



## **PUBLIC DISCLOSURE**

October 22, 2018

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

Grand Ridge National Bank  
Charter Number 6684

105 West Main Street  
Grand Ridge, Illinois 61325

Office of the Comptroller of the Currency

211 Fulton Street  
Suite 604  
Peoria, Illinois 61602

**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 is Satisfactory**

**The Lending Test is rated: Satisfactory.**

- The borrower distribution of loans reflects excellent penetration.
- The geographic distribution of loans reflects reasonable dispersion.
- A majority of loans are to customers within its assessment areas (AA).
- The quarterly average loan-to-deposit (LTD) ratio is more than reasonable.

## Definitions and Common Abbreviations

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

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

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

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

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

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

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

vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

**Metropolitan Division (MD):** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A 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 (MSA):** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

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

## Description of Institution

Grand Ridge National Bank (GRNB or bank) is an intrastate financial institution headquartered in Grand Ridge, Illinois, south of the Illinois River in La Salle County. The bank reported \$181.8 million in total assets at June 30, 2018. GRNB is wholly owned by Premier Commerce Bancorp, Inc., a one-bank holding company headquartered in Wheaton, Illinois, with \$181.8 million in total assets. Wheaton, Illinois is located in DuPage County near Interstates 88 and 355. Premier Commerce Bancorp, Inc., does not negatively impact the bank's ability to meet the credit needs of the community.

GRNB had a branch location at 401 South Carlton Avenue, Wheaton, Illinois at the previous CRA Performance Evaluation (PE). The 401 South Carlton Avenue branch was closed in connection with the opening of a new branch at 500 South County Farm Road, Wheaton, Illinois, on September 30, 2016. GRNB acquired the Winfield Community Bank and its branch location at 27W111 Geneva Road, Winfield, Illinois, on February 1, 2015. The 27W111 Geneva Road branch was closed on November 30, 2016.

GRNB's two assessment areas are served by two locations. The 500 South County Farm Road, Wheaton, Illinois, office serves the Wheaton AA, encompassing DuPage and Cook Counties, and offers drive-up banking facilities, a deposit-taking ATM, and is a full-service branch. The 105 West Main Street, Grand Ridge, Illinois, is also a full-service branch and serves the Grand Ridge AA, encompassing the rural CTs in the central portions of La Salle County.

GRNB's business strategy is to primarily serve local, small to medium-size businesses, professionals, and other individuals. The bank offers lending products to agricultural and business customers at each branch location. The Wheaton branch primarily focuses on business lending, while the Grand Ridge location primarily focuses on agricultural lending.

Loan originations and purchases totaled \$112.7 million from January 1, 2015, through December 31, 2017, per bank data. Business purpose lending comprised the bulk of the originations and purchases at 86.4 percent, by number of loans, and 96.3 percent, by dollar of loans. Agriculture purpose originations and purchases represented 12.6 percent, by number of loans, and 3.7 percent, by dollar of loans, during the same time period.

The main competitors in the Wheaton AA include national banks, state banks, federal thrifts, credit unions, and non-bank financial institutions located throughout the greater Chicago area. GRNB held a less than one percent deposit market share in DuPage and Cook Counties, at June 30, 2018. The top three FDIC insured financial institutions in the AA held a 45.8 percent deposit market share.



The main competitors in the Grand Ridge AA include national banks, state banks, federal thrifts, credit unions, and non-bank financial institutions located in the larger towns of Peru, LaSalle, Ottawa, and Streator, Illinois. GRNB held a 1.2 percent deposit market share in La Salle County, at June 30, 2018. The top three FDIC insured financial institutions in the AA held 39.3 percent of deposit market share.

GRNB held a net loans and leases to total assets of 83.9 percent and a tier 1 leverage capital ratio of 12.1 percent at June 30, 2018.

The previous CRA rating, which the OCC determined using the Small Bank criterion, was Satisfactory, as detailed in the CRA PE dated April 22, 2013.

There are no legal or financial circumstances that impede the bank's ability to meet the credit needs of its AAs.

## **Scope of the Evaluation**

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

The evaluation period is from the date of the previous CRA PE of April 22, 2013, through October 22, 2018. We assessed the bank under the Small Bank criterion, which includes a lending test. The lending test evaluated the lending activity for the calendar years of 2015 and 2016 on a combined basis and was compared to 2010 U.S. Census data. Due to changes in census data effective January 1, 2017, the 2017 calendar year lending performance was evaluated separately and compared to the 2015 American Community Survey (ACS) Census data.

GRNB's primary lending products were determined to be business and agriculture lending. Due to the geographic characteristics of the AAs, the primary product for the Wheaton AA was business lending, and the primary product for the Grand Ridge AA was agricultural lending.

### **Data Integrity**

GRNB is not required to maintain CRA loan application register data outside of loan files. We utilized random sampling to obtain data for agriculture and business loans. We obtained the gross revenues of agriculture and business borrowers, and geocoded each loan sampled.

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

The Wheaton AA received a full-scope review, while the Grand Ridge AA received a limited-scope review. Refer to Appendix A for more information.

## **Ratings**

The overall rating is based primarily on the AA that received a full-scope review. The combined lending performance in 2015 and 2016 received greater weighting than the 2017 performance.

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

Pursuant to 12 CFR 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.

## Conclusions with Respect to Performance Tests

### LENDING TEST

GRNB meets the standard for satisfactory performance.

#### Loan-to-Deposit Ratio

The quarterly average LTD ratio is more than reasonable given the size, financial condition, level of competition, and lending opportunities available in the AAs. The quarterly average LTD ratio was 89.4 percent from June 30, 2013, to June 30, 2018, with a high of 98.4 percent and a low of 75.6 percent, and ranked fifth among 29 similarly sized FDIC insured financial institutions that compete with the bank for deposits in the AAs. The comparable institutions ranged in size from \$106.6 million to \$298.8 million in total assets and reported quarterly average LTD ratios ranging from 36.2 percent to 115.6 percent over the same time period. Note that the LTD ratio is calculated on a bank-wide basis.

GRNB's quarterly average LTD ratio has trended upward since the previous CRA PE and has been in excess of 90 percent on a quarterly basis since December 31, 2015. The LTD ratio was 97.0 percent for the quarter ended June 30, 2018.

#### Lending in Assessment Area

A majority of loans to customers are inside the AAs during the evaluation period. Note the proportion of lending inside versus outside the AAs is calculated on a bank-wide basis.

| Loan Category | Number of Loans |      |         |      | Total<br># | Dollar Amount of Loans |      |           |      | Total<br>\$ (000s) |
|---------------|-----------------|------|---------|------|------------|------------------------|------|-----------|------|--------------------|
|               | Inside          |      | Outside |      |            | Inside                 |      | Outside   |      |                    |
|               | #               | %    | #       | %    |            | \$ (000s)              | %    | \$ (000s) | %    |                    |
| Agriculture   | 21              | 55.3 | 17      | 44.7 | 38         | 1,763                  | 40.1 | 2,637     | 59.9 | 4,400              |
| Business      | 32              | 80.0 | 8       | 20.0 | 40         | 9,737                  | 67.0 | 4,795     | 33.0 | 14,532             |
| Total         | 53              | 67.9 | 25      | 32.1 | 78         | 11,500                 | 60.7 | 7,432     | 39.3 | 18,932             |

*Source: Loan sample data from 1/1/2015 to 12/31/2017  
Due to rounding, totals may not equal 100.0*

#### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The borrower distribution of loans reflects excellent penetration throughout the AAs. The borrower distribution in the Wheaton AA reflects excellent performance while the Grand Ridge AA reflects reasonable performance.

Business:

See Tables 2a and 2b in Appendix C for Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues for 2015-2016 and 2017.

The distribution of business loans reflects excellent penetration to businesses of different sizes within the Wheaton AA. Business lending is not a primary product in the Grand Ridge AA.

For 2015-2016, the distribution of business loans reflected excellent penetration to businesses of different sizes. The proportion of lending to small businesses exceeded the percentage of small businesses in the AA. The lending performance was significantly stronger than the aggregate distribution of loans to small businesses in the AA.

For 2017, the distribution of business loans reflected excellent penetration to businesses of different sizes. The proportion of lending to small businesses exceeded the percentage of small businesses in the AA. The lending performance was significantly stronger than the aggregate distribution of loans to small businesses in the AA.

Agriculture:

See Tables 3a and 3b in Appendix C for Assessment Area Distribution of Loans to Farms by Gross Annual Revenues for 2015-2016 and 2017.

The distribution of agriculture loans reflects reasonable penetration to farms of different sizes within the Grand Ridge AA. Agriculture lending is not a primary product in the Wheaton AA.

For 2015-2016, the distribution of agriculture loans reflected reasonable penetration to farms of different sizes. The proportion of lending to small farms was near to the percentage of small farms in the AA. The lending performance was stronger than the aggregate distribution of loans to small farms.

For 2017, the distribution of agriculture loans reflected reasonable penetration to farms of different sizes. The proportion of lending to small farms was near to the percentage of small farms in the AA. The lending performance was stronger than the aggregate distribution of loans to small farms.

Although more than 20 loans were available for analysis over the three year period, separation of the 2017 calendar year due to the 2015 ACS Census data changes effective January 1, 2017, split the number of loans available for analysis to 15 for 2015-2016 and six for 2017.

## **Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. The Wheaton AA reflects reasonable performance.

### **Business:**

See Tables 4a and 4b in Appendix C for Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography for 2015-2016 and 2017.

The geographic distribution of business loans reflects reasonable dispersion of loans to small businesses in low- and moderate-income CTs in the Wheaton AA.

For 2015-2016, the distribution of business loans reflected reasonable dispersion. The proportion of lending in both low- and moderate-income CTs was near to the percentage of businesses in low- and moderate-income CTs. The lending performance was weaker than the aggregate distribution of loans in low- and moderate-income CTs.

For 2017, distribution of business loans reflected reasonable dispersion. The proportion of lending in low-income CTs exceeded the percentage of businesses in low-income census tracts. The proportion of lending in moderate-income CTs was less than the percentage of businesses in moderate-income CTs. The lending performance was significantly stronger than the aggregate distribution of loans in low-income CTs, and was significantly weaker than the aggregate distribution of loans in moderate-income CTs.

### **Agriculture:**

There are no low- or moderate-income CTs in the Grand Ridge AA.

## **Responses to Complaints**

GRNB did not receive any complaints about its performance in helping to meet the credit needs of its AAs during the evaluation period.

# Appendix A: Scope of Examination

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

|  |   |   |
|--|---|---|
| <b>Time Period Reviewed</b>  | Lending Test: January 1, 2015, to December 31, 2017 |   |
| <b>Financial Institution</b>   | <b>Products Reviewed</b>                            |   |
| Grand Ridge National Bank<br>Grand Ridge, Illinois   | Agriculture Loans<br>Business Loans                 |   |
| <b>Affiliate(s)</b>  | <b>Affiliate Relationship</b>                       | <b>Products Reviewed</b>                                      |
| None   | None  | None  |
| <b>List of Assessment Areas and Type of Examination</b>                                    |   |   |
| <b>Assessment Area</b>   | <b>Type of Exam</b>                                 | <b>Other Information</b>                                      |
| State of Illinois<br>Chicago-Naperville-Arlington Heights, Illinois MD #16974 (Wheaton AA) | Full Scope  | Cook County (#31) – All CTs<br>DuPage County (#43) – All CTs  |
| Nonmetropolitan Area (Grand Ridge AA)  | Limited Scope                                       | La Salle County (#99) – CTs: 9622, 9635, 9637, 9640, and 9641 |

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

### Wheaton Assessment Area

| Demographic Information of the Assessment Area  |           |            |                                |               |              |            |
|---|-----------|------------|--------------------------------|---------------|--------------|------------|
| Assessment Area: Wheaton AA 2015 - 2016   |           |            |                                |               |              |            |
| Demographic Characteristics   | #         | Low % of # | Moderate % of #                | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts)   | 1,534     | 15.2       | 24.6                           | 30.4          | 29.5         | 0.3        |
| Population by Geography   | 6,111,599 | 11.0       | 25.4                           | 33.2          | 30.5         | 0.0        |
| Housing Units by Geography  | 2,529,237 | 11.4       | 23.9                           | 33.1          | 31.6         | 0.0        |
| Owner-Occupied Units by Geography   | 1,425,345 | 4.9        | 19.4                           | 37.2          | 38.5         | 0.0        |
| Occupied Rental Units by Geography  | 846,589   | 18.7       | 30.0                           | 28.8          | 22.5         | 0.0        |
| Vacant Units by Geography   | 257,303   | 23.5       | 28.7                           | 24.2          | 23.6         | 0.0        |
| Businesses by Geography   | 338,241   | 5.2        | 16.5                           | 31.3          | 46.8         | 0.2        |
| Farms by Geography  | 3,882     | 3.8        | 16.5                           | 35.4          | 44.3         | 0.0        |
| Family Distribution by Income Level   | 1,441,250 | 24.6       | 17.1                           | 18.8          | 39.6         | 0.0        |
| Household Distribution by Income Level  | 2,271,934 | 26.4       | 16.1                           | 17.7          | 39.8         | 0.0        |
| Median Family Income MSA - 16974 Chicago-Naperville-Arlington Heights, IL MD  |           | \$72,196   | Median Housing Value           |               |              | \$297,508  |
|   |           |            | Median Gross Rent              |               |              | \$945      |
|   |           |            | Families Below Poverty Level   |               |              | 10.6%      |
|   |           |            | Households Below Poverty Level |               |              | 12.7%      |
| <p><i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i><br/> <i>Due to rounding, totals may not equal 100.0</i><br/>                     (*) The NA category consists of geographies that have not been assigned an income classification.</p> |           |            |                                |               |              |            |



| Demographic Information of the Assessment Area   |           |            |                                |               |              |            |
|--|-----------|------------|--------------------------------|---------------|--------------|------------|
| Assessment Area: Wheaton AA 2017   |           |            |                                |               |              |            |
| Demographic Characteristics  | #         | Low % of # | Moderate % of #                | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts)  | 1,534     | 16.6       | 25.5                           | 25.9          | 31.2         | 0.8        |
| Population by Geography  | 6,166,805 | 12.4       | 26.1                           | 28.8          | 32.4         | 0.3        |
| Housing Units by Geography   | 2,533,565 | 12.5       | 24.6                           | 28.3          | 34.1         | 0.4        |
| Owner-Occupied Units by Geography  | 1,355,993 | 5.7        | 20.4                           | 32.6          | 41.1         | 0.2        |
| Occupied Rental Units by Geography   | 925,049   | 18.9       | 29.7                           | 23.9          | 26.6         | 0.8        |
| Vacant Units by Geography  | 252,523   | 25.7       | 28.5                           | 21.3          | 24.0         | 0.6        |
| Businesses by Geography  | 348,924   | 5.6        | 17.1                           | 28.1          | 48.4         | 0.6        |
| Farms by Geography   | 4,077     | 4.3        | 17.9                           | 32.6          | 45.1         | 0.0        |
| Family Distribution by Income Level  | 1,424,403 | 25.6       | 16.5                           | 17.9          | 40.0         | 0.0        |
| Household Distribution by Income Level   | 2,281,042 | 27.3       | 15.5                           | 16.7          | 40.5         | 0.0        |
| Median Family Income MSA - 16974 Chicago-Naperville-Arlington Heights, IL MD   |           | \$75,350   | Median Housing Value           |               |              | \$252,409  |
|  |           |            | Median Gross Rent              |               |              | \$1,048    |
|  |           |            | Families Below Poverty Level   |               |              | 11.9%      |
|  |           |            | Households Below Poverty Level |               |              | 14.5%      |
| <i>Source: 2015 ACS Census and 2017 D&amp;B Data</i><br><i>Due to rounding, totals may not equal 100.0</i><br><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |           |            |                                |               |              |            |

The public file contained a larger geographic area for the Wheaton AA and Grand Ridge AA. In assessing the AAs, we considered the bank’s product offerings, branch locations, lending activity, and held a discussion with bank management. We revised the Wheaton AA by reducing the geographic area to include only Cook County and DuPage County. We revised the Grand Ridge AA by reducing the geographic area to include only CTs 9622, 9635, 9637, 9640, and 9641 in La Salle County.

The Wheaton AA includes all CTs in Cook County and DuPage County, Illinois. The AA is located within the Chicago-Naperville-Arlington Heights, Illinois, MD, which is within the Chicago-Naperville-Elgin, Illinois-Indiana-Wisconsin Multistate MSA.

The Wheaton AA economy is largely driven by Chicago, Illinois. The economy is inclusive of a wide majority of employment sectors within the greater Chicago area.

The unemployment rate in Cook County was 5.1 percent, which compared unfavorably to the State of Illinois unemployment rate of 4.7 percent. The unemployment rate in

DuPage County was 3.9 percent and compared favorably to the State of Illinois, per the Bureau of Labor Statistics data as of December 2017. Stable economic conditions and a diverse economic region may provide opportunities for lending in the assessment areas.

We made one community contact with an economic development group within the Wheaton AA. The contact noted the current economy of the area to be good, and remains good as long as the larger areas, such as Chicago, continue to thrive. The contact mentioned Wheaton does not include any agricultural land, which limits banking needs to consumer and business purposes. The contact noted most personal banking is conducted with large banks for convenience, while business banking is conducted locally for the relationship aspect.

The contact noted most community development opportunities for bank involvement would be focused on the redevelopment of older parts of Wheaton, as new construction is slow due to the city being essentially at its physical boundary limits. The contact noted opportunities continue to exist for small business lending. The contact had no negative perceptions of the bank's ability to meet the credit needs of the community.

## Appendix C: Tables

**Table 2a: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2015-16**

| Assessment Area: | Total Loans to Small Businesses |           |            |                | Businesses with Revenues <= 1MM |              |           | Businesses with Revenues > 1MM |              | Businesses with Revenues Not Available |              |
|------------------|---------------------------------|-----------|------------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|
|                  | #                               | \$ (000s) | % of Total | Overall Market | % Businesses                    | % Bank Loans | Aggregate | % Businesses                   | % Bank Loans | % Businesses                           | % Bank Loans |
| Wheaton AA       | 28                              | 8,731     | 100        | 159,147        | 80.2                            | 89.3         | 39.3      | 8.7                            | 10.7         | 11.1                                   | 0.0          |

Source: 2016 D&B Data; Loan sample data from 01/01/2015 - 12/31/2016; 2016 CRA Aggregate data,  
Due to rounding, totals may not equal 100.0

**Table 2b: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2017**

| Assessment Area: | Total Loans to Small Businesses |           |            |                | Businesses with Revenues <= 1MM |              |           | Businesses with Revenues > 1MM |              | Businesses with Revenues Not Available |              |
|------------------|---------------------------------|-----------|------------|----------------|---------------------------------|--------------|-----------|--------------------------------|--------------|--|--------------|
|                  | #                               | \$ (000s) | % of Total | Overall Market | % Businesses                    | % Bank Loans | Aggregate | % Businesses                   | % Bank Loans | % Businesses                           | % Bank Loans |
| Wheaton AA       | 24                              | 11,484    | 100        | 141,526        | 80.3                            | 83.3         | 48.5      | 8.7                            | 16.7         | 11.0                                   | 0.0          |

Source: 2017 D&B Data; Loan sample data from 01/01/2017 - 12/31/2017; 2017 CRA Aggregate data  
Due to rounding, totals may not equal 100.0

| <b>Table 3a: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b> |                      |           |            |                |                            |              |           |                           |              |                                   | <b>2015-16</b> |
|--|----------------------|-----------|------------|----------------|----------------------------|--------------|-----------|---------------------------|--------------|-----------------------------------|----------------|
| Assessment Area:   | Total Loans to Farms |           |            |                | Farms with Revenues <= 1MM |              |           | Farms with Revenues > 1MM |              | Farms with Revenues Not Available |                |
|  | #                    | \$ (000s) | % of Total | Overall Market | % Farms                    | % Bank Loans | Aggregate | % Farms                   | % Bank Loans | % Farms                           | % Bank Loans   |
| Grand Ridge AA   | 15                   | 1,268     | 100        | 130            | 98.4                       | 86.7         | 72.3      | 1.1                       | 13.1         | 0.5                               | 0.0            |

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0*

| <b>Table 3b: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b> |                      |           |            |                |                            |              |           |                           |              |                                   | <b>2017</b>  |
|--|----------------------|-----------|------------|----------------|----------------------------|--------------|-----------|---------------------------|--------------|-----------------------------------|--------------|
| Assessment Area:   | Total Loans to Farms |           |            |                | Farms with Revenues <= 1MM |              |           | Farms with Revenues > 1MM |              | Farms with Revenues Not Available |              |
|  | #                    | \$ (000s) | % of Total | Overall Market | % Farms                    | % Bank Loans | Aggregate | % Farms                   | % Bank Loans | % Farms                           | % Bank Loans |
| Grand Ridge AA   | 6                    | 495       | 100        | 125            | 98.5                       | 83.3         | 69.6      | 1.0                       | 16.7         | 0.5                               | 0.0          |

*Source: 2017 D&B Data; Loan sample data from 01/01/2017 - 12/31/2017; 2017 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0*

**Table 4a: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2015-16**

| Assessment Area: | Total Loans to Small Businesses |           |            |                | Low-Income Tracts |              |           | Moderate-Income Tracts |              |           | Middle-Income Tracts |              |           | Upper-Income Tracts |              |           | Not Available-Income Tracts |              |           |
|------------------|---------------------------------|-----------|------------|----------------|-------------------|--------------|-----------|------------------------|--------------|-----------|----------------------|--------------|-----------|---------------------|--------------|-----------|-----------------------------|--------------|-----------|
|                  | #                               | \$ (000s) | % of Total | Overall Market | % Businesses      | % Bank Loans | Aggregate | % Businesses           | % Bank Loans | Aggregate | % Businesses         | % Bank Loans | Aggregate | % Businesses        | % Bank Loans | Aggregate | % Businesses                | % Bank Loans | Aggregate |
| Wheaton AA       | 28                              | 8,731     | 100        | 159,147        | 5.3               | 3.6          | 4.1       | 16.6                   | 14.3         | 16.4      | 31.3                 | 28.6         | 33.2      | 46.7                | 53.6         | 46.3      | 0.2                         | 0.0          | 0.1       |

Source: 2016 D&B Data; Loan sample data from 01/01/2015 - 12/31/2016; 2016 CRA Aggregate data  
 Due to rounding, totals may not equal 100.0

**Table 4b: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017**

| Assessment Area: | Total Loans to Small Businesses |           |            |                | Low-Income Tracts |              |           | Moderate-Income Tracts |              |           | Middle-Income Tracts |              |           | Upper-Income Tracts |              |           | Not Available-Income Tracts |              |           |
|------------------|---------------------------------|-----------|------------|----------------|-------------------|--------------|-----------|------------------------|--------------|-----------|----------------------|--------------|-----------|---------------------|--------------|-----------|-----------------------------|--------------|-----------|
|                  | #                               | \$ (000s) | % of Total | Overall Market | % Businesses      | % Bank Loans | Aggregate | % Businesses           | % Bank Loans | Aggregate | % Businesses         | % Bank Loans | Aggregate | % Businesses        | % Bank Loans | Aggregate | % Businesses                | % Bank Loans | Aggregate |
| Wheaton AA       | 24                              | 11,484    | 100        | 141,526        | 5.6               | 8.3          | 4.6       | 17.1                   | 8.3          | 18.3      | 28.1                 | 20.8         | 30.8      | 48.4                | 62.5         | 46.0      | 0.6                         | 0.0          | 0.4       |

Source: 2017 D&B Data; Loan sample data from 01/01/2017 - 12/31/2017; 2017 CRA Aggregate data  
 Due to rounding, totals may not equal 100.0