

PUBLIC DISCLOSURE

February 29, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Lake Forest Bank & Trust Company
RSSD# 1917301

727 North Bank Lane
Lake Forest, IL 60045

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

PERFORMANCE EVALUATION..... 2
INSTITUTION’S RATING..... 2
 LAKE FOREST BANK & TRUST CO. OVERALL CRA RATING: 2
 PERFORMANCE TEST RATING TABLE 2
 SUMMARY OF MAJOR FACTORS THAT SUPPORT THE RATING 2
INSTITUTION 4
 DESCRIPTION OF INSTITUTION..... 4
 SCOPE OF THE EXAMINATION 5
 DESCRIPTION OF INSTITUTION’S OPERATIONS IN CHICAGO-NAPERVILLE-ELGIN IL-IN-WI
 16980 8
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA..... 14
 LENDING TEST 14
 INVESTMENT TEST..... 26
 SERVICE TEST 27
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 29
APPENDIX A – MAP OF ASSESSMENT AREA.....30
APPENDIX B – SCOPE OF EXAMINATION 31
APPENDIX C - GLOSSARY 32
APPENDIX D - 2013 TABLES35

INSTITUTION’S RATING

Lake Forest Bank & Trust Company’s Overall CRA Rating: Outstanding

Performance Test Rating Table

The following table indicates the performance level of Lake Forest Bank & Trust Company with respect to the lending, investment, and service test.

| Performance Levels | Performance Tests | | |
|---------------------------|-------------------|-----------------|--------------|
| | Lending Test | Investment Test | Service Test |
| Outstanding | X | X | X |
| High Satisfactory | | | |
| Low Satisfactory | | | |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating

Summary of Major Factors that Support the Rating

Lending Test:

- Lending levels reflect good responsiveness to assessment area credit needs.
- An adequate percentage of loans are made in the bank’s assessment area.
- The geographic distribution of loans reflects excellent distribution throughout the assessment area.
- The distribution of borrowers reflects excellent distribution of loans among individuals of different income levels and businesses of different sizes.

- The bank exhibits a good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, and businesses with gross annual revenues of \$1 million or less.
- The bank is a leader in making community development loans.
- The bank makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs.

Investment Test:

- The bank makes an excellent level of qualified investments, particularly those not routinely provided by private investors, often in a leadership position.
- The bank makes significant use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits excellent responsiveness to credit needs and community development needs.

Service Test:

- The bank's delivery systems are accessible to the geographies and individuals of different income levels in its assessment area.
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and/or moderate-income geographies and/or low- and moderate-income individuals.
- The bank's services are tailored to the convenience and needs of its assessment area, particularly low-/moderate-income geographies or individuals.
- The bank is a leader in providing community development services.

LAKE FOREST BANK & TRUST COMPANY

DESCRIPTION OF INSTITUTION

Headquartered in Lake Forest, Illinois, Lake Forest Bank & Trust Company is a wholly-owned subsidiary of Wintrust Financial Corporation (Wintrust), headquartered in Rosemont, Illinois; it is 1 of 15 bank subsidiaries of Wintrust that operate in Illinois and Wisconsin. As of December 31, 2015, Lake Forest Bank & Trust Company had \$2.8 billion in assets.

The bank maintains one main office and six full-service branch offices, with each office maintaining an automated teller machine (ATM). The bank also maintains six stand-alone, full-service ATMs throughout the assessment area. There have not been any changes to the bank's branch or ATM network since the previous CRA evaluation dated September 23, 2013.

Lake Forest Bank & Trust Company offers its customers a slate of personal and business banking products and services. Deposit customers have access to their accounts through online and mobile banking in addition to the aforementioned ATM network. With regard to loan products, Lake Forest Bank & Trust Company offers the following: adjustable- and fixed-rate, mortgages, jumbo loans, refinances, automobile loans, and home equity lines of credit. The bank also offers both an unsecured small dollar consumer loan product (Money Smart Everyday Loan) as well as a secured small dollar consumer loan product (Money Smart Certificate of Deposit (CD) Secured) for consumers. In addition to commercial loans, the bank also offers various Small Business Administration (SBA) loan programs.

As presented in the following table, Lake Forest Bank & Trust Company had approximately \$2.1 billion in loans as of December 31, 2015, with its principal area of focus being commercial and industrial lending, representing 60.6 percent of the bank's loan portfolio. Real estate secured lending was also a primary business line for the bank, representing 33.4 percent of the loan portfolio.

| Comparative Loan Mix As of December 31, 2015 | | | | | |
|---|------------------------|------------------|----------------|----------------------|---------------|
| | Dollar Volume (\$000s) | | | Percent of Portfolio | |
| | 12/31/2015 | 12/31/2014 | Percent Change | 12/31/2015 | 12/31/2014 |
| Real Estate Secured | | | | | |
| 1-4 Family Res Construction Loans | 11,483 | 9,154 | 25.4% | 0.5% | 0.5% |
| Other Construction Loans & Land Development & Other | 19,051 | 18,130 | 5.1% | 0.9% | 0.9% |
| Farm Land | 16,226 | 569 | 2751.7% | 0.8% | 0.0% |
| 1-4 Family-Revolving | 121,213 | 123,278 | -1.7% | 5.7% | 6.3% |
| 1-4 Family Res Secured by First Liens | 75,726 | 86,408 | -12.4% | 3.5% | 4.4% |
| 1-4 Family Res Secured by Junior Liens | 5,791 | 7,168 | -19.2% | 0.3% | 0.4% |
| Multifamily | 62,098 | 63,243 | -1.8% | 2.9% | 3.2% |
| Loans Secured Owner Occupied Non-Farm /Non-Residential | 161,364 | 133,623 | 20.8% | 7.6% | 6.8% |
| Loans Secured by Other Non-Farm/Non-Residential | 240,434 | 164,787 | 45.9% | 11.3% | 8.4% |
| Total Real Estate Loans | 713,386 | 606,360 | 17.7% | 33.4% | 31.1% |
| Agricultural | 9,068 | 8,000 | 13.4% | 0.4% | 0.4% |
| Commercial & Industrial | 1,293,514 | 1,226,478 | 5.5% | 60.6% | 62.8% |
| Loans to Individuals* | 91,598 | 85,814 | 6.7% | 4.3% | 4.4% |
| States & Political Subdivisions | 7,450 | 7,860 | -5.2% | 0.3% | 0.4% |
| All Other Loans – Including Loans to Non-Depository Institutions | 10,444 | 9,099 | 14.8% | 0.5% | 0.5% |
| Lease Financing | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Total Loans & Leases | 2,134,136 | 1,952,486 | 9.3% | 100.0% | 100.0% |
| <i>*Aggregate of Credit Cards, Other Revolving Credit Plans, and Other loans to individuals</i> | | | | | |
| <i>Note: Percentages may not add to 100.0 percent due to rounding.</i> | | | | | |

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

At its previous evaluation conducted on September 23, 2013 the bank was rated outstanding under the CRA.

SCOPE OF THE EXAMINATION

The bank's CRA performance was evaluated using the large bank examination procedures. The evaluation was performed in the context of information about the bank and its assessment area, such as asset size, financial condition, competition and the combined record of the aggregated lenders in the assessment area, as well as economic and demographic characteristics.

Lake Forest Bank & Trust Company's CRA performance was evaluated based on activities in its assessment area, which comprises portions of two metropolitan divisions (MD) within the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (MSA) 16980¹.

The lending analysis was based primarily on loans reported under the Home Mortgage Disclosure Act (HMDA), the CRA, and optionally collected Consumer-Unsecured loans. Specifically, home purchase loans, refinanced home loans, loans to small businesses, and consumer-unsecured loans made from January 1, 2013 through December 31, 2014. On March 8, 2013, the mortgage portfolio was transferred to Wintrust Mortgage, which led to a considerable reduction in home mortgage loans in Lake Forest Bank and Trust's portfolio.

Lending was also evaluated with respect to the bank's use of innovative and flexible lending programs and its level of responsiveness to credit needs in low- and moderate-income areas and to low- and moderate-income populations, and small businesses. Community development lending, investments, and services were reviewed based on activities from September 23, 2013 to February 29, 2016. Lake Forest Bank & Trust Company's activities were evaluated based on the following performance criteria:

Lending Activity: The number, dollar volume, and percentage of loans reported under the HMDA and the CRA, and optionally-collected consumer-unsecured loans were reviewed to assess Lake Forest Bank & Trust Company's level of responsiveness to credit needs during the review period.

Lending in the Assessment Area: The level of lending conducted by Lake Forest Bank & Trust Company in its assessment area was determined through a review of the percentages of both the number and dollar volume of loans reported under the HMDA and the CRA, and optionally-collected consumer-unsecured loans made during the review period.

Geographic Distribution of Lending in the Assessment Area: The distributions of the loans reported under the HMDA and the CRA, and consumer-unsecured loans were reviewed to determine the extent to which the bank made loans available to applicants from census tracts of different income levels, including low- and moderate-income census tracts.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes: The distributions of loans reported under the HMDA and the CRA, and consumer-unsecured loans were reviewed to determine the extent to which the bank made loans available to applicants of varying income levels as well as to businesses of different sizes.

¹ Chicago-Naperville-Elgin, IL-IN-WI is the 2014 designation for MSA 169801 and will be used throughout the Performance Evaluation. The MSA was previously designated Chicago-Joliet-Naperville IL-IN-WI.

Community Development Lending: The number and dollar volume of community development loans made by the bank were evaluated to determine the extent of community development lending opportunities, the level of the bank's responsiveness to opportunities and the extent of the bank's leadership in meeting community development lending needs.

Innovative or Flexible Lending Practices: The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals or geographies, and small businesses was analyzed.

Investments: The dollar volume of community development investments was evaluated for responsiveness to assessment area credit and community development needs, innovation and complexity, and the extent to which the types of investments are not routinely provided by private investors.

Retail Services: The bank's delivery networks, including its branch offices, ATMs, and alternative delivery systems, were evaluated for the degree to which they are accessible within the assessment area, including to low- and moderate-income areas and populations. The hours and services, including the range of products and services, were evaluated to determine the extent to which the bank tailors products and services to meet the needs of, and increase accessibility for low- and moderate-income areas and populations. The bank's record of opening and closing branch offices, in the context of its current distribution, and to the extent that it affects access in low- or moderate-income areas or among low- and moderate-income populations. .

Community Contacts: Information obtained through discussions with three community representatives was considered in the overall evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN CHICAGO-NAPERVILLE-ELGIN, IL-IN-WI METROPOLITAN STATISTICAL AREA (MSA) 16980

Lake Forest Bank & Trust Company’s assessment area consists of 164 contiguous census tracts bordered by the Illinois-Wisconsin state line to the north, Highway 45 to the west, Lake Michigan to the east and the southern boundaries of Wheeling, Northfield, and New Trier Townships to the south. All borders of the assessment area incorporate township lines, including: Newport, Benton, Zion, Warren, Waukegan, Shields, Libertyville, Vernon, West Deerfield and Moraine Townships in Lake County and Wheeling, Northfield and New Trier Townships in Cook County. The bank operates in two MDs, the Chicago-Naperville-Arlington Heights, IL MD 16974 (Chicago MD)², and the Lake County-Kenosha County, IL-WI MD 29404 (Lake County MD), both of which are within the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (MSA) 16980; therefore, they were combined into one assessment area for purposes of the evaluation.

The bank’s North Chicago branch and automated teller machine (ATM) are located in a moderate-income census tract. The Highwood branch and two ATMs are located in a middle-income census tract. The bank’s four other branches, main office and 10 ATMs are located in upper-income census tracts. The bank has not opened or closed any ATM or branches since the previous evaluation.

Additional demographic information for the assessment area is presented in the following table.

| 2014 Assessment Area Demographics | | | | | | | | |
|--|------------------------|------------------------|--------------------------|--------------|--|------------|---------------------------|--------------|
| Assessment Area(s): 2014 Chicago-Naperville-Elgin-IL-IN-WI MSA 16980 | | | | | | | | |
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low-income | 9 | 5.5 | 6,822 | 3.6 | 1,523 | 22.3 | 31,408 | 16.8 |
| Moderate-income | 24 | 14.6 | 27,298 | 14.6 | 2,219 | 8.1 | 27,954 | 14.9 |
| Middle-income | 39 | 23.8 | 47,054 | 25.1 | 2,632 | 5.6 | 34,255 | 18.3 |
| Upper-income | 90 | 54.9 | 106,284 | 56.7 | 2,110 | 2.0 | 93,852 | 50.1 |
| Unknown-income | 2 | 1.2 | 11 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment | 164 | 100.0 | 187,469 | 100.0 | 8,484 | 4.5 | 187,469 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low-income | 11,963 | 4,480 | 2.3 | 37.4 | 5,828 | 48.7 | 1,655 | 13.8 |
| Moderate-income | 44,220 | 23,274 | 11.7 | 52.6 | 16,397 | 37.1 | 4,549 | 10.3 |

² In 2011, 2012, and 2013, the Chicago metropolitan division #16974 was named the Chicago-Joliet-Naperville, IL MD and it consisted of eight counties: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry and Will. In 2013-2014, statistical definitions were revised and the Chicago MD #16974 was impacted. In 2014, the Chicago-Naperville-Arlington Heights IL MD was defined to include six counties: Cook, DuPage, Grundy, Kendall, McHenry and Will.

| | | | | | | | | |
|-------------------------|--|----------------|------------------------------------|--------------|------------------|--------------|----------------------|--------------|
| Middle-income | 73,624 | 48,767 | 24.5 | 66.2 | 20,333 | 27.6 | 4,524 | 6.1 |
| Upper-income | 147,553 | 122,374 | 61.5 | 82.9 | 16,781 | 11.4 | 8,398 | 5.7 |
| Unknown-income | 11 | 0 | 0.0 | 0.0 | 11 | 100.0 | 0 | 0.0 |
| Total Assessment | 277,371 | 198,895 | 100.0 | 71.7 | 59,350 | 21.4 | 19,126 | 6.9 |
| | Total Businesses by Tract | | Businesses by Tract & Revenue Size | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | |
| | # | % | # | % | # | % | # | % |
| Low-income | 529 | 1.3 | 476 | 1.4 | 30 | 0.9 | 23 | 2.0 |
| Moderate-income | 3,442 | 8.7 | 3,031 | 8.7 | 292 | 8.3 | 119 | 10.6 |
| Middle-income | 8,418 | 21.2 | 7,307 | 20.9 | 824 | 23.4 | 287 | 25.5 |
| Upper-income | 27,273 | 68.8 | 24,206 | 69.1 | 2,369 | 67.4 | 698 | 61.9 |
| Unknown-income | 3 | 0.0 | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Total Assessment | 39,665 | 100.0 | 35,022 | 100.0 | 3,516 | 100.0 | 1,127 | 100.0 |
| | Percentage of Total Businesses: | | 88.3 | | | 8.9 | | 2.8 |

Source: 2014 FFIEC Census Data and 2014 D&B Information
Note: Percentages may not total 100.0 percent due to rounding

Population and Income Characteristics

The data in the following table presents the population changes for the whole counties and the MDs in which the bank's assessment area is located, as well as population changes in the state of Illinois. With the exception of Cook County, which experienced a decrease of 3.4 percent, all political subdivisions experienced increases in population. The Lake County MD experienced the greatest increase of 9.6 percent. One community representative indicated that some of the decrease in the Cook County population was, in fact, families moving from Cook County to Lake County for higher quality employment as well as higher quality schools.

| Population Change | | | |
|---|-----------------|-----------------|-------------------|
| Area | 2000 Population | 2010 Population | Percentage Change |
| Cook County, IL | 5,376,741 | 5,194,675 | -3.4 |
| Lake County, IL | 644,356 | 703,462 | 9.2 |
| Chicago-Naperville-Arlington Heights, IL MD | 7,135,324 | 7,262,718 | 1.8 |
| Lake County-Kenosha County, IL-WI MD | 793,933 | 869,888 | 9.6 |
| State of Illinois | 12,419,293 | 12,830,632 | 3.3 |

Source: 2000—U.S. Census Bureau: Decennial Census
2010—U.S. Census Bureau: Decennial Census

According to the 2006-2010 American Community Survey (ACS), the median family incomes (MFI) in Lake County and Cook County were \$91,693 and \$65,039, respectively. Despite the gap between the two counties, both MFI figures represent very similar increases since the 2000 Decennial Census. The MFI in all the relevant geographies increased at similar rates. The lowest rate of

increase (20.0 percent) was observed in Lake County and the Chicago MD, while the greatest increase (22.8 percent) was observed in the Lake County MD and throughout the state of Illinois. The majority of the assessment area is located in Lake County. Lake Forest Bank & Trust Company generally serves an area with greater wealth than the state of Illinois, Cook County, as well as the Chicago MD.

| Median Family Income Change | | | |
|--|---|--|-------------------|
| Area | 2000 Median Family Income (In 1999 Dollars) | 2006-2010 Median Family Income (In 2010 Dollars) | Percentage Change |
| Cook County, IL | 53,784 | 65,039 | 20.9 |
| Lake County, IL | 76,424 | 91,693 | 20.0 |
| Chicago-Naperville-Arlington Heights, IL MD | 60,166 | 72,196 | 20.0 |
| Lake County-Kenosha County, IL-WI MD | 71,293 | 86,241 | 22.8 |
| State of Illinois | 55,545 | 68,236 | 22.8 |
| <i>Source: 2000—U.S. Census Bureau: Decennial Census 2006-2010—U.S. Census Bureau: American Community Survey N/A – Not Available</i> | | | |

From 2011 through 2014, personal bankruptcy filing rates decline within each geography with the exception of Cook County. Filing rates in Cook County increased in both 2012 and 2013 before returning to the 2011 level in 2014 of 6.5 per thousand in population. Lake County’s personal bankruptcy filing rate dropped from 5.0 per thousand in population in 2011 to 3.4 per thousand in population in 2014. The statewide average personal bankruptcy filing rate was consistently lower than Cook County’s and greater than Lake County in each year. Personal bankruptcy filing rates correlate to opportunity for lending, as lower bankruptcy filing rates would indicate a population with greater capacity to support lending.

| Personal Bankruptcy Filing Rate (per 1,000 population) | | | | |
|---|------|------|------|------|
| Area | 2011 | 2012 | 2013 | 2014 |
| Cook County, IL | 6.5 | 6.6 | 6.8 | 6.5 |
| Lake County, IL | 5.0 | 4.8 | 4.0 | 3.4 |
| Chicago-Naperville-Arlington Heights, IL MD | 6.4 | 6.3 | 6.2 | 5.9 |
| Lake County-Kenosha County, IL-WI MD | 5.2 | 5.0 | 4.2 | 3.6 |
| State of Illinois | 5.5 | 5.2 | 5.1 | 4.7 |
| <i>Source: Administrative Office of The U.S. Courts</i> | | | | |

Housing Characteristics

Between the 2000 U.S. Decennial Census and the 2006-2010 ACS, median housing values and median gross rents increased significantly. Increases in median housing values outpaced the increases in median gross rents; the range of housing values increases over the period was 49.8 percent (Lake County MD) to 72.3 percent (Cook County), while the range or increases in median gross rents over the same period was 29.8 percent (Lake County) to 38.9 percent (Cook County). The starting median housing values and median gross rents were greater in both Cook County and Lake County than the corresponding values statewide. Lake County had the greatest starting values (2000 U.S. Decennial Census figures) for median housing values and median gross rents, but exhibited the lowest rates of growth in both measures. Cook County, the Chicago MD, and the state of Illinois are slowly closing the relative cost of housing gap.

| Housing Costs Change | | | | |
|--|---------------------------|--------------------------------|------------------------|-----------------------------|
| Area | 2000 Median Housing Value | 2006-2010 Median Housing Value | 2000 Median Gross Rent | 2006-2010 Median Gross Rent |
| Cook County, IL | 154,300 | 265,800 | 648 | 900 |
| Lake County, IL | 191,600 | 287,300 | 742 | 963 |
| Chicago-Naperville-Arlington Heights, IL MD ³ | 159,773 | 267,990 | 665 | 914 |
| Lake County-Kenosha County, IL-WI MD | 171,126 | 256,403 | 694 | 909 |
| State of Illinois | 127,800 | 202,500 | 605 | 834 |

*Source: 2000—U.S. Census Bureau: Decennial Census
 2006-2010—U.S. Census Bureau: American Community Survey*

Foreclosure⁴

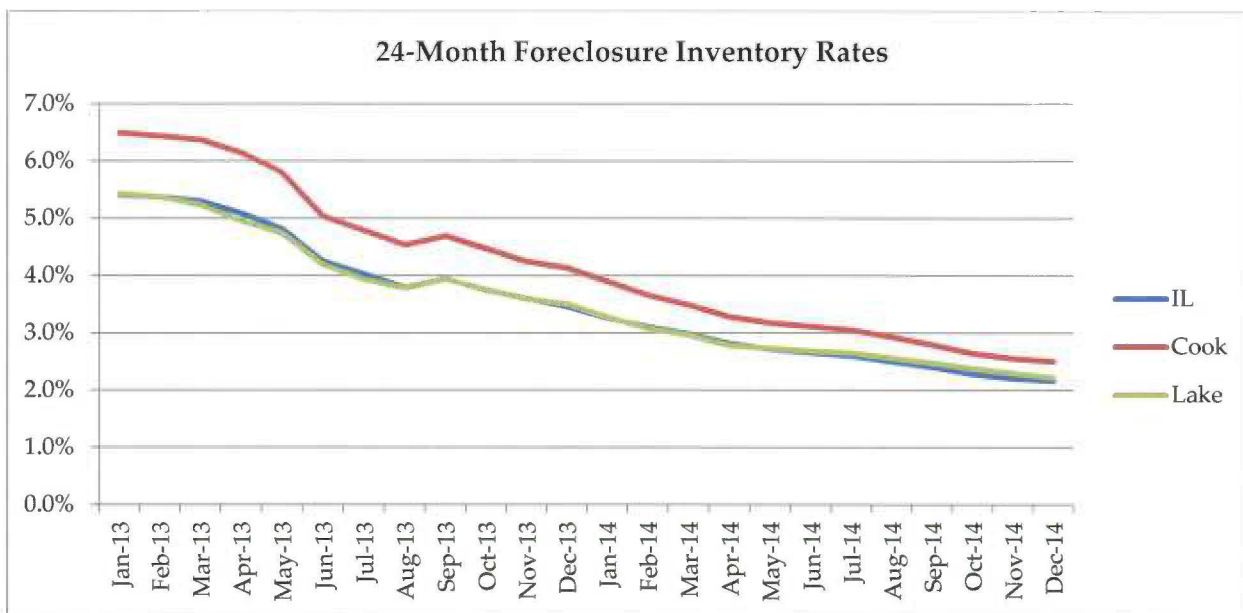
During the review period of this evaluation foreclosure rates in Cook County, Lake County, and throughout the state of Illinois decreased. The following table shows statistical measures of average annual foreclosure inventory rates for the three geographies mentioned; foreclosure inventory rates are tracked monthly. The average of the monthly foreclosure inventory rates in each of the three geographies was lower in 2014 than the respective 2013 averages. Over the two-year period for this evaluation, the average monthly foreclosure inventory rate in Cook County (4.2 percent) was greater than both Lake County's and the state of Illinois' period averages. A community representative attributed the reduction in foreclosures to people moving past the economic crisis and re-establishing themselves, but at a lower economic base.

⁴ The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure, and excludes properties that have completed the foreclosure cycle.

| Average Foreclosure Inventory Rates (%) | | | |
|---|--|--|---|
| Area | Monthly Average (January 2013 – December 2013) | Monthly Average (January 2014 – December 2014) | Period Average (January 2013 – December 2014) |
| Cook County, IL | 5.3 | 3.1 | 4.2 |
| Lake County, IL | 4.4 | 2.7 | 3.6 |
| State of Illinois | 4.4 | 2.6 | 3.5 |

Source: LPS Applied Analytics

The monthly foreclosure inventory rate in Cook County dropped from 6.5 percent in January 2013 to 2.5 percent in December of 2014. Over the same period, the monthly foreclosure inventory rates for Lake County and the State of Illinois were nearly identical. The line graph below shows each monthly foreclosure inventory rate over the 24-month period.



Unemployment

The following table presents the unemployment statistics for the counties in the bank’s assessment area, the Chicago MD, the Lake County MD, and the state of Illinois from 2011 through 2014 (the most recent year for which data is available). The unemployment rates for all geographies were very similar in 2011 and have remained clustered. The unemployment rate in Cook County dropped 3.0 percent between 2011 and 2014, while Lake County has seen its unemployment rate drop by 2.9 percent over the same period. The reduced unemployment rates as well as reduced foreclosure filings (discussed above) indicate an improving environment for residential real estate lending.

| Recent Unemployment Rates | | | | |
|---|------|------|------|------|
| Area | 2011 | 2012 | 2013 | 2014 |
| Cook County, IL | 10.4 | 9.3 | 9.6 | 7.4 |
| Lake County, IL | 9.4 | 8.7 | 8.7 | 6.5 |
| Chicago-Naperville-Arlington Heights, IL MD | 10.0 | 8.9 | 9.2 | 7.1 |
| Lake County-Kenosha County, IL-WI MD | 9.4 | 8.6 | 8.5 | 6.4 |
| State of Illinois | 9.8 | 8.9 | 9.2 | 7.1 |

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)

Employment

The following table lists the top 20 largest employers in the assessment area as well as the number of employees and the industry to which the employer belongs. Although the largest single employer is an insurance provider, the primary employment sectors in the two counties are hospitals/medical centers and universities and colleges, which may help make the economy of the area more stable and less reliant on a strong private sector. It should be noted that a number of the hospitals/medical centers are operated by universities.

| Largest Employers | | |
|---------------------------------------|---------------------|--|
| Company | Number of Employees | Industry |
| Allstate Insurance | 13,000 | Insurance |
| Abbott Laboratories | 12,000 | Drug Millers (Manufacturers) |
| University Of Illinois-Chicago | 11,515 | Schools-Universities & Colleges Academic |
| University Of Chicago | 8,534 | Schools-Universities & Colleges Academic |
| Johnston R Bowman Health Center | 8,000 | Hospitals |
| Loyola University Med Center | 7,000 | Hospitals |
| Walgreens Boots Alliance Incorporated | 6,100 | Marketing Programs & Services |
| Sears Home & Bus Franchises | 6,000 | Home Improvements |
| Northwestern Memorial Hospital | 6,000 | Hospitals |
| Northern Trust Corp | 6,000 | Holding Companies (Bank) |
| John H Stroger Jr. Hospital | 6,000 | Hospitals |
| University Of Illinois Medical Center | 5,000 | Hospitals |
| University Of Chicago Medicine | 5,000 | Hospitals |
| Stroger Hospital-Cook County | 5,000 | Hospitals |
| Rush University Medical Center | 5,000 | Medical Centers |
| Northwestern University | 5,000 | Schools-Universities & Colleges Academic |
| Medline Industries Incorporated | 5,000 | Physicians & Surgeons Equip & Supplies-Wholesale |
| Health Care Service Corporation | 5,000 | Insurance |
| Exelon Corporation | 5,000 | Electric Companies |
| Deloitte | 5,000 | Accountants |

Source: Info USA

Community Contacts

Three community representatives were contacted to gain greater insight into issues that affect the assessment area and its residents. There were numerous different issues raised by the representatives, but there were also some common themes among the contacts. Common themes included population growth and individuals re-establishing themselves after the financial crisis, but at a lower socioeconomic level than pre-recession levels.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Lending levels reflect good responsiveness to assessment area credit needs. An adequate percentage of loans are made in the assessment area, both in number and dollar volume of home mortgage, small business, and consumer-unsecured loans. The geographic distribution of loans reflects excellent distribution throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, excellent distribution among individuals of different income levels and businesses of different sizes, and exhibits a good record of serving the credit needs of low-income individuals, and small businesses. The bank is a leader in making community development loans in the assessment area and makes extensive use of innovative and/or flexible lending practices in serving the assessment area credit needs.

Level of Lending Activity

Lake Forest Bank & Trust Company's level of lending reflects good responsiveness to the assessment area's credit needs. During the two years included in this evaluation the bank originated a total of 2,107 loans reported under the HMDA and the CRA, and optionally-collected consumer-unsecured loans totaling \$361,342 million. The bank's lending activity from the previous evaluation was higher; however, as mentioned previously, on March 8, 2013, the mortgage portfolio was transferred to Wintrust Mortgage. This reorganization had an appreciable impact on the overall volume of loans reported under the HMDA and the bank's rank among reporters in the assessment area.

According to market reports for data collected and reported under the HMDA and the CRA for the bank's assessment area in the Chicago-Naperville-Elgin, IL-IN-WI MSA, in 2014, the bank ranked 59th of 457 HMDA reporters and 7th among 123 CRA reporters. The bank's HMDA market ranking in 2014 were lower than its ranking in 2013, while the bank's CRA ranking remained relatively consistent from 2013 through 2014. The bank's rank in HMDA market share fell from 26th to 59th. Lake Forest Bank & Trust Company's 2013 HMDA market ranking was based on 465 HMDA reporters in the MSA; this placed the bank in the top 6 percent of HMDA reporters. Despite the drop, the bank's 2014 rank still placed it within the top 13 percent. In 2013, the bank ranked 7th of 110 CRA reporters, which placed the bank within the top 7 percent.

| Summary of Lending Activity 2013 and 2014 | | | | |
|---|-------|--------|-----------|--------|
| Loan Type | # | % | \$(000s) | % |
| Total Consumer-Unsecured | 255 | 12.1% | \$1,167 | 0.3% |
| Home Improvement | 12 | 0.6% | \$1,702 | 0.5% |
| Home Purchase | 98 | 4.7% | \$27,659 | 7.7% |
| Multi-Family Housing | 12 | 0.6% | \$6,762 | 1.9% |
| Refinancing | 312 | 14.8% | \$78,266 | 21.7% |
| Total HMDA related | 434 | 20.6% | \$114,389 | 31.7% |
| Total Small Business related | 1,418 | 67.3% | \$245,786 | 68.0% |
| TOTAL LOANS | 2,107 | 100.0% | \$361,342 | 100.0% |
| <i>Note: Affiliate loans not included</i> | | | | |
| <i>Note: Percentages may not add to 100.0 percent due to rounding</i> | | | | |

Assessment Area Concentration

An adequate percentage of loans were made within the bank's assessment area. During the evaluation period, the bank originated 72.4 percent by volume and 47.7 percent by dollar amount of loans in the assessment area. The percentage of loans increased from the previous evaluation; however the dollar volume declined. HMDA-related loans originated within the assessment area represent 59.7 percent by volume and 57.6 percent by dollar volume, a decrease from the previous evaluation of 69.1 percent and 67.1 percent, respectively.

The bank originated 72.4 percent by volume and 42.9 percent of dollar amount of small business loans within the assessment area. The nearly thirty percentage point discrepancy between the percentage by number of loans and dollar volume of small business lending within the assessment area indicates the average small business loan made outside of the bank's assessment area is considerably larger than the average small business loan made in the assessment area. The discrepancy is largely attributed to the bank's franchise lending business line, which is a nationwide business line.

Lake Forest Bank & Trust Company requested that consumer-unsecured loans be considered for the purposes of the lending test. A substantial majority of consumer-unsecured loans are made in the bank's assessment area. During this evaluation the bank originated 93.7 percent of its consumer-unsecured loans (85.4 percent of dollar volume) within the assessment area, indicating the responsiveness of the product to assessment area needs.

| Lending Inside and Outside the Assessment Area | | | | | | | | |
|--|--------------|-------------|----------------|-------------|------------|-------------|----------------|-------------|
| Loan Types | Inside | | | | Outside | | | |
| | # | % | \$(000s) | % | # | % | \$(000s) | % |
| Total Consumer-Unsecured | 239 | 93.7 | 997 | 85.4 | 16 | 6.3 | 170 | 14.6 |
| Home Improvement | 10 | 83.3 | 1,295 | 76.1 | 2 | 16.7 | 407 | 23.9 |
| Home Purchase - Conventional | 80 | 81.6 | 21,301 | 77.0 | 18 | 18.4 | 6,358 | 23.0 |
| Multi-Family Housing | 5 | 41.7 | 1,709 | 25.3 | 7 | 58.3 | 5,053 | 74.7 |
| Refinancing | 164 | 52.6 | 41,540 | 53.1 | 148 | 47.4 | 36,726 | 46.9 |
| Total HMDA related | 259 | 59.7 | 65,845 | 57.6 | 175 | 40.3 | 48,544 | 42.4 |
| Total Small Business related | 1,026 | 72.4 | 105,297 | 42.9 | 391 | 27.6 | 140,207 | 57.1 |
| TOTAL LOANS | 1,524 | 72.4 | 172,139 | 47.7 | 582 | 27.6 | 188,921 | 52.3 |

Note: Affiliate loans not included.

Geographic Distribution of Loans

Overall, Lake Forest Bank and Trust achieved an excellent distribution of loans among geographies of different income levels based primarily on its small business and consumer-unsecured lending.

Home Mortgage Lending

In 2014, Lake Forest Bank & Trust Company reported 48 home mortgage-related loans in its assessment area. Most of the loans were purchase money mortgages (36). The remaining 12 loans were distributed among refinanced home loans (5), home improvement loans (5) and loans for multifamily housing (2). Due to the limited volume of other types of home mortgage loans, only home purchase loans will be discussed. Additionally, home mortgage lending was not given substantial weight in the overall evaluation.

In 2013, Lake Forest Bank & Trust Company reported 211 loans under the Home Mortgage Disclosure Act. The substantial portion of the loans made were to refinance existing loans (75.0 percent) followed by home purchase loans (21.0 percent). As previously mentioned, due to a reorganization mortgage operations of Wintrust Financial subsidiary banks were transferred to its mortgage subsidiary, Wintrust Mortgage. Beginning with the 2014 reporting year, this reorganization resulted in a shift in both volume and type of loans made by the Lake Forest Bank & Trust Company. Reported loans decreased from 211 in 2013 to 48 in 2014 while the primary product originated changed from refinanced home loans in 2013 (159) to home purchase loans in 2014 (36).

Tables that show reported data for 2014 are included in the following discussion. 2013 data tables have been included as an appendix to this report.

Home Purchase Loans

In 2014, approximately 2.3 percent of owner-occupied housing was located in low-income census tracts while 11.7 percent was located in moderate-income census tracts. The bank originated 25.0 percent of home purchase loans in low-income tracts and 29.2 percent in moderate-income tracts. Peer lenders originated 1.2 percent of home purchase loans in low-income tracts, and 10.1 percent in moderate-income tracts. The bank's lending in middle- (11.1 percent) and upper-income (36.1 percent) tracts was significantly less than aggregate (24.3 percent, 64.5 percent) and the percent of owner-occupied housing (24.5, 61.5).

Home purchases were a significant form of HMDA-reportable lending in 2013. The bank outpaced peer lenders in low-income tracts, originating 4.5 percent of home purchases in low-income tracts, while peer lenders originated 1.0 percent (0.3 percent by volume) of home purchases in low-income tracts. However, peer lenders outperformed the bank in moderate-income tracts, originating 9.0 percent while the bank originated 6.8 percent in moderate-income tracts. The bank's lending in middle- (25.0 percent) and upper-income (63.6 percent) tracts was consistent with aggregate (24.0 percent, 66.0 percent) and the percent of owner-occupied housing (24.2, 60.8).

Loan data reported by the bank in 2014 under the HMDA is presented in the following table by income level of census tracts. As noted previously 2013 data is included in the appendix.

| Geographic Distribution of HMDA Reportable Loans | | | | | | | | |
|---|---------------------|-------------------------------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
| Product Type | Tract Income Levels | Bank & Aggregate Lending Comparison | | | | | Owner Occupied % of Units | |
| | | 2014 | | | | | | |
| | | Count | | Agg % | Dollar | | | |
| Bank # | % | Bank \$ (000s) | \$ % | | Agg \$ % | | | |
| Home Purchase | Low | 12 | 33.3 | 1.2 | 535 | 5.0 | 0.3 | 2.3 |
| | Moderate | 7 | 19.4 | 10.1 | 365 | 3.4 | 3.7 | 11.7 |
| | Middle | 4 | 11.1 | 24.3 | 1,463 | 13.6 | 14.6 | 24.5 |
| | Upper | 13 | 36.1 | 64.5 | 8,394 | 78.0 | 81.4 | 61.5 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 36 | 100.0 | 100.0 | 10,757 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 1.1 | 0 | 0.0 | 0.3 | 2.3 |
| | Moderate | 2 | 40.0 | 6.6 | 139 | 16.3 | 2.4 | 11.7 |
| | Middle | 2 | 40.0 | 20.2 | 398 | 46.5 | 11.6 | 24.5 |
| | Upper | 1 | 20.0 | 72.0 | 318 | 37.2 | 85.7 | 61.5 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 5 | 100.0 | 100.0 | 855 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 3.2 | 0 | 0.0 | 0.4 | 2.3 |
| | Moderate | 4 | 80.0 | 13.5 | 10 | 7.1 | 1.7 | 11.7 |
| | Middle | 0 | 0.0 | 27.2 | 0 | 0.0 | 13.9 | 24.5 |
| | Upper | 1 | 20.0 | 56.1 | 130 | 92.9 | 84.0 | 61.5 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 5 | 100.0 | 100.0 | 140 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 10.1 | 0 | 0.0 | 1.1 | 5.6 |
| | Moderate | 1 | 50.0 | 26.6 | 317 | 46.8 | 12.7 | 20.2 |
| | Middle | 1 | 50.0 | 48.1 | 361 | 53.2 | 23.9 | 38.8 |
| | Upper | 0 | 0.0 | 15.2 | 0 | 0.0 | 62.3 | 35.4 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 2 | 100.0 | 100.0 | 678 | 100.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 12 | 25.0 | 1.3 | 535 | 4.3 | 0.4 | 2.3 |
| | Moderate | 14 | 29.2 | 8.7 | 831 | 6.7 | 3.4 | 11.7 |
| | Middle | 7 | 14.6 | 22.6 | 2,222 | 17.9 | 13.6 | 24.5 |
| | Upper | 15 | 31.3 | 67.4 | 8,842 | 71.1 | 82.6 | 61.5 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 48 | 100.0 | 100.0 | 12,430 | 100.0 | 100.0 | 100.0 |
| Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i> | | | | | | | | |

Loans to Small Businesses

Lake Forest Bank & Trust’s record of lending to small businesses reflects excellent distribution among census tracts of different income levels, outperforming aggregate lenders and assessment area demographics in both 2013 and 2014. In 2014, 1.3 percent of small businesses were located in low-income census tracts while 8.7 percent were located in moderate-income census tracts. The bank made 1.7 percent of CRA-reportable loans in low-income census tracts and 10.1 percent in moderate-income census tracts. This outpaced peer lenders, who originated 0.7 percent of CRA-reportable loans in low-income tracts, and 7.3 percent in moderate-income tracts. The bank’s lending in middle-income tracts (14.3 percent) was less than aggregate (22.9 percent) and the percent of total businesses (21.2), while its lending in upper-income tracts (73.9 percent) was slightly above aggregate (69.1 percent) and the percentage of total businesses (68.8).

In 2013, 1.5 percent of businesses were located in low-income census tracts and 9.6 percent in moderate-income census tracts. The bank made 1.8 percent of CRA-reportable loans in low-income census tracts and 10.6 percent in moderate-income tracts. By comparison, peer lenders originated 0.8 percent of CRA-reportable loans in low-income tracts and 7.5 percent in moderate-income tracts. The bank’s lending in middle-income tracts (16.3 percent) was again less than aggregate (22.8 percent) and the percent of total businesses (22.4), while its lending in upper-income tracts (71.4 percent) was slightly above aggregate (68.9 percent) and the percentage of total businesses (66.5). The fact that bank performance consistently outpaced peer lenders and assessment area demographics in low- and moderate-income tracts indicates the bank is doing an excellent job of assessing and meeting the small business credit needs of the assessment area. 2014 data is presented below; 2013 data is located in the appendices.

Geographic Distribution of Small Business Loans

| Tract Income Levels | | Bank & Aggregate Lending Comparison | | | | | Total Businesses | |
|---------------------|--------------|-------------------------------------|--------------|--------------|---------------|--------------|------------------|--------------|
| | | 2014 | | | Dollar | | | |
| | | Count | | Agg | Bank | | | Agg |
| # | % | % | \$ (000s) | \$ % | \$ % | % | | |
| Small Business | Low | 9 | 1.7 | 0.7 | 85 | 0.2 | 0.4 | 1.3 |
| | Moderate | 52 | 10.1 | 7.3 | 2,440 | 5.0 | 6.9 | 8.7 |
| | Middle | 74 | 14.3 | 22.9 | 7,064 | 14.6 | 24.6 | 21.2 |
| | Upper | 382 | 73.9 | 69.1 | 38,839 | 80.2 | 68.1 | 68.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Tr Unknown | | | 0.0 | | | 0.0 | |
| | Total | 517 | 100.0 | 100.0 | 48,428 | 100.0 | 100.0 | 100.0 |

Originations & Purchases

2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

Consumer-Unsecured Loans

The bank’s record of making unsecured consumer-purpose loans reflects excellent distribution among census tracts of different income levels. As previously mentioned, the bank requested that consumer-unsecured loans be considered for evaluation in the lending test. Although there is no data available for peer lender comparisons, demographic information allows for a basic evaluation of the bank’s performance with respect to consumer-unsecured lending in low- and moderate-income tracts.

In 2014, 4.0 percent of households were located in low-income tracts and 15.4 percent were located in moderate-income tracts. Given this household distribution, the bank’s respective levels of lending within those geographies, 20.2 percent in low-income tracts and 43.1 percent in moderate-income tracts is excellent. The bank’s lending in middle-income tracts (27.5 percent) was consistent with the percent of households (22.4), while its lending in upper-income tracts (9.2 percent) was significantly below the percentage of households (53.9). The bank’s performance in 2014 was a continuation of its strong performance from 2013. In 2013, 4.0 percent of households were located in low-income tracts, while 16.5 percent were located in moderate-income tracts. The bank originated 24.6 percent of consumer-unsecured loans in low-income tracts, and 43.1 percent in moderate-income tracts. The bank’s lending in middle-income tracts (18.5 percent) was less than the percent of households (26.4), while its lending in upper-income tracts (13.8 percent) was significantly below the percentage of households (53.2).

| Geographic Distribution of Consumer Loans | | | | | | |
|--|---------------------|-------------------------------|--------------|-------------|--------------|--------------|
| | Tract Income Levels | Bank & Demographic Comparison | | | | Households |
| | | 2014 | | | | |
| | | Count Bank | | Dollar Bank | | |
| | | # | % | \$ (000s) | \$ % | % |
| Totals | Low | 22 | 20.2 | 40 | 7.6 | 4.0 |
| | Moderate | 47 | 43.1 | 101 | 19.2 | 15.4 |
| | Middle | 30 | 27.5 | 81 | 15.4 | 26.8 |
| | Upper | 10 | 9.2 | 304 | 57.8 | 53.9 |
| | Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| | Total | 109 | 100.0 | 526 | 100.0 | 100.0 |

2014 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The distribution of borrowers reflects, given the product lines offered, excellent distribution among customers of different income levels and businesses of different sizes. Small business and

consumer-unsecured loans represented a significant percentage of originations during the review period; therefore they received the most weight in the evaluation.

Home Mortgage Lending

Distribution of borrowers reflects, given the product lines offered, adequate distribution among customers of different income levels. Due to the limited volume of other types of home mortgage loans, only home purchase loans will be discussed. Additionally, home mortgage lending was not given substantial weight in the overall evaluation.

In 2014, home purchase loans were 75.0 percent of HMDA-related originations made by the bank. Of the purchase loans originated by the bank, 5.6 percent were to low-income borrowers. Peer lenders originated 6.6 percent to low-income borrowers; the bank's performance trailed area demographics and was roughly comparable to that of peer lenders. With respect to home purchase loans originated to moderate-income borrowers, the bank's lending outpaced both area demographics and peer lenders. The bank originated 16.7 percent to moderate-income borrowers, while peer lenders originated 12.5 percent to moderate-income borrowers. The bank's lending to middle- (2.8 percent) and upper-income (22.2 percent) borrowers was significantly less than aggregate (14.7 percent, 50.4 percent) and the percent of families by family income (18.3, 50.1).

In 2013, the bank originated 4.5 percent of home purchase loans to low-income borrowers while the aggregate originated 7.7 percent to low-income borrowers. The bank outpaced the aggregate with respect to originating home purchase loans to moderate-income borrowers. The bank originated 13.6 percent of home purchase loans to moderate-income borrowers while the aggregate originated 12.4 percent to moderate-income lenders. Both the bank's and the aggregate's rates of lending to low- and moderate-income borrowers were lower than the rates of occurrence of low- (16.8 percent) and moderate-income (15.0 percent) families within the assessment area in 2013. The bank's lending to middle-income borrowers (9.1 percent) was less than aggregate (15.9 percent) and the percent of families by family income (18.3), while its lending to upper-income borrowers (59.1 percent) was slightly above aggregate (56.5 percent) and the percentage of families by family income (49.9).

The bank's 2014 HMDA-reportable loan data by borrower income is presented below; 2013 data is located within the appendices.

| Borrower Distribution of HMDA Reportable Loans | | | | | | | | |
|--|------------------------|-------------------------------------|--------------|--------------|---------------|--------------|--------------|-----------------------------|
| Product Type | Borrower Income Levels | Bank & Aggregate Lending Comparison | | | | | | Families by Family Income % |
| | | 2014 | | | | | | |
| | | Count | | Agg % | Dollar | | Agg \$ % | |
| Bank # | % | Bank \$ (000s) | \$ % | | | | | |
| Home Purchase | Low | 2 | 5.6 | 6.6 | 272 | 2.5 | 1.8 | 16.8 |
| | Moderate | 6 | 16.7 | 12.5 | 889 | 8.3 | 5.4 | 14.9 |
| | Middle | 1 | 2.8 | 14.7 | 262 | 2.4 | 9.5 | 18.3 |
| | Upper | 8 | 22.2 | 50.4 | 8,434 | 78.4 | 70.8 | 50.1 |
| | Unknown | 19 | 52.8 | 15.7 | 900 | 8.4 | 12.4 | 0.0 |
| | Total | 36 | 100.0 | 100.0 | 10,757 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 4.3 | 0 | 0.0 | 1.4 | 16.8 |
| | Moderate | 0 | 0.0 | 8.0 | 0 | 0.0 | 3.3 | 14.9 |
| | Middle | 3 | 60.0 | 14.4 | 457 | 53.5 | 8.5 | 18.3 |
| | Upper | 1 | 20.0 | 59.9 | 318 | 37.2 | 75.1 | 50.1 |
| | Unknown | 1 | 20.0 | 13.4 | 80 | 9.4 | 11.7 | 0.0 |
| | Total | 5 | 100.0 | 100.0 | 855 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 2 | 40.0 | 7.9 | 6 | 4.3 | 0.7 | 16.8 |
| | Moderate | 0 | 0.0 | 7.9 | 0 | 0.0 | 2.6 | 14.9 |
| | Middle | 2 | 40.0 | 11.2 | 4 | 2.9 | 6.0 | 18.3 |
| | Upper | 1 | 20.0 | 42.5 | 130 | 92.9 | 77.3 | 50.1 |
| | Unknown | 0 | 0.0 | 30.5 | 0 | 0.0 | 13.4 | 0.0 |
| | Total | 5 | 100.0 | 100.0 | 140 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.8 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 14.9 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.3 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 50.1 |
| | Unknown | 2 | 100.0 | 100.0 | 678 | 100.0 | 100.0 | 0.0 |
| | Total | 2 | 100.0 | 100.0 | 678 | 100.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 4 | 8.3 | 5.6 | 278 | 2.2 | 1.5 | 16.8 |
| | Moderate | 6 | 12.5 | 10.3 | 889 | 7.2 | 4.2 | 14.9 |
| | Middle | 6 | 12.5 | 14.4 | 723 | 5.8 | 8.6 | 18.3 |
| | Upper | 10 | 20.8 | 54.2 | 8,882 | 71.5 | 69.9 | 50.1 |
| | Unknown | 22 | 45.8 | 15.5 | 1,658 | 13.3 | 15.8 | 0.0 |
| | Total | 48 | 100.0 | 100.0 | 12,430 | 100.0 | 100.0 | 100.0 |

Originations & Purchases
 2014 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding

Loans to Small Businesses

The bank's distribution of loans to small businesses reflects excellent distribution among

businesses of different sizes. In 2014, 88.8 percent of businesses were small businesses⁵. Lake Forest Bank & Trust Company made 73.9 percent of loans by number and 37.8 percent by dollar volume to small businesses. For the category of loans made to small businesses, 90.3 percent were in original amounts of \$100,000 or less. Small dollar amount loans are considered more likely to be helpful to small businesses. The bank also significantly outperformed peer lenders, who originated 40.7 percent of loans to small businesses (28.0 percent by dollar volume).

In 2013, 88.6 percent of total businesses were small businesses. The bank originated 72.7 percent of loans (40.9 percent by dollar volume) to small businesses; 85.2 percent of which were for less than \$100,000. Again, this significantly exceeded peer lending, who originated 42.9 percent by number and 28.2 percent by dollar volume to small businesses. Of the loans that peer lenders originated to small businesses, 19.6 percent were to small businesses. The bank’s 2014 small business lending by revenue and loan size data is presented below; 2013 lending is located within the appendices.

The bank offers three SBA loan programs; SBA-504, SBA-7A, and SBA-Express Loan. During the review period the bank originated 12 SBA loans totaling \$4,341,933. The bank also offered small businesses Overdraft Protection Lines of Credit, Easy Access Line of Credit, and the Easy Access Installment Loan. In addition to the SBA loans, the bank offers small business loan programs that offer a less burdensome application process. The small business micro-loan products are targeted to businesses with revenues of \$1 million or less.

| Small Business Lending By Revenue & Loan Size | | | | | | | | | |
|--|----------------------------------|-------------------------------------|------------|--------------|--------------|---------------|---------------------|--------------|--------------|
| Assessment Area: 2014 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | | |
| Product Type | | Bank & Aggregate Lending Comparison | | | | | | | |
| | | 2014 | | | 2014 | | Total Businesses | | |
| | | Count | | Dollar | | | | | |
| | Revenue | Bank | Agg | Bank | Agg | % | | | |
| | | # | % | % | \$ 000s | | \$ % | | |
| Small Business | Revenue | \$1 Million or Less | 382 | 73.9 | 40.7 | 18,311 | 37.8 | 28.0 | 88.3 |
| | | Over \$1 Million or Unknown | 135 | 26.1 | 59.3 | 30,117 | 62.2 | 72.0 | 11.7 |
| | | Total | 517 | 100.0 | 100.0 | 48,428 | 100.0 | 100.0 | 100.0 |
| | Loan Size | \$100,000 or Less | 407 | 78.7 | 91.8 | 5,500 | 11.4 | 27.7 | |
| | | \$100,001 - \$250,000 | 46 | 8.9 | 3.5 | 9,033 | 18.7 | 13.7 | |
| | | \$250,001 - \$1 Million | 64 | 12.4 | 4.7 | 33,895 | 70.0 | 58.6 | |
| | | Total | 517 | 100.0 | 100.0 | 48,428 | 100.0 | 100.0 | |
| | Loan Size & Rev \$1 Mill or Less | \$100,000 or Less | 345 | 90.3 | | 3,609 | 19.7 | | |
| | | \$100,001 - \$250,000 | 15 | 3.9 | | 2,763 | 15.1 | | |
| | | \$250,001 - \$1 Million | 22 | 5.8 | | 11,939 | 65.2 | | |
| | | Total | 382 | 100.0 | | 18,311 | 100.0 | | |

Originations & Purchases
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

⁵ Small businesses have defined as businesses with gross annual revenues of \$1 million or less for the purposes of this analysis.

Consumer-Unsecured Loans

The bank’s record of lending reflects excellent distribution of consumer-purpose unsecured loans among consumers of different income levels. Although there is no data available for peer lender comparisons, there is demographic information available which allows for a basic evaluation of the bank’s performance with respect to consumer-unsecured lending to low- and moderate-income borrowers.

In 2014, 19.3 percent of households in the assessment area were low-income and 15.0 percent were moderate-income. By comparison, 63.3 percent of the banks consumer-unsecured loans were originated to low-income borrowers. The bank originated 19.3 percent of its consumer-unsecured loans to moderate-income borrowers. The bank’s lending to middle- (6.4 percent) and upper-income (5.5 percent) borrowers was significantly less than the percent of households by household income (16.4, 49.3). The bank’s performance in 2014 displayed excellent penetration to borrowers of varying income levels, especially low- and moderate-income borrowers. In 2013, 19.4 percent of households in the assessment area were low-income, while 15.0 percent were categorized as moderate-income. The bank originated 63.8 percent of consumer-unsecured loans to low-income households, and 16.9 percent to moderate-income borrowers. The bank’s lending to middle- (7.7 percent) and upper-income (6.2 percent) borrowers was significantly less than the percent of households by household income (16.5, 49.2). The bank’s lending of consumer-unsecured products in 2014 is represented in the table below and includes the Everyday Loan and the Money Smart CD loan products. 2013 data is located within the appendices.

| Borrower Distribution of Consumer Loans | | | | | | |
|--|-----------------------------------|---|--------------|------------------|--------------|---|
| | Borrower Income Levels | Bank & Demographic Comparison 2014 | | | | Households by Household Income % |
| | | Count | | Dollar | | |
| | | # | % | \$ (000s) | \$ % | |
| Totals | Low | 69 | 63.3 | 158 | 30.0 | 19.3 |
| | Moderate | 21 | 19.3 | 64 | 12.2 | 15.0 |
| | Middle | 7 | 6.4 | 33 | 6.3 | 16.4 |
| | Upper | 6 | 5.5 | 251 | 47.7 | 49.3 |
| | Unknown | 6 | 5.5 | 20 | 3.8 | |
| | Total | 109 | 100.0 | 526 | 100.0 | 100.0 |

2014 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding

Everyday Loan

The Money Smart Everyday Small Dollar Loan (Everyday Loan) is an unsecured, smaller dollar product that has no fees in conjunction with the loan and a maximum amount of \$2,500. The

Everyday Loan was developed to meet the small dollar and/or emergency needs of consumers and is offered to the community as an alternative to payday loans. The bank first identified the need for this product in North Chicago and the surrounding communities.

Money Smart CD Loan

The Money Smart CD Loan is tailored to meet the needs of individuals who want to rebuild their record of satisfactorily managing credit. The minimum loan amount is \$500 and there are no fees attached to the Money Smart CD Loan. The loan proceeds fund the collateral when the customer would generally not have sufficient proceeds to fund a certificate of deposit on their own. After the full repayment of the Money Smart CD Loan, the bank reports positive payment history to credit bureaus. This positive line item on the consumer’s credit report improves their credit history, and the borrower now owns the certificate of deposit, used as the collateral for the loan, plus interest earned.

Community Development Lending

The bank is a leader in making community development loans in the assessment area as well as throughout broader regional or statewide areas that also include the assessment area. The number and dollar amount of the bank’s community development loans are evaluated giving consideration to performance context information, especially with regard to community credit needs and the bank’s capacity to respond to those needs. The innovativeness and complexity of community development lending is considered, along with responsiveness of the bank to opportunities for community development.

The following table provides additional information about the bank’s qualified community development loans.

| Lake Forest Bank & Trust Company Qualified Community Development Loans | | | | | | | | | | |
|---|--------------------|-----------|----------------------|-----------|--------------------------------|-----------|--------------------|-----------|-------|-----------|
| MSA 16980 | Affordable Housing | | Economic Development | | Revitalization & Stabilization | | Community Services | | Total | |
| | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) |
| New Loans | 12 | 30,447 | 1 | 7,000 | 0 | 0 | 1 | 550 | 14 | 37,997 |
| Renewed Loans | 28 | 66,380 | 0 | 0 | 0 | 0 | 7 | 1,900 | 35 | 68,280 |
| Total | 40 | 96,827 | 1 | 7,000 | 0 | 0 | 8 | 2,450 | 49 | 106,277 |

Note: Percentages may not add to 100.0 percent due to rounding

During the review period, the bank originated 49 qualified community development loans for a total of \$106,277,000. The bank’s most frequent type of qualifying community development loan was affordable housing, accounting for 40 of the 49 qualifying community development loans, or 81.6 percent. Community service loans included eight loans totaling \$2.5 million.

The bank made an innovative community development loan to a municipality which was selected by the State of Illinois Energy Office to participate in a pilot program funded by Housing and Urban Development (HUD) intended to help small- and intermediate-sized public housing authorities to manage their energy performance contracts. The loan provided the municipality with the necessary funds to complete energy-efficient improvements to low-income, multifamily housing buildings.

Additionally, the bank expanded upon an existing relationship with a high school within the assessment area which was experiencing low cash flow and was in need of a loan. Lake Forest Bank & Trust Company extended a line of credit to the school, but also committed to make annual donations to the school over an extended period to assist the high school in paying down the line of credit.

INVESTMENT TEST

Lake Forest Bank and Trust Company made an excellent level of qualified community development investments and grants, particularly those that are not routinely provided by private investors, often in a leadership position. Lake Forest Bank & Trust Company's record exhibits excellent responsiveness to credit and community development needs. Additionally, the bank made significant use of innovative and/or complex investments to support community development initiatives.

Lake Forest Bank & Trust Company had a total of 69 qualified investments to 21 entities totaling \$13,462,000 (current and prior period). The bank also had five unfunded commitments totaling \$10,318,433. The following table presents investment activity during the review period. The bank made occasional use of innovative and complex investment opportunities, such as those afforded by community development financial institutions as well as low-income housing tax credits, to support its community development initiatives. The substantial portion (34) of the bank's investments was directed toward affordable housing totaling \$4,702,000 as well as 21 investments towards economic development totaling \$2,605,000. Community representatives confirmed that there is a significant need in the assessment area for affordable housing and economic development initiatives.

In addition to the qualified community development investments made for this evaluation, Lake Forest Bank & Trust Company also made qualified donations and grants totaling \$534,849. This was a significant increase from the previous evaluation, when the bank made \$376,377 in qualified donations and grants.

| Qualified Community Development Investments by Type | | | | | | | | | |
|---|--------------------------|--------------|----------------------------|--------------|-------------------|---------------|---------------|----------------------|---------------|
| MSA 16980 | Prior Period Investments | | Current Period Investments | | Total Investments | | | Unfunded Commitments | |
| | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) | % of Total \$ | # | \$ (000s) |
| Affordable Housing | 22 | 3,930 | 12 | 772 | 34 | 4,702 | 34.9% | 3 | 7,818 |
| Community Services | 2 | 1,135 | 3 | 2,615 | 5 | 3,750 | 27.9% | 0 | 0 |
| Economic Development | 6 | 613 | 15 | 1,992 | 21 | 2,605 | 19.4% | 2 | 2,500 |
| Revitalize & Stabilize | 7 | 1,830 | 2 | 575 | 9 | 2,405 | 17.9% | 0 | 0 |
| Total | 37 | 7,508 | 32 | 5,954 | 69 | 13,462 | 100.0% | 5 | 10,318 |

SERVICE TEST

Delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. The bank has not opened or closed branches and therefore has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank’s services are tailored to convenience and needs of its assessment area, particularly in low- and moderate-income geographies and/or low- and moderate-income individuals. The bank has continued to be a leader in providing community development services

Retail Services

Lake Forest Bank & Trust Company continues to provide delivery systems that are accessible to the bank’s geographies and individuals of different income levels in its assessment area. The bank’s products and services are tailored to the convenience and needs of its assessment area, particularly low- and moderate-income geographies and/ or low-and moderate-income individuals. The bank offers a wide range of products and services at all locations. Deposit and loan offerings include products suitable for low- and moderate-income individuals and small businesses. Products include Money Smart Checking and Savings accounts not requiring minimum balances to open or maintain the accounts. Customers must attend a Money Smart class to be eligible for these products. In addition to standard products, the bank offers Money Smart loan products targeted to low- and moderate-income borrowers which are designed to meet small dollar emergency credit needs and build credit through the use of CD-secured installment loans. Small business borrowers have access to the bank’s micro and small business loan and overdraft protection programs, which offer a streamlined application process and small dollar loans.

The bank’s hours of operation do not vary in a way that inconveniences low- and moderate-income individuals or geographies. Bank branches are generally open Monday through Friday from 8:00 a.m. to 5:30 p.m. On Saturdays, the hours of operation are typically 8:00 a.m. to 2:00 p.m. The North Chicago branch follows an 8:00 a.m. to 1:00 p.m. Saturday schedule and 30 minutes later on Fridays than the other branch locations. Drive-up services are offered at five branch locations with hours from 7:00 a.m. to 7p.m. Monday through Friday, and 7 a.m. to 2 p.m. on Saturdays. The bank also has bilingual (English & Spanish) lenders and personal bankers staffed at every location. The table below provides a detail of branch locations and hours of operation.

Additionally, customers may access their accounts through the bank’s telephone, online, and mobile banking functions. Access to on-line and mobile banking is available 24 hours a day.

| Lake Forest Bank & Trust Company – Offices and Hours of Operation | | | | |
|---|--------------------------|--|---|---|
| Branch | Tract Income Designation | Lobby | Drive-Up | Walk-Up |
| Main Office | Upper | Monday-Friday 8:30am-5:30pm Saturday 8:30am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm |
| West Lake Forest | Upper | Monday-Friday 8:30am-5:30pm Saturday 8:30am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm | |
| Lake Bluff | Upper | Monday-Friday 8:30am-5:30pm Saturday 8:30am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm | |
| Bank of Highwood – Fort Sheridan | Middle | Monday-Friday 8:00am-5:00pm Saturday 8:00am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm |
| Highland Park Bank & Trust | Upper | Monday-Friday 8:00am-5:00pm Saturday 8:00am-2:00pm | Monday-Friday 7:00am-7:00pm Saturday 7:00am-2:00pm | |
| Highland Park Bank & Trust – Ravinia | Upper | Monday-Friday 8:00am-5:00pm Saturday 8:00am-2:00pm | | Monday-Friday 8:00am-5:00pm Saturday 8:00am-2:00pm |
| North Chicago Community Bank | Moderate | Monday-Thursday 8:00am-5:00pm Friday 8:00am-5:30pm Saturday 8:00am-1:00pm | | |

Source: Lake Forest Bank & Trust Company Submission

Branch Distribution

Lake Forest Bank & Trust Company’s record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income census tracts or among low- and moderate-income individuals as the bank has not opened or closed branches since the previous evaluation. The bank maintains a main office and six branch locations. Five of the branch offices have drive-up facilities and three branch offices maintain walk-up facilities. The bank also maintains 13 full service ATMs. Lake Forest Bank & Trust Company maintains offices and ATMs that are reasonably proximate to the businesses and residents of its assessment area. One of the branch offices and an ATM is located in a moderate-income census tract, one branch and two ATMs are in a middle-income census tract, and five branches and ten ATMs are in upper-income census tracts. Branch and ATM locations have not changed since the previous evaluation.

Community Development Services

Lake Forest Bank & Trust Company is a leader in providing community development services. Bank personnel provided financial expertise while serving as board and committee members for non-profit organizations and school programs that provide services to low- and moderate-income individuals and areas. Bank staff provided numerous Money Smart classes at various locations throughout the assessment area. The most prevalent qualified purpose of community development service, with regard to both frequency of contact and number of hours was community services. Overall, bank employees provided 234 community development services totaling 5,393 hours. This represents a 23.3 percent increase over what was already an outstanding total of 4,374 hours (168 types) of community development services from the previous evaluation.

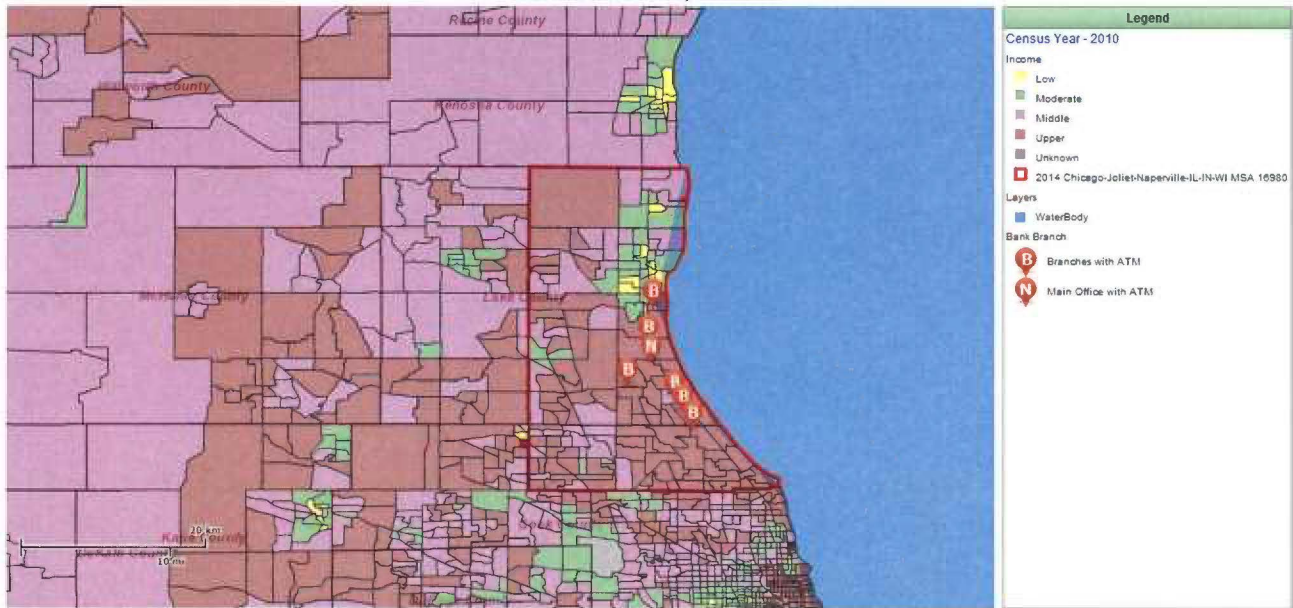
| Lake Forest Bank & Trust Company Qualified Community Development Services by Type Chicago-Naperville-Elgin IL-WI-IN MSA 9/23/2013 to 2/29/2016 | | | | | | | | | | | | | |
|--|-------|----|----------------------|-------|----|--------------------|-------|-----|----------------------------------|-------|----|-------|-------|
| Affordable Housing | | | Economic Development | | | Community Services | | | Revitalization/ Stabilization | | | Total | |
| # | Hours | % | # | Hours | % | # | Hours | % | # | Hours | % | # | Hours |
| 24 | 255 | 5% | 44 | 337 | 6% | 163 | 4,700 | 87% | 3 | 101 | 2% | 234 | 5,393 |

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area

1917301 Lake Forest B&T Co.
MSA 16980 2014 Income Map with Branches



APPENDIX B – Scope of Examination

| SCOPE OF EXAMINATION | | | |
|--|---|--|--|
| TIME PERIOD REVIEWED | 1. CRA- and HMDA-reportable loans: January 1, 2013 through December 31, 2014. 2. Community development activities: September 29, 2013 through February 29, 2016. | | |
| FINANCIAL INSTITUTION Lake Forest Bank & Trust Company | | | PRODUCTS REVIEWED 1. CRA-reportable loans 2. HMDA-reportable loans 3. Consumer-unsecured loans |
| AFFILIATE(S) | AFFILIATE RELATIONSHIP | | PRODUCTS REVIEWED |
| None | N/A | | N/A |
| IDENTIFICATION OF ASSESSMENT AREAS | | | |
| ASSESSMENT AREA | TYPE OF EXAMINATION | BRANCHES VISITED | OTHER INFORMATION |
| Chicago-Naperville-Elgin, IL-IN-WI MSA 16980 | Full Review | 1801 Sheridan Road, North Chicago, IL | None. |

APPENDIX C - Glossary

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.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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 household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the

rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home mortgage loans: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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.

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 lenders in the MSA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (**MMSA**). Performance within each MMSA is analyzed separately as a full-scope review and receives its own ratings under the

Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

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.

Small loans to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

APPENDIX D – 2013 TABLES

| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | |
|--|---------------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low-income | 9 | 5.5 | 6,822 | 3.6 | 1,523 | 22.3 | 31,520 | 16.8 |
| Moderate-income | 25 | 15.2 | 28,913 | 15.4 | 2,264 | 7.8 | 28,037 | 15.0 |
| Middle-income | 39 | 23.8 | 46,558 | 24.8 | 2,610 | 5.6 | 34,353 | 18.3 |
| Upper-income | 89 | 54.3 | 105,165 | 56.1 | 2,087 | 2.0 | 93,559 | 49.9 |
| Unknown-income | 2 | 1.2 | 11 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 164 | 100.0 | 187,469 | 100.0 | 8,484 | 4.5 | 187,469 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | Rental | | Vacant | | |
| | | # | % | % | # | % | # | % |
| Low-income | 11,963 | 4,480 | 2.3 | 37.4 | 5,828 | 48.7 | 1,655 | 13.8 |
| Moderate-income | 47,370 | 25,274 | 12.7 | 53.4 | 17,247 | 36.4 | 4,849 | 10.2 |
| Middle-income | 72,565 | 48,171 | 24.2 | 66.4 | 19,958 | 27.5 | 4,436 | 6.1 |
| Upper-income | 145,462 | 120,970 | 60.8 | 83.2 | 16,306 | 11.2 | 8,186 | 5.6 |
| Unknown-income | 11 | 0 | 0.0 | 0.0 | 11 | 100.0 | 0 | 0.0 |
| Total Assessment Area | 277,371 | 198,895 | 100.0 | 71.7 | 59,350 | 21.4 | 19,126 | 6.9 |
| | Total Businesses Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | # |
| Low-income | 621 | 1.5 | 569 | 1.5 | 26 | 0.8 | 26 | 2.0 |
| Moderate-income | 3,982 | 9.6 | 3,521 | 9.6 | 292 | 8.5 | 169 | 13.0 |
| Middle-income | 9,297 | 22.4 | 8,099 | 22.0 | 877 | 25.5 | 321 | 24.6 |
| Upper-income | 27,584 | 66.5 | 24,549 | 66.8 | 2,247 | 65.3 | 788 | 60.4 |
| Unknown-income | 3 | 0.0 | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 41,487 | 100.0 | 36,740 | 100.0 | 3,443 | 100.0 | 1,304 | 100.0 |
| | Percentage of Total Businesses: | | 88.6 | | 8.3 | | 3.1 | |
| | Total Farms by Tract | Farms by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | # |
| Low-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate-income | 11 | 6.0 | 11 | 6.1 | 0 | 0.0 | 0 | 0.0 |
| Middle-income | 33 | 17.9 | 32 | 17.9 | 1 | 25.0 | 0 | 0.0 |
| Upper-income | 140 | 76.1 | 136 | 76.0 | 3 | 75.0 | 1 | 100.0 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 184 | 100.0 | 179 | 100.0 | 4 | 100.0 | 1 | 100.0 |
| | Percentage of Total Businesses: | | 97.3 | | 2.2 | | 0.5 | |
| 2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | |

| Geographic Distribution of HMDA Reportable Loans | | | | | | | | |
|---|---------------------|-------------------------------------|------------|--------------|--------------|---------------|---------------------------|--------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | |
| Product Type | Tract Income Levels | Bank & Aggregate Lending Comparison | | | | | Owner Occupied % of Units | |
| | | 2013 | | | Dollar | | | |
| | | Count | | Agg | Bank | | | Agg |
| | | # | % | % | \$ (000s) | \$ % | \$ % | |
| Home Purchase | Low | 2 | 4.5 | 1.0 | 197 | 1.9 | 0.3 | 2.3 |
| | Moderate | 3 | 6.8 | 9.0 | 255 | 2.4 | 3.1 | 12.7 |
| | Middle | 11 | 25.0 | 24.0 | 1,226 | 11.6 | 15.1 | 24.2 |
| | Upper | 28 | 63.6 | 66.0 | 8,866 | 84.1 | 81.6 | 60.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | | 44 | 100.0 | 100.0 | 10,544 | 100.0 | 100.0 |
| Refinance | Low | 1 | 0.6 | 0.9 | 68 | 0.2 | 0.3 | 2.3 |
| | Moderate | 4 | 2.5 | 7.6 | 314 | 0.8 | 2.9 | 12.7 |
| | Middle | 33 | 20.8 | 20.7 | 5,570 | 13.7 | 13.8 | 24.2 |
| | Upper | 121 | 76.1 | 70.7 | 34,733 | 85.4 | 83.0 | 60.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | | 159 | 100.0 | 100.0 | 40,685 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 2.5 | 0 | 0.0 | 0.1 | 2.3 |
| | Moderate | 0 | 0.0 | 12.3 | 0 | 0.0 | 2.3 | 12.7 |
| | Middle | 0 | 0.0 | 20.1 | 0 | 0.0 | 14.2 | 24.2 |
| | Upper | 5 | 100.0 | 65.1 | 1,155 | 100.0 | 83.3 | 60.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | | 5 | 100.0 | 100.0 | 1,155 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 9.3 | 0 | 0.0 | 5.1 | 5.6 |
| | Moderate | 2 | 66.7 | 18.6 | 831 | 80.6 | 24.9 | 21.7 |
| | Middle | 0 | 0.0 | 41.9 | 0 | 0.0 | 53.6 | 38.4 |
| | Upper | 1 | 33.3 | 30.2 | 200 | 19.4 | 16.4 | 34.3 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | | 3 | 100.0 | 100.0 | 1,031 | 100.0 | 100.0 |
| HMDA Totals | Low | 3 | 1.4 | 1.0 | 265 | 0.5 | 0.4 | 2.3 |
| | Moderate | 9 | 4.3 | 8.2 | 1,400 | 2.6 | 3.3 | 12.7 |
| | Middle | 44 | 20.9 | 21.8 | 6,796 | 12.7 | 14.8 | 24.2 |
| | Upper | 155 | 73.5 | 69.0 | 44,954 | 84.2 | 81.5 | 60.8 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | | 211 | 100.0 | 100.0 | 53,415 | 100.0 | 100.0 |

Originations & Purchases
 2013 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding

| Geographic Distribution of Small Business Loans | | | | | | | | |
|---|--------------|------------|--------------|----------------|---------------|--------------|--------------------|--------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | |
| Bank & Aggregate Lending Comparison | | | | | | | | |
| Tract Income Levels | 2013 | | | | | | Total Businesses % | |
| | Count | | | Dollar | | | | |
| | Bank # | Bank % | Agg % | Bank \$ (000s) | Bank \$ % | Agg \$ % | | |
| Small Business | Low | 9 | 1.8 | 0.8 | 442 | 0.8 | 0.7 | 1.5 |
| | Moderate | 54 | 10.6 | 7.5 | 5,355 | 9.4 | 8.7 | 9.6 |
| | Middle | 83 | 16.3 | 22.8 | 7,732 | 13.5 | 26.3 | 22.4 |
| | Upper | 364 | 71.4 | 68.9 | 43,622 | 76.3 | 64.3 | 66.5 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Tr Unknown | | | 0.0 | | | 0.0 | |
| | Total | 510 | 100.0 | 100.0 | 57,151 | 100.0 | 100.0 | 100.0 |

Originations & Purchases
 2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS
 Note: Percentages may not add to 100.0 percent due to rounding

| Geographic Distribution of Consumer Loans | | | | | | |
|---|--------------|------------|--------------|------------|--------------|--------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | |
| Bank & Demographic Comparison | | | | | | |
| Tract Income Levels | 2013 | | | | Households % | |
| | Count Bank | | Dollar Bank | | | |
| | # | % | \$ (000s) | \$ % | | |
| Totals | Low | 32 | 24.6 | 46 | 9.8 | 4.0 |
| | Moderate | 56 | 43.1 | 98 | 20.8 | 16.5 |
| | Middle | 24 | 18.5 | 88 | 18.7 | 26.4 |
| | Upper | 18 | 13.8 | 239 | 50.7 | 53.2 |
| | Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| | Total | 130 | 100.0 | 471 | 100.0 | 100.0 |

2013 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding

| Borrower Distribution of HMDA Reportable Loans | | | | | | | | |
|---|------------------------|-------------------------------------|------------|--------------|--------------|---------------|--------------|-----------------------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | |
| Product Type | Borrower Income Levels | Bank & Aggregate Lending Comparison | | | | | | Families by Family Income % |
| | | 2013 | | | Dollar | | | |
| | | Count | | Agg % | Bank | | Agg % | |
| | | # | % | % | \$(000s) | \$ % | \$ % | |
| Home Purchase | Low | 2 | 4.5 | 7.7 | 340 | 3.2 | 2.1 | 16.8 |
| | Moderate | 6 | 13.6 | 12.4 | 453 | 4.3 | 5.4 | 15.0 |
| | Middle | 4 | 9.1 | 15.9 | 589 | 5.6 | 10.6 | 18.3 |
| | Upper | 26 | 59.1 | 56.5 | 8,526 | 80.9 | 74.0 | 49.9 |
| | Unknown | 6 | 13.6 | 7.5 | 636 | 6.0 | 7.9 | 0.0 |
| | Total | | 44 | 100.0 | 100.0 | 10,544 | 100.0 | 100.0 |
| Refinance | Low | 6 | 3.8 | 5.0 | 518 | 1.3 | 1.8 | 16.8 |
| | Moderate | 13 | 8.2 | 9.4 | 1,432 | 3.5 | 4.1 | 15.0 |
| | Middle | 14 | 8.8 | 15.7 | 2,989 | 7.3 | 9.1 | 18.3 |
| | Upper | 122 | 76.7 | 60.7 | 35,129 | 86.3 | 70.7 | 49.9 |
| | Unknown | 4 | 2.5 | 9.2 | 617 | 1.5 | 14.2 | 0.0 |
| | Total | | 159 | 100.0 | 100.0 | 40,685 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 4.3 | 0 | 0.0 | 0.8 | 16.8 |
| | Moderate | 1 | 20.0 | 9.4 | 1 | 0.1 | 2.4 | 15.0 |
| | Middle | 0 | 0.0 | 14.0 | 0 | 0.0 | 6.8 | 18.3 |
| | Upper | 4 | 80.0 | 57.3 | 1,154 | 99.9 | 79.0 | 49.9 |
| | Unknown | 0 | 0.0 | 15.0 | 0 | 0.0 | 10.9 | 0.0 |
| | Total | | 5 | 100.0 | 100.0 | 1,155 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.8 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 15.0 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.3 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 49.9 |
| | Unknown | 3 | 100.0 | 100.0 | 1,031 | 100.0 | 100.0 | 0.0 |
| | Total | | 3 | 100.0 | 100.0 | 1,031 | 100.0 | 100.0 |
| HMDA Totals | Low | 8 | 3.8 | 5.9 | 858 | 1.6 | 1.9 | 16.8 |
| | Moderate | 20 | 9.5 | 10.3 | 1,886 | 3.5 | 4.4 | 15.0 |
| | Middle | 18 | 8.5 | 15.7 | 3,578 | 6.7 | 9.4 | 18.3 |
| | Upper | 152 | 72.0 | 59.2 | 44,809 | 83.9 | 70.7 | 49.9 |
| | Unknown | 13 | 6.2 | 9.0 | 2,284 | 4.3 | 13.6 | 0.0 |
| | Total | | 211 | 100.0 | 100.0 | 53,415 | 100.0 | 100.0 |
| Originations & Purchases 2013 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i> | | | | | | | | |

| Small Business Lending By Revenue & Loan Size | | | | | | | | | |
|--|----------------------------------|-------------------------------------|------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | | | | |
| Product Type | | Bank & Aggregate Lending Comparison | | | | | | | |
| | | 2013 | | | | | | | |
| | | Count | | Dollar | | | Total | | |
| Revenue | | Bank | Agg | Bank | Agg | | Total | | |
| | | # | % | % | \$ 000s | \$ % | | \$ % | % |
| Small Business | Revenue | \$1 Million or Less | 371 | 72.7 | 42.9 | 23,403 | 40.9 | 28.1 | 88.6 |
| | | Over \$1 Million or Unknown | 139 | 27.3 | 57.1 | 33,748 | 59.1 | 71.9 | 11.4 |
| | | Total | 510 | 100.0 | 100.0 | 57,151 | 100.0 | 100.0 | 100.0 |
| | Loan Size | \$100,000 or Less | 374 | 73.3 | 89.5 | 6,568 | 11.5 | 22.6 | |
| | | \$100,001 - \$250,000 | 58 | 11.4 | 4.4 | 10,837 | 19.0 | 14.6 | |
| | | \$250,001 - \$1 Million | 78 | 15.3 | 6.1 | 39,746 | 69.5 | 62.8 | |
| | | Total | 510 | 100.0 | 100.0 | 57,151 | 100.0 | 100.0 | |
| | Loan Size & Rev \$1 Mill or Less | \$100,000 or Less | 316 | 85.2 | | 4,591 | 19.6 | | |
| | | \$100,001 - \$250,000 | 27 | 7.3 | | 5,071 | 21.7 | | |
| | | \$250,001 - \$1 Million | 28 | 7.5 | | 13,741 | 58.7 | | |
| | | Total | 371 | 100.0 | | 23,403 | 100.0 | | |

Originations & Purchases
 2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS
 Note: Percentages may not add to 100.0 percent due to rounding

| Borrower Distribution of Consumer Loans | | | | | | |
|--|------------------------|-------------------------------|------------|--------------|------------|----------------------------------|
| Assessment Area: 2013 Chicago-Joliet-Naperville-IL-IN-WI MSA 16980 | | | | | | |
| | Borrower Income Levels | Bank & Demographic Comparison | | | | Households by Household Income % |
| | | 2013 | | | | |
| | | Count | | Dollar | | |
| | | # | % | \$ (000s) | \$ % | |
| Totals | Low | 83 | 63.8 | 127 | 27.0 | 19.4 |
| | Moderate | 22 | 16.9 | 41 | 8.7 | 15.0 |
| | Middle | 10 | 7.7 | 50 | 10.6 | 16.5 |
| | Upper | 8 | 6.2 | 221 | 46.9 | 49.2 |
| | Unknown | 7 | 5.4 | 32 | 6.8 | |
| | Total | | 130 | 100.0 | 471 | 100.0 |

2013 FFIEC Census Data
 Note: Percentages may not add to 100.0 percent due to rounding