



**PUBLIC DISCLOSURE**

June 13, 2022

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Resource Bank, National Association  
**Charter Number 5815**  
555 Bethany Road  
Dekalb, IL 60115

Office of the Comptroller of the Currency  
Downers Grove 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 **Outstanding**.

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Outstanding**

The major factors that support these ratings include:

- Resource Bank, National Association's (Resource or bank) demonstrated excellent responsiveness to the Community Development (CD) needs of its assessment areas (AAs) by engaging in a combination of CD loans, qualified investments, and CD services. The bank's CD loans and investments helped address identified needs for affordable housing for low- and moderate-income persons and for revitalization and stabilization of low- and moderate-income geographies, particularly during the COVID-19 pandemic.
- Resource's geographic distribution of small loans to businesses in geographies of different income levels within its AA is excellent.
- Resource's distribution of loans to businesses of different revenue sizes within its AAs is reasonable.
- Resource originated or purchased a majority of its loans within its AA during the evaluation period.
- Resource's loan-to-deposit (LTD) ratio is reasonable.
- Resource did not receive any complaints regarding its Community Reinvestment Act (CRA) performance during the evaluation period.

### Loan-to-Deposit Ratio

Considering Resource's size and financial condition, and the credit needs of its AAs, the bank's loan-to-deposit ratio is reasonable. During the 12-quarter period ending December 31, 2021, the bank's quarterly LTD ratio averaged 59.5 percent. The LTD ratio is calculated on a bank-wide basis.

We compared Resource's quarterly LTD ratio to the ratios for six similarly situated financial institutions that were headquartered in Resource's AAs and that ranged in asset size from \$380 million to \$1.9 billion. The combined average quarterly LTD ratio for the similarly situated banks and thrifts was 80.2 percent during the same period of time. Resource's LTD ratio was the lowest in this group.

### Lending in Assessment Area

A majority of Resource's loans are inside its AAs. The bank originated or purchased 64.3 percent of its total loans inside its AAs during the evaluation period. This analysis was 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.

| <b>Lending Inside and Outside of the Assessment Area</b>                                      |                        |          |                |          |              |  |          |                |          |              |
|---|------------------------|----------|----------------|----------|--------------|--|----------|----------------|----------|--------------|
| <b>Loan Category</b>  | <b>Number of Loans</b> |          |                |          | <b>Total</b> | <b>Dollar Amount of Loans \$(000s)</b> |          |                |          | <b>Total</b> |
|   | <b>Inside</b>          |          | <b>Outside</b> |          |              | <b>Inside</b>                          |          | <b>Outside</b> |          |              |
|   | <b>#</b>               | <b>%</b> | <b>#</b>       | <b>%</b> |              | <b>\$</b>                              | <b>%</b> | <b>\$</b>      | <b>%</b> |              |
| Business Loans  | 36                     | 64.3     | 20             | 35.7     | 56           | 7,707                                  | 70.5     | 3,223          | 29.5     | 10,930       |
| <i>Source: Random sample of 56 business loans originated between 1/1/2019 and 12/31/2021.</i> |                        |          |                |          |              |  |          |                |          |              |

## Description of Institution

Resource is a \$755 million intrastate financial institution headquartered in Dekalb, Illinois, and is a wholly owned subsidiary of Resource Bancshares, Inc (RBI). The bank does not have any other affiliates, and it has not participated in any merger or acquisition activities since its prior CRA performance evaluation.

Resource has thirteen offices in DeKalb, Cortland, Genoa, Hampshire, Hinckley, Kirkland, Leland, Malta, Serena, Shabbona, Somonauk, and Sycamore, Illinois. Six of the offices are open seven days a week, and all locations have non-deposit-taking automated teller machines (ATMs). The branches offer extended operating hours, with lobby hours from 8:30 am until 5:00 pm on Monday through Thursday, until 6:00 pm on Friday, and until either 1:00 pm or 3:00 pm on Saturday. Drive-up hours are from 7:30 am until 6:00 pm on Monday through Thursday, until 7:00 pm on Friday, and until either 1:00 pm or 4:00 pm on Saturdays. Drive up hours at the branches open on Sunday start at 10:00 am and run until either 1:00 pm, 2:00 pm, or 3:00 pm. Three temporary branches opened in 2018 and 2019 were moved to permanent locations in Leland and Serena in 2020, and Kirkland in early 2022. No other branches were closed during the evaluation period.

Resource has two AAs in the state of Illinois. One AA consists of DeKalb County and one CT in Kane County (MSA AA), which are in the Elgin IL Metropolitan Division (MD) #20994 in the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (MSA) #16980. The other AA consists of a portion of LaSalle County in a non-metropolitan statistical area (Non-MSA AA).

Resource's strategic focus is to build long-term customer relationships by providing value-added financial solutions to their customers and offering convenience and choice in how customers do business with the bank. Resource is a full-service bank that offers conventional deposit and loan products as well as internet, mobile, and telephone banking. The bank participates in several government guaranteed home and farm loan programs and is a Small Business Administration preferred Express Lender. The bank also offers asset management services and insurance products. Retail investment services are provided through Cetera Investment Services LLC.

As of December 31, 2021, Resource's loan portfolio totaled \$358.8 million, or 47.5 percent of total assets. Tier one leverage capital was \$56.5 million. The following table provides additional information regarding the bank's loan portfolio mix:

| <b>Loan Portfolio Summary by Loan Product</b>                            |                                 |
|--|---------------------------------|
| <b>Loan Category</b>   | <b>% of Outstanding Dollars</b> |
| Business Loans, including Commercial Real Estate                         | 32.4                            |
| Home Loans, including Multifamily  | 32.0                            |
| Farm Loans, including Farmland   | 16.4                            |
| Consumer loans   | 1.1                             |
| <i>Source: December 31, 2021, Uniform Bank Performance Report (UBPR)</i> |                                 |

This examination did not identify any legal, financial, or other factors that would impede Resource’s ability to help meet the credit needs of its AAs, including low- and moderate-income families and neighborhoods. At the previous CRA evaluation dated April 8, 2019, Resource received a rating of “Outstanding” under the Intermediate Small Bank CRA evaluation procedures.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This evaluation addresses Resource’s CRA performance from January 1, 2019, through December 31, 2021. We evaluated the bank’s CRA performance using the Interagency Intermediate Small Bank (ISB) examination procedures, which include a Lending Test and a Community Development Test. The Lending Test evaluates the bank’s record of meeting the credit needs of the AAs through its lending activities. The Community Development Test evaluates the bank’s responsiveness to CD needs of its AAs through loans, qualified investments, and services with CD purpose during the evaluation period.

Based on both our review of loans originated and purchased by Resource during the evaluation period, we determined that the bank’s primary loan product was business loans. The bank’s record of lending inside versus outside its AAs was determined through random sample of 56 business loans originated during the evaluation period. The bank’s performance lending in geographies of different income levels and to businesses of different sizes was determined through our analysis of 34 business loans that were originated or purchased in the MSA AA and 20 business loans that were originated or purchased in the Non-MSA AA.

### **Selection of Areas for Full-Scope Review**

Resource has two AAs located in the State of Illinois, and we completed a full-scope review of both AAs. Refer to the table in Appendix A for more information on the scope of the review.

### **Ratings**

Resource’s overall CRA rating is based on its performance in both of the AAs that received full-scope reviews. The bank’s performance in the MSA AA received more weight in our analysis because more of the bank’s loan and deposit activity occurred in this AA.

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

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

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

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

## State of Illinois

**CRA rating for the State of Illinois<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Outstanding

The major factors that support these ratings include:

- Resource demonstrated excellent responsiveness to the CD needs of its AAs by engaging in a combination of CD loans, qualified investments, and CD services. The bank's CD loans and investments helped address identified needs for affordable housing for low- and moderate-income persons and for revitalization and stabilization of low- and moderate-income geographies, particularly during the COVID-19 pandemic.
- Resource's geographic distribution of small loans to businesses in geographies of different income levels within its AA is excellent.
- Resource's distribution of loans to businesses of different revenue sizes within its AAs is reasonable.
- Resource originated or purchased a majority of its loans within its AA during the evaluation period.
- Resource's loan-to-deposit (LTD) ratio is reasonable.
- Resource did not receive any complaints regarding its CRA performance during the evaluation period.

## Description of Institution's Operations in Illinois

Resource has two AAs located in the State of Illinois. The MSA AA consists of all 22 CTs in DeKalb County and one CT in Kane County, which are part of the Elgin, IL MD #20994 in the Chicago-Naperville-Elgin, IL-IN-WI MSA #16980. There are two low-income CTs and five moderate-income CTs in this AA. The Non-MSA AA consists of three CTs in LaSalle County. There are no low- or moderate-income CTs in the Non-MSA AA. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income CTs.

According to the Bureau of Labor Statistics (BLS), unemployment rates in both AAs were improving until the COVID-19 pandemic began in March 2020. Unemployment rates for both AAs have improved since the peak unemployment rates in April 2020 and are slightly lower than the state average but slightly higher than the national average as of December 31, 2021.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

| <b>Annual Unemployment Rates</b> |             |             |             |             |
|----------------------------------|-------------|-------------|-------------|-------------|
| <b>Area</b>                      | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>Peak</b> |
| DeKalb County                    | 3.9%        | 8.4%        | 5.7%        | 14.4%       |
| Kane County                      | 4.3%        | 9.4%        | 5.9%        | 16.4%       |
| LaSalle County                   | 5.1%        | 9.6%        | 6.0%        | 18.2%       |
| State of Illinois                | 4.0%        | 9.2%        | 6.1%        | 17.2%       |
| National                         | 3.7%        | 8.1%        | 5.5%        | 14.7%       |

*Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted. Unemployment rates are as of December 31 of each year. Peak is as of April 30, 2021.*

**MSA AA**

| <b>Demographic Information of the Assessment Area (MSA AA)</b> |          |                              |                            |                          |                         |                       |
|--|----------|------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| <b>Demographic Characteristics</b>                             | <b>#</b> | <b>Low<br/>% of #</b>        | <b>Moderate<br/>% of #</b> | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)                                    | 22       | 9.1                          | 22.7                       | 63.6                     | 0.0                     | 4.5                   |
| Population by Geography  | 118,779  | 10.1                         | 23.0                       | 62.6                     | 0.0                     | 4.3                   |
| Housing Units by Geography                                     | 48,360   | 11.9                         | 24.4                       | 63.0                     | 0.0                     | 0.7                   |
| Owner-Occupied Units by Geography                              | 28,450   | 1.8                          | 21.0                       | 77.1                     | 0.0                     | 0.1                   |
| Occupied Rental Units by Geography                             | 15,793   | 27.2                         | 30.0                       | 41.1                     | 0.0                     | 1.7                   |
| Vacant Units by Geography                                      | 4,117    | 23.1                         | 26.3                       | 49.3                     | 0.0                     | 1.3                   |
| Businesses by Geography  | 6,934    | 5.5                          | 27.5                       | 65.0                     | 0.0                     | 2.1                   |
| Farms by Geography   | 506      | 0.4                          | 14.6                       | 84.8                     | 0.0                     | 0.2                   |
| Family Distribution by Income Level                            | 27,246   | 25.4                         | 18.6                       | 22.1                     | 33.9                    | 0.0                   |
| Household Distribution by Income Level                         | 44,243   | 31.3                         | 16.8                       | 20.3                     | 31.6                    | 0.0                   |
| Median Family Income MSA - 20994 Elgin, IL                     | \$80,899 | Median Housing Value         |                            | \$176,240                |                         |                       |
|  |          | Median Gross Rent            |                            | \$883                    |                         |                       |
|  |          | Families Below Poverty Level |                            | 9.8%                     |                         |                       |

*Source: 2015 ACS and 2021 D&B data.  
Note: Due to rounding, totals may not equal 100.0%.  
(\* The NA category consists of geographies that have not been assigned an income classification.*

The MSA AA is located 64 miles west of Chicago, Illinois. Resource has 11 branches in the MSA AA. Three of the offices, two in DeKalb and one in Genoa are located in moderate-income CTs. This AA provides a strong majority (97.1 percent) of the bank's total deposits. For this analysis, \$54.8 million of the bank's total capital is allocated to the MSA AA.



Competition for deposits in this AA is strong. According to the June 30, 2021, FDIC Deposit Market Share Report, Resource's deposits from the AA totaled \$616.8 million. The bank ranked tenth out of 32 deposit-taking institutions in the AA with a 3.67 percent share of the market. The largest institutions by deposit market share were JP Morgan Chase Bank N.A (19.9 percent), Old Second National Bank (10.1 percent), and St Charles Bank and Trust Company N.A. (9.4 percent). All three banks are significantly larger in asset size than Resource.

Primary industries in DeKalb County include educational services, retail trade, and accommodation and food services. The largest employers are Northern Illinois University, Northwestern Medicine Kishwaukee Hospital, 3M, and local school districts. Within the AA, there are 6,934 businesses and 83.6 percent (5,798) are small businesses with gross annual revenues of \$1 million or less, 4.6 percent (316) are businesses with gross annual revenues of over \$1 million, and 11.8 percent (820) are businesses that did not report revenue information.

### **Non-MSA AA**

| <b>Demographic Information of the Assessment Area (Non-MSA AA)</b>                                       |          |                       |                              |                          |                         |                       |
|--|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| <b>Demographic Characteristics</b>   | <b>#</b> | <b>Low<br/>% of #</b> | <b>Moderate<br/>% of #</b>   | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)  | 3        | 0.0                   | 0.0                          | 33.3                     | 66.7                    | 0.0                   |
| Population by Geography  | 16,903   | 0.0                   | 0.0                          | 44.1                     | 55.9                    | 0.0                   |
| Housing Units by Geography   | 6,404    | 0.0                   | 0.0                          | 37.8                     | 62.2                    | 0.0                   |
| Owner-Occupied Units by Geography  | 4,838    | 0.0                   | 0.0                          | 35.1                     | 64.9                    | 0.0                   |
| Occupied Rental Units by Geography   | 939      | 0.0                   | 0.0                          | 57.2                     | 42.8                    | 0.0                   |
| Vacant Units by Geography  | 627      | 0.0                   | 0.0                          | 29.2                     | 70.8                    | 0.0                   |
| Businesses by Geography  | 805      | 0.0                   | 0.0                          | 51.1                     | 48.9                    | 0.0                   |
| Farms by Geography   | 98       | 0.0                   | 0.0                          | 51.0                     | 49.0                    | 0.0                   |
| Family Distribution by Income Level  | 4,336    | 10.8                  | 17.2                         | 20.9                     | 51.0                    | 0.0                   |
| Household Distribution by Income Level   | 5,777    | 13.8                  | 11.8                         | 16.5                     | 57.9                    | 0.0                   |
| Median Family Income Non-MSAs - IL   |          | \$59,323              | Median Housing Value         |                          |                         | \$179,828             |
|  |          |                       | Median Gross Rent            |                          |                         | \$944                 |
|  |          |                       | Families Below Poverty Level |                          |                         | 4.4%                  |
| <i>Source: 2015 ACS and 2021 D&amp;B data.</i>   |          |                       |                              |                          |                         |                       |
| <i>Note: Due to rounding, totals may not equal 100.0%.</i>   |          |                       |                              |                          |                         |                       |
| <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |          |                       |                              |                          |                         |                       |

The Non-MSA AA is located 94 miles southwest of Chicago, Illinois. Resource has two branches in the Non-MSA AA. This AA provides only 2.9 percent of the bank's total deposits. For this analysis, \$1.6 million of the bank's total capital is allocated to the Non-MSA AA.

Competition for deposits in this AA is strong. According to the June 30, 2021, FDIC Deposit Market Share Report, Resource's deposits from the AA totaled \$18.2 million. The bank ranked 21<sup>st</sup> out of 23 deposit-taking institutions in the AA with a 0.6 percent share of the market. The largest institutions by deposit market share were First State Bank (15.9 percent), The First National Bank of Ottawa (14.0 percent), and Midland States Bank (11.6 percent). Midland States Bank is significantly larger in asset size than Resource, while the other two banks are similar in asset size.

Primary industries in LaSalle County include manufacturing, healthcare, and retail trade. The largest employers are Exelon Corporation, Wal-Mart Distribution Center, St. Margaret's Hospital, and OSF Saint Elizabeth Medical Center. Within the AA, there are 805 businesses and 87 percent (700) are small businesses with gross annual revenues of \$1 million or less, 4.3 percent (35) are businesses with gross annual revenues of over \$1 million, and 8.7 percent (70) are businesses that did not report revenue information.

### **Community Contacts**

For the purpose of this performance evaluation, the OCC performed three community contacts with two non-profit community service organizations and one local government official that serve the AAs. According to the community contacts, affordable housing is a significant community need. The contacts stated that apartment complexes have been opened recently, but they are luxury or "high-end". Low- and moderate-income individuals may not have the access to information to take advantage of banking products and services geared towards them. New employers have entered the local community recently, improving job availability.

### **Scope of Evaluation in Illinois**

Resource has two AAs in the state of Illinois, and we completed full-scope reviews of these AAs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS**

### **LENDING TEST**

Resource's performance under the Lending Test in Illinois is rated Satisfactory.

### **Conclusions for Areas Receiving a Full-Scope Review**

Based on a full-scope review, Resource's lending performance in the state of Illinois is Satisfactory.

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

Resource's geographic distribution of loans within its AAs is excellent. This conclusion is based on the bank's performance in the MSA AA. We did not perform a geographic distribution analysis for the Non-MSA AA because there are not any low-or moderate-income CTs in that AA so the analysis would not be meaningful. We did not identify any unexplained conspicuous lending gaps in the AAs.

***Small Loans to Businesses***

Refer to Table Q in appendix D for the facts and data used to evaluate Resource's geographic distribution of small loans to businesses.

**MSA AA**

Resource's distribution of small loans to businesses in geographies of different income levels in the MSA AA is excellent. The bank's percentage of small loans to businesses in the AA's moderate-income CTs significantly exceeded both the percentage of the AA's businesses that are located in the moderate-income CTs and the percentage of aggregate lending that occurred in the moderate-income CTs. While the percentage of small loans to businesses in the low-income CTs was below the percentage of the AA's businesses that are located in the low-income CTs, it was reasonably near the percentage of aggregate lending that occurred in the low-income CTs.

We placed more weight on bank performance in the moderate-income CTs due to the limited number of low-income CTs in the AA. The AA's two low-income CTs only represent 9.1 percent of the AA's total CTs, while the five moderate-income CTs represent 22.7 percent of the AA's total CTs. There are also significantly more of the AA's businesses located in the moderate-income CTs (27.5 percent) than in the low-income CTs (5.5 percent).

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

Resource's distribution of loans to businesses of different sizes is reasonable.

***Small Loans to Businesses***

Refer to Table R in appendix D for the facts and data used to evaluate Resource's distribution of small loans to businesses.

**MSA AA**

Resource's distribution of small loans to businesses of different sizes in the MSA AA is reasonable. While the bank's percentage of loans to businesses with \$1 million or less in annual gross revenue was less than the percentage of AA businesses with \$1 million or less in annual gross revenue, it exceeded the percentage of aggregate lending that occurred to businesses with \$1 million or less in annual gross revenue.

**Non-MSA AA**

Resource's distribution to of small loans to businesses of different sizes in the Non-MSA AA is excellent. The bank's percentage of loans to businesses with \$1 million or less in annual gross revenue was near the percentage of AA businesses with \$1 million or less in annual gross revenue and significantly exceeded the percentage of aggregate lending that occurred to businesses with \$1 million or less in annual gross revenue.

## Responses to Complaints

Resource did not receive any complaints regarding its CRA performance during the evaluation period. The OCC has not received any written complaints, comments, or inquiries concerning the bank and its efforts to comply with the spirit and intent of the CRA.

## COMMUNITY DEVELOPMENT TEST

Resource's performance under the Community Development Test in the state of Illinois is rated Outstanding.

## Conclusions for Area Receiving a Full-Scope Review

Based on full-scope reviews, Resource exhibits excellent responsiveness to community development needs in both the MSA AA and the Non-MSA AA through a combination of community development loans, qualified investments, and community development services, as appropriate, considering both the bank's capacity and the need and availability of such opportunities for community development.

## Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate Resource's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

| Community Development Loans |    |              |           |               |
|-----------------------------|----|--------------|-----------|---------------|
| Assessment Area             | #  | % of Total # | \$(000's) | % of Total \$ |
| MSA AA                      | 19 | 82.6         | \$25.235  | 96.9          |
| Non-MSA AA                  | 0  | 0.0          | 0         | 0.0           |
| Out of AA                   | 4  | 4.4          | 820.0     | 3.1           |
| Total                       | 23 | 100          | \$26,055  | 100           |

## MSA AA

Resource's level of CD lending provided excellent responsiveness to community credit needs. During the evaluation period, the bank originated 19 qualifying CD loans totaling \$25.2 million in its AAs, which represents 46.3 percent of allocated tier one capital, based on the percent of deposits from the AA.

Of the 19 qualifying CD loans, nine loans totaling \$19.9 million were for revitalizing and stabilizing LMI geographies, 8 loans totaling \$5.3 million were for economic development, and 2 loans totaling \$300,000 were for providing affordable housing for low- and moderate-income individuals. The loans included the following:

- \$13.6 million in four loans to purchase and/or construct apartment buildings in LMI geographies within the AA, providing revitalization and stabilization of these areas.
- \$6.3 million in five loans to three businesses through the Small Business Administration (SBA) guaranteed Paycheck Protection Program (PPP). All businesses were located in moderate-income

CTs in the AA. The PPP was established under the CARES Act in response to the COVID-19 pandemic. PPP loans helped to revitalize and stabilize LMI geographies by retaining business and helping them stay in operation during the pandemic.

- \$5.2 million in four loans to purchase and improve land for a residential subdivision located in an Enterprise Zone and Tax Increment Financing (TIF) District and one loan to build a hotel, providing economic development in the AA.
- \$428,000 in two loans to purchase apartment buildings that providing affordable housing for low- and moderate-income families in the AA. The rents for these units are lower than the median monthly gross rents in the AA. One building is located in a moderate-income CT.
- \$158,000 in three loans made under the Be a Farmer loan program that provides financing to new farmers. The program allows for no down payments, collateral guarantees, or co-signers, and provides economic development in the AA.

**Non-MSA**

Resource did not originate any CD loans in the Non-MSA AA.

**Statewide/Regional**

Resource originated four CD loans totaling \$820,000 outside the AA in the Illinois. These loans supported economic development via a \$455,000 SBA guaranteed loan to acquire a horse farm, a \$65,000 FSA guaranteed loan made under the Be a Farmer loan program, and two loans totaling \$300,000 to purchase apartment buildings providing affordable housing for low- and moderate-income families.

**Number and Amount of Qualified Investments**

| Qualified Investments |               |           |                |           |       |              |           |               |                        |           |
|-----------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| Assessment Area       | Prior Period* |           | Current Period |           | Total |              |           |               | Unfunded Commitments** |           |
|                       | #             | \$(000's) | #              | \$(000's) | #     | % of Total # | \$(000's) | % of Total \$ | #                      | \$(000's) |
| MSA AA                | 11            | \$1,100   | 34             | \$179.0   | 44    | 94.0         | \$1,279.0 | 71.0          | 0                      | 0         |
| Non-MSA AA            | 0             | 0         | 3              | \$521.7   | 3     | 6.0          | \$521.7   | 29.0          | 0                      | 0         |
| Total                 | 11            | \$1,100   | 37             | \$700.7   | 47    | 100.00       | \$1,800.7 | 100.00        | 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.

**MSA AA**

Resource’s level of qualified CD investments demonstrated adequate responsiveness to the needs of the MSA AA. During the evaluation period, the bank made 34 donations totaling \$179,012 to community service and economic development organizations and retained 11 prior period school bond investments totaling \$1.1 million, for an overall total of \$1.3 million or 2.3 percent of allocated tier 1 capital.

**Non-MSA AA**

Resource's level of qualified CD investments demonstrated excellent responsiveness to community needs in the AA. During the evaluation period, Resource made two investments and one donation totaling \$521,762, which represents 31.9 percent of allocated tier 1 capital. CD investments are centered in two general obligation school bonds benefitting a school district in the AA where 46.8 percent of students are eligible for the free or reduced lunch program. The bank received partial credit of \$521,662 for these bonds purchased in 2021.

**Extent to Which the Bank Provides Community Development Services**

**MSA AA**

Resource provided an excellent level of CD services in the MSA AA. During the evaluation period, ten bank employees supported 14 nonprofit community service and economic development organizations. These employees served in leadership roles as board and committee members.

**Non-MSA AA**

Resource did not provide any CD services in the Non-MSA.

## 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 MSA(s) and non-MSA(s) 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>  | (01/01/2019 to 12/31/2021)  |   |
| <b>Bank Products Reviewed:</b>  | Small business loans<br>Community development loans, qualified investments, and<br>community development services |   |
| <b>Affiliate(s)</b>   | <b>Affiliate Relationship</b>   | <b>Products Reviewed</b>                          |
| None  |   |   |
| <b>List of Assessment Areas and Type of Examination</b>   |   |   |
| <b>Rating and Assessment Areas</b>  | <b>Type of Exam</b>   | <b>Other Information</b>                          |
| MSA AA: portion of the Elgin, IL MD #20994 in Chicago-Naperville-Elgin, IL-IN-WI MSA, including a | Full-Scope  | All of Dekalb County and CT #8507.02 Kane County. |
| Non-MSA AA: portion of LaSalle County   | Full-Scope  | CT # 9617.01, 9617.02 and 9623 in LaSalle County  |

## Appendix B: Summary of MMSA and State Ratings

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| <b>RATINGS: Resource Bank, National Association</b> |                             |                       |   |
|---|-----------------------------|-----------------------|---|
| <b>Overall Bank:</b>                                | <b>Lending Test Rating*</b> | <b>CD Test Rating</b> | <b>Overall Bank/State/Multistate Rating</b> |
| Resource Bank, N.A                                  | Satisfactory                | Outstanding           | Outstanding                                 |
| <b>State:</b>                                       |                             |                       |   |
| Illinois  | Satisfactory                | Outstanding           | Outstanding                                 |

(\*)The Lending Test and Community Development Test carry equal weight in the overall rating.



## Appendix C: Definitions and Common Abbreviations

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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 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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 of the area median income.

**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.

**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

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### 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 are treated 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 30<sup>th</sup> 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 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 Q: Assessment Area Distribution of Small Loans to Businesses by Income Category of the Geography** **2019-2021**

| Assessment Area: | Total Loans to Small Businesses |                        |                 |                    | Low-Income Tracts  |                 |                        | Moderate-Income Tracts |                 |                        | Middle-Income Tracts |                 |                        | Upper-Income Tracts |                 |                        | Not Available-Income Tracts |                 |                        |
|------------------|---------------------------------|------------------------|-----------------|--------------------|--------------------|-----------------|------------------------|------------------------|-----------------|------------------------|----------------------|-----------------|------------------------|---------------------|-----------------|------------------------|-----------------------------|-----------------|------------------------|
|                  | # of Bank Loans                 | \$(000s) of Bank Loans | % of Bank Total | Overall Market (#) | % of AA Businesses | % of Bank Loans | % of Aggregate Lending | % of AA Businesses     | % of Bank Loans | % of Aggregate Lending | % of AA Businesses   | % of Bank Loans | % of Aggregate Lending | % of AA Businesses  | % of Bank Loans | % of Aggregate Lending | % of AA Businesses          | % of Bank Loans | % of Aggregate Lending |
| MSA AA           | 34                              | 7,409                  | 74              | 1,685              | 5.5                | 2.9             | 4.4                    | 27.5                   | 38.2            | 25.8                   | 65.0                 | 58.8            | 68.4                   | 0.0                 | 0.0             | 0.0                    | 2.1                         | 0.0             | 1.5                    |
| Non-MSA AA       | 20                              | 2,585                  | 26              | 181                | 0.0                | 0.0             | 0.0                    | 0.0                    | 0.0             | 0.0                    | 51.1                 | 20.0            | 46.4                   | 48.9                | 80.0            | 53.6                   | 0.0                         | 0.0             | 0.0                    |

*Source: 2021 D&B data, sample of 49 bank loans 01/01/2019 - 12/31/2021, 2020 CRA aggregate data.*  
*Note: Due to rounding, totals may not equal 100.0%.*

**Table R: Assessment Area Distribution of Small Loans to Businesses by Gross Annual Revenues** **2019-2021**

| Assessment Area: | Total Small Loans to Businesses |                        |                       |                    | Businesses with Revenues <= 1MM |                 |                        | Businesses with Revenues > 1MM |                 | Businesses with Revenues Not Available |                 |
|------------------|---------------------------------|------------------------|-----------------------|--------------------|---------------------------------|-----------------|------------------------|--------------------------------|-----------------|--|-----------------|
|                  | # of Bank Loans                 | \$(000s) of Bank Loans | % of Total Bank Loans | Overall Market (#) | % of AA Businesses              | % of Bank Loans | % of Aggregate Lending | % of AA Businesses             | % of Bank Loans | % of AA Businesses                     | % of Bank Loans |
| MSA AA           | 34                              | 7,409                  | 63.0                  | 1,685              | 83.6                            | 50.0            | 41.0                   | 4.6                            | 50.0            | 11.8                                   | 0.0             |
| Non-MSA AA       | 20                              | 2,586                  | 37.0                  | 181                | 87.0                            | 75.0            | 33.1                   | 4.3                            | 25.0            | 8.7                                    | 0.0             |

*Source: 2021 D&B data, sample of 49 bank loans 01/01/2019 - 12/31/2021, 2020 CRA aggregate data.*  
*Note: Due to rounding, totals may not equal 100.0%.*