio.

WFC, through its FIFCO affiliate, is one of the largest commercial insurance premium finance companies in the United States. FIFCO makes loans to businesses of different sizes to finance the insurance premiums they pay on their commercial insurance policies. FIFCO is a subsidiary of Lake Forest Bank & Trust Company and a leader in premium finance and life insurance premium finance transactions.

WFC banks offer specialty products including wealth management, lease financing, short-term account receivable financing, administrative services outsourcing, franchise lending, firm partnership loans, and financial solutions for mission-based organizations.

As of December 31, 2021, LBT reported total loans of \$1.6 billion, representing 73 percent of total assets. LBT has three primary loan types that make up 83 percent of the total loan portfolio. The primary loan products include approximately \$633 million of commercial loans or 40 percent of total loans, \$382 million in non-farm, non-residential commercial real estate loans or 24 percent of total loans, and \$296 million in consumer loans, or 19 percent of total loans. LBT had tier 1 capital of \$192 million.

The bank operates seven full-service locations and one satellite facility with restricted activities. The bank has two locations in Libertyville, one of which is the satellite office. The bank also has two locations in Mundelein, IL. The remaining branches are located in Gurnee, Vernon Hills, and Wauconda, Illinois. Each location has a full-service Automated Teller Machine (ATM).

According to the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) deposit market share report, LBT had a 0.3 percent market share, making it the 36th largest deposit holder out of 452 financial institutions in the state of Illinois.

COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19 a pandemic. In response to the pandemic, the United States was under a shelter-in-place order in an effort to limit the spread of the virus. Due to the shelter-in-place orders, certain businesses deemed non-essential were shut down or limited in operations. The pandemic limited the ability of bank

personnel to provide in-person services. The evaluation of the bank's performance takes into consideration the impact of the pandemic.

During the evaluation period, the bank strategically targeted certain CD investments and services to assist in addressing economic hardships associated with the pandemic mitigation practices, advancing the bank's commitment towards alleviating economic disparities among LMI communities. To meet Small Business Administration (SBA) initial guidance on the Payment Protection Program (PPP), the bank modified its technology systems to accommodate small businesses and nonprofit organizations. A PPP loan is SBA-backed that helps businesses keep their workforce employed during the pandemic.

Additionally, opportunities for virtual service deliveries were limited by the capacity of community organizations, and ability of low- and moderate-income (LMI) families and small businesses to access virtual technology.

This disproportionately affected blue-collar jobs, in which LMI individuals are primarily employed in. To assist their borrowers experiencing financial difficulty due to the pandemic, the bank offered various services and relief options. These services provided necessary assistance to borrowers experiencing financial difficulty to the pandemic. The following were relief and services offered by the bank:

- Loan deferrals and modifications.
- Waived all late fees on consumer loans and lines of credit.
- Waived early redemption fees on CDs and waived overdraft and insufficient funds fees.
- Rolled out DocuSign to safely execute the documentation required for deposit, loan, and deferral plans.
- Utilized video conference technology to conduct Money Smart and other financial education sessions.
- Offered hardship assistance, forbearance plan options, and waived late fees for mortgages.

There were no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA during the evaluation period. There were no acquisitions or mergers during the evaluation period that would have affected the bank's CRA performance or the OCC's analysis. LBT's CRA performance was rated Outstanding in the last Public Evaluation performed by the Federal Reserve Bank (FRB) dated January 22, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assesses the bank's performance under the large bank Lending, Investment, and Service Tests. The evaluation period is January 23, 2018 through December 31, 2021.

The OCC permits depository institutions that demonstrate the ability to operate safely and soundly and in compliance with applicable laws, regulations, and policies, to convert to national bank charters. In 2019, the bank elected to apply for a national bank charter with regulatory supervision transferring from the FRB to the OCC upon approval. The national charter was issued on October 1, 2019, which is considered the "conversion date." Since the conversion date was less than six months of the evaluation period year, we did not assess the bank's retail lending performance for 2019 in this evaluation. The bank received consideration of CD activities conducted since the previous CRA evaluation.

In evaluating the bank's lending performance, the OCC analyzed home mortgage loans provided by the bank as they are not a Home Mortgage Disclosure Act (HMDA) reporter. For small loans made to businesses and small loans to farms the OCC analyzed the bank reported loans under the CRA. At the bank's request, the OCC considered consumer loan products, which consisted of secured and unsecured loans. Primary loan products, for purposes of this review, are products in which the bank originated at least 20 loans within an AA during one or more of the analysis periods within the overall evaluation period. Multifamily loans and small loans to farms are not primary loan products; therefore, we did not evaluate these products separately. However, we did consider multifamily loans meeting the CD definition as part of the evaluation of CD lending.

The OCC compared bank loan data for all applicable years in the state rating area to: demographic data using the U.S. Census American Community Survey (ACS); Federal Financial Institutions Examination Council (FFIEC) adjusted median family incomes; 2020 Dun and Bradstreet (D&B) small business demographic data; 2020 peer mortgage loan data reported under HMDA; and 2020 peer small business data reported under CRA. Banks are not required to report data on consumer loans; therefore, no peer aggregate data was available against which to compare bank consumer lending.

In evaluating the geographic distribution and borrower income criteria under the Lending Test, the 2020 through 2021 data was analyzed and aggregated. Performance tables O, P, Q, R, U, and V in Appendix D include data covered by the analysis period 2020 through 2021.

Bank and branch deposit data is as of June 30, 2021, based on information from the FDIC. The distribution of bank branches is compared to U.S. Census 2015 ACS population estimates.

We also evaluated retail services, qualified investments, and CD services from January 23, 2018 through December 31, 2021. Qualifying activities performed in response to the significant impact of the pandemic across the United States are addressed in this evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

Refer to the Scope section under the State Rating section for details regarding how the full-scope AA was selected. Refer to Appendix A, Scope of Examination, for a list of full-scope AAs. There are no limited-scope AAs.

Ratings

The bank's overall rating was based on the state rating.

Refer to the Scope section under the State Rating section for details regarding how the area was weighted in arriving at the respective ratings.

In evaluating the bank's performance under the Lending Test, we placed greater weight on the bank's distribution of small business loans based on the volume. Equal weight was given to the bank's distribution of home mortgage loans and consumer loans. Small loans to farms were not evaluated based on the volume.

Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. Greater weight was generally given to performance compared to aggregate lenders than to performance relative to demographic factors in lending. The analysis included both the number and dollar volume of lending. The analysis of lending, except for CD loans, emphasized the number of loans rather than the dollar volume because it is a better indicator of the number of businesses or individuals served.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Illinois

| | |
|----------------------------------------------|------------------|
| CRA rating for the State of Illinois: | Outstanding |
| The Lending Test is rated: | Outstanding |
| The Investment Test is rated: | Outstanding |
| The Service Test is rated: | Low Satisfactory |

The major factors that support this rating include:

- The bank exhibits an excellent geographic distribution of loans in its AA.
- The bank exhibits a good distribution of loans among businesses of different sizes.
- The bank has an excellent level of CD loans. The level of CD lending has a positive impact on the lending test.
- The bank has an excellent level of qualified investments and exhibits excellent responsiveness to credit and community development needs.
- Its service delivery systems are reasonably accessible to geographies and individuals or different income levels in its AA.
- The bank is a leader in providing CD services.

Description of Institution's Operations in the State of Illinois

LBT designated one AA in Illinois, which is the Lake County-Kenosha County IL-WI Metropolitan Division (Lake County MD). The Lake County MD consists of 154 contiguous census tracts (CTs) in Lake County. The branches are located in the cities of Gurnee, Libertyville, Mundelein, Vernon Hills, and Wauconda.

Lake County is situated in the northeastern corner of the state of Illinois, along the shores of Lake Michigan. The county is divided into eighteen townships, which are Antioch, Avon, Benton, Cuba, Ela, Fremont, Grant, Lake Villa, Libertyville, Moraine, Newport, Shields, Vernon, Warren, Wauconda, Waukegan, West Deerfield, and Zion.

The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income (LMI) geographies. According to 2010 U.S. Census data, the AA consists of 154 CTs, of which 12 CTs are low-income and 30 are moderate-income.

Lake County-Kenosha County MD

The following table provides a summary of demographics, housing, and business information for the AA.

| Table A – Demographic Information of the Assessment Area | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------|------------------------------|----------------------|---------------------|-------------------|
| Assessment Area: Lake County MD | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 154 | 7.8 | 19.5 | 29.9 | 40.9 | 1.9 |
| Population by Geography | 702,898 | 6.3 | 20.6 | 34.5 | 38.5 | 0.1 |
| Housing Units by Geography | 261,229 | 6.2 | 19.1 | 36.1 | 38.6 | 0.0 |
| Owner-Occupied Units by Geography | 179,785 | 3.0 | 14.5 | 36.3 | 46.1 | 0.0 |
| Occupied Rental Units by Geography | 62,641 | 13.6 | 29.6 | 36.1 | 20.7 | 0.0 |
| Vacant Units by Geography | 18,803 | 11.8 | 27.3 | 34.5 | 26.4 | 0.0 |
| Businesses by Geography | 54,546 | 2.5 | 11.2 | 30.9 | 55.4 | 0.0 |
| Farms by Geography | 1,297 | 3.5 | 20.5 | 35.8 | 40.2 | 0.0 |
| Family Distribution by Income Level | 179,321 | 20.4 | 16.3 | 18.4 | 44.9 | 0.0 |
| Household Distribution by Income Level | 242,426 | 21.8 | 15.1 | 17.0 | 46.1 | 0.0 |
| Median Family Income MSA - 29404 Lake County-Kenosha County, IL-WI | | \$87,137 | Median Housing Value | | | \$277,581 |
| | | | Median Gross Rent | | | \$1,122 |
| | | | Families Below Poverty Level | | | 7.4% |
| <i>Source: 2015 ACS Census and 2020 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

Community Contacts

The OCC made two community contacts in the AA, which included nonprofit organizations focused on neighborhood revitalization and economic development in LMI areas. The OCC also reviewed the Lake County, Illinois 2019 Annual Action Plan for Housing and Urban Development (HUD) Funding. Community contacts indicated that the following are needs within the bank’s AA.

- Flexibility in providing home improvement loans regardless of appraisal gaps,
- Willingness to accept a wide range of mortgage down payment and closing cost assistance,
- Providing financing to owners of multifamily buildings for acquisition and rehabilitation,
- Granting small loans to small businesses,
- Providing workforce training and support,
- Providing financial education to LMI individuals and families,
- Providing debt management counseling,
- Participating in homebuyer counseling programs, and

- Having Spanish-speaking bankers.

Housing Characteristics

The housing market in the AA is challenged as demand exceeds housing supply, and prices continue to trend upwards. Rentals have also not been affordable for LMI families. The lack of affordable housing has made it difficult for LMI families to purchase homes in the AA.

The AA is a high cost housing area, limiting access to affordable home ownership among low-income borrowers. The 2021 FFIEC adjusted median family income (AMFI) in the AA is \$102,500. According to Realtor.com data, the median housing value in the Lake County is \$399,700 and \$363,683 in 2020 and 2021, respectively, reflecting a nine percent decrease.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$51,250 per year (or less than 50 percent of the 2021 FFIEC AMFI in the AA) could afford a \$238,673 mortgage with a payment of \$1,281 per month. A moderate-income borrower making \$82,000 per year (or less than 80 percent of the 2021 FFIEC AMFI in the AA) could afford a \$381,877 mortgage with a payment of \$2,050 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

Scope of Evaluation in the State of Illinois

The Lake County MD was selected for analysis using full-scope procedures because it is the only AA in the rating area. Ratings are based primarily on results of the full-scope areas.

For the analysis of distribution of loans to geographies with different income levels, greater consideration was given to the bank's performance in moderate-income geographies based on the greater number of CTs.

For the borrower distribution analysis, consideration was given to the impact that income and housing costs have on limiting homeownership opportunities of LMI individuals and families. Additionally, consideration was given to the impact of home affordability for LMI borrowers in higher cost areas when comparing the distribution of home mortgage loans to the demographics. It is difficult for many LMI borrowers to afford a home as the area's median housing value is typically too high for conventional mortgage loan qualification. As such, more emphasis was placed on the bank's lending results to LMI borrowers relative to the aggregate performance rather than the demographic data.

In performing the analysis of loans to small businesses, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the AA. The large number of competing banks and dominance from the top five lenders somewhat affects the bank's ability to make small loans to businesses. A significant portion of the bank's small loans to businesses did not contain revenue information, as permitted under the CRA reporting requirements. Many of these loans were acquired from FIFCO without revenue data or the loans were originated under a loan product that does not consider business revenue in underwriting. We took into

consideration the bank’s significant nationwide niche lending programs when assessing the bank’s performance regarding lending within its AA versus outside AA lending. More emphasis was placed on the bank’s lending relative to aggregate performance.

Consideration was given to the bank’s business strategy focus, and the fact as noted above that there are considerably more lenders originating or purchasing loans in the AA than there are depository institutions with branch offices. Lenders include local and non-local depository institutions, as well as non-bank financial institutions.

In performing the analysis of investments, competition in the AA is high, with large interstate, regional, and community banks competing for qualified investments in the market.

The service test includes an evaluation of the availability and effectiveness of a bank’s systems for delivering retail banking services, including the current distribution of the bank’s branches among different income geographies.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF ILLINOIS

LENDING TEST

The bank’s performance under the Lending Test in the state of Illinois is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Lake County MD is excellent.

Lending Activity

Lending levels reflect an adequate responsiveness to AA credit needs. The bank’s rank and market share in loans is weaker than the deposit rank and market share. Given the competition from other reporting lenders in the AA, the substantial volume of loans originated through a subsidiary for insurance premium financing, LBT’s business lending market share is adequate compared to its deposit market share in the AA.

| Number of Loans* | | | | | | | |
|-------------------------|---------------|----------------|------------|-----------------------|-------|--------------|-----------------|
| Assessment Area | Home Mortgage | Small Business | Small Farm | Community Development | Total | %State Loans | %State Deposits |
| Lake County MD | 60 | 1440 | 2 | 99 | 1,601 | 98.0 | 100.0 |
| Statewide | -- | -- | -- | 33 | 33 | 2.0 | -- |

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. "--" data not available.

| Dollar Volume of Loans* | | | | | | | |
|--------------------------------|---------------|----------------|------------|-----------------------|---------|---------------|-----------------|
| Assessment Area | Home Mortgage | Small Business | Small Farm | Community Development | Total | %State* Loans | %State Deposits |
| Lake County MD | 37,529 | 181,174 | 526 | 64,856 | 284,085 | 92.1 | 100.0 |
| Statewide | -- | -- | -- | 24,331 | 24,331 | 7.9 | -- |

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. "--" data not available.

According to FDIC Deposit Market Share data as of June 30, 2021, the bank ranked 5th out of 32 banks with a deposit market share of 6.1 percent in the AA, which is equivalent to the top 16.0 percent of banks in the AA.

The bank is not required to report its mortgage lending data and is not included in the 2020 peer mortgage data. The five largest home mortgage lenders have captured 26.4 percent of the market based on the 2020 peer mortgage data. Home mortgage lending is not a primary product, and the bank generally refers home loans to an affiliate, Wintrust Mortgage.

According to 2020 peer small business data, the bank ranked 9th in the market of 157 small business lenders with a market share of 3.5 percent. The bank's rank and market share in loans is weaker than the deposit rank and market share. The five largest small business lenders have captured 47.0 percent of the market.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent distribution.

Refer to Table O in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The proportion of home mortgage loans originated or purchased in LMI geographies exceeds both the percentage of owner-occupied housing units and the aggregate distribution of all reporting lenders.

Small Loans to Businesses

The geographic distribution of small business loans reflects excellent distribution.

Refer to Table Q in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The proportion of small business loans originated or purchased in low-income geographies was below the percentage of small businesses and exceeds the aggregate distribution of all reporting lenders. The proportion of small business loans originated or purchased in moderate-

income geographies exceeds the percentage of small businesses and the aggregate distribution of all reporting lenders.

Consumer Loans

The geographic distribution of consumer loans reflects adequate distribution.

Refer to Table U in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The proportion of consumer originated or purchased loans in low-income geographies was well below the percentage of households and exceeds the percentage of households in moderate-income geographies.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed the bank's lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

The distribution of home mortgage loans among individuals of different income levels is very poor.

Refer to Table P in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The high cost of housing limits opportunities for low-income borrowers and the negative impact on economic conditions caused by the pandemic in 2020 may have limited opportunities for lending. These contexts are considered in the analysis.

The bank did not originate or purchase any home mortgage loans to low-income borrowers during the evaluation period. The proportion of home mortgage loans originated or purchased was significantly below the percentage of moderate-income families and below the aggregate distribution of all reporting lenders.

Small Loans to Businesses

The distribution of loans to businesses of different sizes is good.

Refer to Table R in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The proportion of loans to small businesses originated or purchased was well below the proportion of small businesses and exceeds the aggregate distribution of all reporting lenders.

The bank originates a substantial volume of loans through a subsidiary for insurance premium financing, which is a nationwide product underwritten without the collection of revenue data. Additionally, the bank originated loans under the PPP, which generally did not consider revenue information in the underwriting process. Per table R, 13.3 percent of the small business loans have no revenue data. Given this context, the performance under this criterion is considered good.

Consumer Loans

The distribution of consumer loans among individuals of different income levels is excellent.

Refer to Table V in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The proportion of consumer loans originated or purchased to LMI borrowers exceeds the percentage of households.

Community Development Lending

The bank is a leader in CD lending. The level of CD lending has a positive impact on the lending test conclusion.

Refer to the Number of Loans table in the Lending Activity section, for the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

During the evaluation period, the bank originated 99 qualifying CD loans totaling \$64.8 million, representing 33.8 percent of allocated tier 1 capital. CD loan activity included 52 loans totaling \$41.4 million benefiting affordable housing, 36 loans totaling \$19.3 million benefiting revitalization and stabilization efforts, 10 loans totaling \$2.0 million benefiting community service, and one loan totaling \$2.0 million benefiting economic development. Of the 99 CD loans, 35 totaling \$24.2 million were loan renewals.

Due to the pandemic in 2020, the SBA initiated the PPP loan program. The bank originated 36 PPP loans totaling \$19.3 million that qualify as CD within the AA.

Examples of CD loans in the AA include:

- A \$1.4 million loan to refinance a 25-unit apartment complex, with 24 units under a Housing Voucher Choice Program Housing Assistance Payment contract. Under this program, the local public housing authority pays the difference in rent from the tenant contribution. Actual rents are below the Housing and Urban Development (HUD) determined fair market rents.
- An \$840,000 loan to a nonprofit residential development corporation for the construction of eight new single-family homes on eight adjacent vacant lots in North Chicago. The City of North Chicago donated the lots, and the development is being completed as a subsidized housing program. The project is targeted to LMI buyers that are employees of local businesses. This development corporation provides affordable housing in communities where little or no affordable housing is typically available across the AA.
- A renewal of a \$750,000 revolving line of credit (LOC) participation to an affordable housing nonprofit organization. The organization originates and services loans to help LMI households purchase, improve and save homes via high-impact services and partnerships. Services offered include homeownership education and counseling, down payment assistance for first home buyers, rehabilitation of distressed properties, foreclosure prevention, forgivable loans, and construction management services to make homes safer.
- A \$750,000 revolving LOC to an organization that specializes in developing and investing in Low-Income Housing Tax Credit (LIHTC) properties. The organization collaborates with the Illinois Housing Development Authority on properties located across the Chicagoland area for the rehabilitation of multifamily affordable housing rental units.
- Two LOC renewals totaling \$700,000 to a nonprofit affordable housing organization for working capital needs during construction of housing. The organization's mission is to provide decent and affordable homes that low-income families can own.

Statewide

The bank originated 33 CD loans in the broader statewide area of Illinois totaling \$24.3 million. The loans included 25 loans totaling \$15.8 million benefiting affordable housing, seven PPP loans totaling \$6.5 million benefiting revitalization and stabilization, and one totaling \$2 million benefiting economic development. Of the loans originated, nine totaling \$5 million were loan renewals.

Product Innovation and Flexibility

The bank makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. We considered the loan programs, which provided opportunities with direct benefit to LMI borrowers and small businesses within the AA.

Paycheck Protection Program

The bank made use of responsive flexible lending during the pandemic in 2020 by originating loans to stabilize small businesses and communities through the SBA PPP. The bank also worked with the College of Lake County Small Business Development Center to increase

awareness of PPP availability. During the evaluation period, the bank originated 793 PPP loans totaling \$101.5 million in the AA and a combined total of 1,127 PPP loans totaling \$173.9 million within the state of Illinois. This activity received positive consideration as it provided stabilization of small businesses and communities.

Other Programs

Money Smart Everyday Loan is offered as an alternative to payday loans. These loans provide unsecured financing from \$500 to \$2,500 as an alternative to payday lenders with lower interest rates and up to 24-month repayment terms. The bank originated 19 loans totaling \$43,600 in the AA.

Money Smart Certificate of Deposit Secured Loan is offered to assist persons with very low credit scores and to those with non-established or blemished credit histories. The loan is secured by a certificate of deposit that grows as the loan is repaid in monthly installments. There is no upfront deposit required from the borrower. After payoff, customers receive use of the money from the certificate of deposit and reporting of credit history. During the evaluation period, the bank originated seven loans totaling \$3,700 in the AA.

Easy Access LOC and Easy Access Installment programs are small and micro loans offered to small businesses, which are a noted need in the community. These programs are targeted to help meet the needs of small businesses with revenues of less than \$1.0 million with short-term LOC funding to support inventory and accounts receivables and to provide support with secured and unsecured term loans. During the evaluation period, the bank originated 118 Easy Access LOC totaling \$6 million and three Easy Access Installment loans totaling \$112,455 in the AA.

The bank participates in SBA programs including the 504-loan program, 7a loan program, and the Express program. A total of five loans totaling \$1.3 million were originated under these programs in the AA.

INVESTMENT TEST

The bank's performance under the Investment Test in the state of Illinois is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Lake County MD is excellent. We considered the investment opportunities with direct benefit within the AA and the bank's capacity to address those needs.

The bank has a significant level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The bank exhibits an excellent responsiveness to credit and community economic development needs. The bank occasionally uses innovative or complex investments to support CD initiatives. Qualified investments and grants primarily supported needs for affordable housing, economic development, and community services.

| Qualified Investments | | | | | | | | | | |
|-----------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| Assessment Area | Prior Period* | | Current Period | | Total | | | | Unfunded Commitments** | |
| | # | \$(000's) | # | \$(000's) | # | % of Total # | \$(000's) | % of Total \$ | # | \$(000's) |
| Lake County MD | 8 | 7,120 | 218 | 3,423 | 226 | 87.3 | 10,543 | 81.5 | 1 | 750 |
| Regional | 1 | 908 | 32 | 1,483 | 33 | 12.7 | 2,391 | 18.5 | 2 | 2,126 |

* 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.

Qualified investments totaled \$10.5 million, with current period investments of \$2.7 million, prior period investments of \$7.1 million, and qualified grants of \$759,371. Investments benefiting the AA during the evaluation represented 5.5 percent of allocated tier 1 capital. The bank also had \$750,000 in unfunded commitments remaining at the end of the evaluation period which consisted of a loan pool.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of \$7.1 million in municipal bonds, a LIHTC, a loan pool and a small business investment corporation (SBIC).

Grants made were to organizations providing economic development, revitalization and stabilization, affordable housing, and community services benefiting LMI individuals and families within the AA.

Examples of qualified grants in this AA include:

- \$164,309 in ten grants to a nonprofit college preparatory high school that caters to students from LMI households. The school's mission is to provide college curriculum to adolescents living in communities with limited educational options. In partnership with the bank, the students participate in a Corporate Work Study program that pays the students tuition while gaining professional work experience.
- \$17,390 in two grants to a nonprofit organization whose mission is to create and support programs that improve the health and well-being of underserved and LMI families by providing free healthcare services through a fully equipped medical clinic on wheels. This organization currently serves communities on the north and south side of the Chicagoland area.
- \$13,250 in five grants to a nonprofit economic development corporation. The mission of this organization is to maintain economic vitality by creating and retaining quality jobs, stimulating capital investments, pursuing economic diversity, and improving the Lake County business climate. The organization works closely with local partners, businesses in providing resources for recruitment, training, curriculum development, and funding.
- \$10,000 in three grants to a foundation that supports other local nonprofit organizations. This foundation has partnered with such organizations that specialize in legal services, housing, and youth services programs. LMI families are provided with free legal

services, domestic violence counseling, support for abused children in juvenile court and graduate resources.

- \$6,500 in three grants to a nonprofit HUD certified housing agency serving the entire county. The organization’s mission is to develop quality affordable housing and provide services that will assist LMI households with homeownership education and counseling, down payment assistance, forgivable loans, and construction management services.

Regional

We also considered qualified investments that served a broader regional area, including neighboring states. In the current period, the bank invested \$1.2 million that consists of a \$466,000 SBIC, minority depository institution certificates of deposits totaling \$680,830, and an investment totaling \$33,333. The SBIC also had a \$2.1 million unfunded commitment at the end of the evaluation period.

The bank continued to hold one prior period SBIC investment totaling \$907,676 that has an unfunded commitment of \$92,324. In addition, the bank made 29 grants totaling \$302,904 to organizations that provide community services to LMI individuals. Included in these grants is a long-term \$233,333 commitment to a university with a goal of addressing the strain of tuition costs on LMI families. While partnering with WFC affiliate banks, this donation provides support through scholarships to low-income as well as first generation students.

SERVICE TEST

The bank’s performance under the Service Test in the state of Illinois is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on the full-scope review, the bank’s performance in the Lake County MD is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

| Distribution of Branch Delivery System | | | | | | | | | | | |
|-----------------------------------------------|--------------------------------|--------------------|--------------------------------|---------------------------------------------------|------|------|------|---------------------------------------|------|------|------|
| Assessment Area | Deposits | Branches | | | | | | Population | | | |
| | % of Rated Area Deposits in AA | # of Bank Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) | | | | % of Population within Each Geography | | | |
| | | | | Low | Mod | Mid | Upp | Low | Mod | Mid | Upp |
| Lake County MD | 100.0 | 7 | 100.0 | 0.0 | 28.5 | 28.5 | 42.9 | 6.3 | 20.6 | 34.5 | 38.5 |

The bank has seven branches in the AA, with two in moderate-income geographies. There are no branches in low-income CTs. The percentage of branches located in moderate-income areas exceeds the percentage of the population residing in the geographies.

No branches were open or closed in the AA during the evaluation period.

The bank complements its traditional service delivery methods in the AA with certain alternative retail delivery systems, such as deposit-taking ATMs, direct deposit, telephone banking, remote deposit service, mobile banking, and online banking. LBT has eight ATMs in the AA, of which two are deposit-taking in moderate-income CTs of the AA. We did not place significant weight on alternative delivery systems as the bank did not maintain or provide metrics to determine their effectiveness in helping meet the needs of LMI individuals.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and individuals. All branches operate during similar banking hours.

During the pandemic, the bank offered additional services such as curbside banking, cashing stimulus checks for non-customers, and offering leniency on waiving non-sufficient funds and overdraft fees, and early withdrawal penalties. With lobby closures, branch personnel worked to help meet community banking needs through drive-through facilities and digital banking services. The bank received positive consideration for these activities in response to the pandemic.

Community Development Services

The bank is a leader in providing CD services.

CD services were effective and responsive in helping the bank address the community needs with 23 organizations. During the evaluation period, 20 bank employees from various lines of business participated in a total of 7,198 hours to support LMI individuals and families. They included serving 529 hours on committees and boards for 14 various organizations that promote affordable housing, community services, and financial literacy in the bank's AA. Services reflected ongoing relationships with several organizations in the AA.

Examples of services include the following:

- An employee served 325 hours for an organization which provides community service opportunities by providing food, shelter, and clothing to LMI individuals and families. In addition, this organization also helps with utility bills, rent, transportation, and medical expenses.
- An employee served 274 hours as a board member and treasurer for a food pantry within the AA. It provides food to LMI families and individuals in times of emergency or unusual hardship, and in some cases to help sustain families and people who are ill or elderly.

- An employee served 82 hours as a board member of a nonprofit organization. The mission of the organization is dedicated to the economic development, historic preservation, and healthy community spirit of a central business district.
- Two employees provided 56 hours, including board membership, to a nonprofit organization which supports elderly LMI individuals. The organization's mission is to provide independent housing, assisted living, home-delivered meals, transportation, adult day services, geriatric care management, health and wellness activities, counseling services and support groups for older adults and caregivers.
- An employee provided 56 hours to a local chamber of commerce as a board member. The organization offers over 250 programs, services, events, and activities helping local businesses connect, learn, and grow in the AA. The chamber fosters a competitive business climate focused on growth, prosperity, and improving quality of life for residents in the AA.

Cristo Rey Work Study Program

The bank participates in the Cristo Rey St. Martin Corporate Work Study program. Cristo Rey's mission is to partner educators, businesses, and communities, to enable students to fulfill their aspirations for a lifetime of success. As part of the Corporate Work Study, the bank's staff serves as mentors which provide students with training on different roles and responsibilities in the bank and professionalism in the workplace. The school transports all students participating in the program by bus to the bank daily. All students participating in Cristo Rey are required to participate in a work study program through which they finance the majority of cost of their education. Students gain real-world job experience, grow in self-confidence, realize the relevance of their education and graduate ready to succeed in college and life. Cristo Rey St. Martin students are from LMI families.

During the assessment period, several bank employees provided 5,187 hours as student mentors for the work study program. The hours represented the duration of time the students spent on-the-job with their mentors at the bank.

FDIC Money Smart

The bank leverages the FDIC Money Smart financial education program, which helps individuals of all ages enhance their financial skills and create positive banking relationships. The Money Smart program provides basic financial concepts to students in kindergarten through 12th grade and training for adults in many different life stages and financial situations. The program reaches adults new to the country, adults with disabilities, adults starting or changing careers, and adults going through significant life events such as expanding their families or purchasing or renting their first homes. Curriculum includes education to prevent financial exploitation of the elderly, as well as starting and managing a small business.

During the evaluation period, bank employees provided 574 hours using the FDIC Money Smart Financial Program to small business and LMI individuals in the AA.

PPP Resource Centers

In response to the 2020 pandemic, WFC developed, implemented, and staffed PPP Resource Centers. The bank staffed the centers with small business lenders that were knowledgeable in the PPP application portal and process. The resource centers made expertise and equipment available to small businesses that did not have access to these types of resources. Four bank employees provided 141 hours of support to the resource centers, which were open from January through April 2021.

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 MSAs and non-MSAs 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”.

| | | |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Time Period Reviewed: | HMDA and CRA: 01/01/2020 to 12/31/2021 CD Activities & Retail Services: 01/23/2018 to 12/31/2021 | |
| Bank Products Reviewed: | Home mortgage, small business, and consumer loans. Community development loans, qualified investments, and community development services | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| N/A | N/A | N/A |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| State of Illinois | | |
| Lake County-Kenosha County IL-WI MD | Full-Scope | Lake County |

Appendix B: Summary of State Ratings

| Libertyville Bank & Trust Company Ratings | | | | |
|------------------------------------------------------|----------------------|------------------------|---------------------|--------------------------------------|
| Overall Bank: | Lending Test Rating* | Investment Test Rating | Service Test Rating | Overall Bank/State/Multistate Rating |
| Libertyville Bank | Outstanding | Outstanding | Low Satisfactory | Outstanding |
| MMSA or State: | | | | |
| State of Illinois | Outstanding | Outstanding | Low Satisfactory | Outstanding |

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

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

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

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

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

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

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

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage

distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography – 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 in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - 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 households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2020-2021**

| Assessment Area: | Total Home Mortgage Loans | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
|------------------|---------------------------|---------------|--------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|------------|
| | # | \$ | % of Total | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate |
| Lake County MD | 60 | 37,529 | 100.0 | 3.0 | 6.7 | 1.3 | 14.5 | 20.0 | 8.7 | 36.3 | 20.0 | 33.3 | 46.1 | 53.3 | 56.7 | 0.0 | 0.0 | 0.0 |
| Total | 60 | 37,529 | 100.0 | 3.0 | 6.7 | 1.3 | 14.5 | 20.0 | 8.7 | 36.3 | 20.0 | 33.3 | 46.1 | 53.3 | 56.7 | 0.0 | 0.0 | 0.0 |

Source: 2015 ACS Census; 01/01/2020 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2020-2021**

| Assessment Area: | Total Home Mortgage Loans | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
|------------------|---------------------------|---------------|--------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|
| | # | \$ | % of Total | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate |
| Lake County MD | 60 | 37,529 | 100.0 | 20.4 | -- | 6.9 | 16.3 | 6.7 | 15.4 | 18.4 | 8.3 | 20.5 | 44.9 | 20.0 | 43.8 | 0.0 | 65.0 | 13.4 |
| Total | 60 | 37,529 | 100.0 | 20.4 | -- | 6.9 | 16.3 | 6.7 | 15.4 | 18.4 | 8.3 | 20.5 | 44.9 | 20.0 | 43.8 | 0.0 | 65.0 | 13.4 |

Source: 2015 ACS Census ; 01/01/2020 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2020-2021**

| Assessment Area: | Total Loans to Small Businesses | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
|------------------|---------------------------------|----------------|--------------|-------------------|--------------|------------|------------------------|--------------|-------------|----------------------|--------------|-------------|---------------------|--------------|-------------|-----------------------------|--------------|------------|
| | # | \$ | % of Total | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate |
| Lake County MD | 1,440 | 181,174 | 100.0 | 2.5 | 2.0 | 1.9 | 11.2 | 11.7 | 10.1 | 30.9 | 36.1 | 31.1 | 55.4 | 50.2 | 57.0 | 0.0 | 0.0 | 0.0 |
| Total | 1,440 | 181,174 | 100.0 | 2.5 | 2.0 | 1.9 | 11.2 | 11.7 | 10.1 | 30.9 | 36.1 | 31.1 | 55.4 | 50.2 | 57.0 | 0.0 | 0.0 | 0.0 |

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2020-2021**

| Assessment Area: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
|------------------|---------------------------------|----------------|--------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|----------------------------------------|--------------|
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Lake County MD | 1,440 | 181,174 | 100.0 | 21,538 | 85.4 | 49.7 | 42.5 | 6.0 | 37.0 | 8.6 | 13.3 |
| Total | 1,440 | 181,174 | 100.0 | 21,538 | 85.4 | 49.7 | 42.5 | 6.0 | 37.0 | 8.6 | 13.3 |

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography 2020-2021

| Assessment Area: | Total Consumer Loans | | | Low-Income Tracts | | Moderate-Income Tracts | | Middle-Income Tracts | | Upper-Income Tracts | | Not Available-Income Tracts | |
|------------------|----------------------|------------|--------------|-------------------|--------------|------------------------|--------------|----------------------|--------------|---------------------|--------------|-----------------------------|--------------|
| | # | \$ | % of Total | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans |
| Lake County MD | 45 | 386 | 100.0 | 5.8 | 2.2 | 18.4 | 17.8 | 36.3 | 33.3 | 39.5 | 46.7 | 0.0 | 0.0 |
| Total | 45 | 386 | 100.0 | 5.8 | 2.2 | 18.4 | 17.8 | 36.3 | 33.3 | 39.5 | 46.7 | 0.0 | 0.0 |

Source: 2015 ACS Census; 01/01/2020 - 12/31/2021 Bank Data.
 Due to rounding, totals may not equal 100.0%

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower 2020-2021

| Assessment Area: | Total Consumer Loans | | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Not Available-Income Borrowers | |
|------------------|----------------------|------------|--------------|----------------------|--------------|---------------------------|--------------|-------------------------|--------------|------------------------|--------------|--------------------------------|--------------|
| | # | \$ | % of Total | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans | % of Households | % Bank Loans |
| Lake County MD | 45 | 386 | 100.0 | 21.8 | 51.1 | 15.1 | 20.0 | 17.0 | 15.6 | 46.1 | 13.3 | 0.0 | 0.0 |
| Total | 45 | 386 | 100.0 | 21.8 | 51.1 | 15.1 | 20.0 | 17.0 | 15.6 | 46.1 | 13.3 | 0.0 | 0.0 |

Source: 2015 U.S Census; 01/01/2020 - 12/31/2021 Bank Data.
 Due to rounding, totals may not equal 100.0