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Division of Depositor and Consumer Protection
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December 20, 2021

Board of Directors
Evergreen Bank Group
1515 West 22nd Street, Suite 100W
Oak Brook, IL 60523

Subject: Community Reinvestment Act (CRA) Strategic Plan Approval

Members of the Board:

This letter is to inform you that the FDIC approved the CRA Strategic Plan (Plan) last submitted on December 10, 2021, by Evergreen Bank Group (Bank) via e-mail from Executive Vice President – General Counsel Michael Spaniak. The effective date of the Plan is January 1, 2022, for a term of three years. A copy of the Plan is enclosed for your records.

Section 345.27(a)(4) of the FDIC's Rules and Regulations requires the Bank to operate under the Plan for at least one year before the FDIC can evaluate your institution's performance under the Plan. Therefore, the earliest that our agency will evaluate the Bank under the Plan is January 1, 2023. Our approval is based primarily on the Bank's lending commitments and supported through the community development investment and service goals. If there are any modifications to the Bank's business strategy during the Plan's duration that may have a material effect on the approved performance targets, you must advise the Chicago Regional Office to determine whether an amendment to the Plan is appropriate. Should you subsequently decide to terminate the Plan or upon expiration of the Plan, the FDIC would evaluate the Bank under the standards listed in Section 345.26 for an intermediate small institution.

In addition, please be advised that Part 345 of the regulation addresses the impact of discriminatory or other illegal credit practices on an institution's CRA rating. The presence of these credit practices may adversely impact an institution's CRA rating, irrespective of the achievement of the CRA goals established in the Plan.

Thank you for your cooperation during the review process. If you have any questions, please contact Senior Review Examiner Steve Murphy at (312) 382-7535 or stmurphy@fdic.gov.

Sincerely,
Teresa M. Sabanty
Deputy Regional Director

Enclosure

cc: State



EVERGREEN BANK GROUP
Oak Brook, IL

Community Reinvestment Act
Strategic Plan

January 1, 2022 – December 31, 2024

TABLE OF CONTENTS

<u>Sec</u>	<u>Subject</u>	<u>Page</u>
A.	BACKGROUND AND PURPOSE	3
1.	Introduction	3
2.	General Bank Information	3
B.	COMMUNITY REINVESTMENT ACT	4
1.	Introduction	4
2.	CRA Strategic Plan Reasoning and Goal.....	4
3.	Past CRA Performance	5
4.	Proposed Strategic Plan.....	5
5.	Implementation	5
C.	BANKING INFORMATION	5
1.	Corporate Mission Statement and Goal	5
2.	Office Locations	5
3.	Corporate Financial Information	6
4.	Loan-to-Deposit Information	6
5.	Current Products and Services.....	7
6.	Banking Markets	8
D.	BANK ASSESSMENT AREA INFORMATION	8
1.	Assessment Area Description	8
2.	Demographic Information.....	9
3.	Economic Conditions.....	9
E.	PUBLIC COMMENTS RELATED TO STRATEGIC PLAN	10
1.	Informal Public Comments	10
2.	Notice Regarding Public Inspection of Proposed Plan.....	12
F.	STRUCTURE OF CRA STRATEGIC PLAN	12
G.	PEER ANALYSIS	14
H.	LENDING ACTIVITIES	15
1.	Lending to Borrowers in Low Income Census Tracts.....	17
2.	Lending to Borrowers in Moderate Income Census Tracts.....	19
3.	Lending to Borrowers with Low Incomes.....	20
4.	Lending to Borrowers with Moderate Incomes	22
5.	Small Business Lending in Low Income Census Tracts	24
6.	Small Business Lending in Moderate Income Census Tracts.....	25
7.	Lending to Small Businesses with Annual Revenues Less Than \$1 million	25
8.	Community Development Lending	26
I.	COMMUNITY DEVELOPMENT INVESTMENTS AND SERVICES.....	26
1.	Community Development Investments and Grants.....	26
2.	Community Development Services	28
J.	SCORING SYSTEM FOR CRA PERFORMANCE EVALUATION	30
K.	ONGOING REVIEW OF PERFORMANCE GOALS AND MEASUREMENT STANDARDS.....	34
L.	ELECTION OF ALTERNATIVE PERFORMANCE EVALUATION	34
M.	DESIGNATED CRA ASSESSMENT AREA MAPS AND CENSUS INFORMATION	35

A. BACKGROUND AND PURPOSE

1. Introduction

Evergreen Bank Group (the “Bank”) is an Illinois-chartered community bank wholly-owned by Bancorp Financial, Inc., a Delaware corporation (the “Company”). The Bank was formed in 1999 and became a subsidiary of the Company as a result of a merger transaction during 2007. The Bank is headquartered in Oak Brook, Illinois.

As a federally insured depository institution, the Bank is subject to the Community Reinvestment Act (“CRA”), which requires banks to help meet the credit needs of their entire community, including low- and moderate-income (“LMI”) individuals and LMI geographies. Due to the Bank’s national consumer lending business model, the Bank has elected to be evaluated under the “Strategic Plan” option as provided in 12 CFR 345.27 for the plan period January 1, 2022 through December 31, 2024.

As further described herein, because of its distinct business model the Bank has operated under a Strategic Plan since July 1, 2014. The Bank was most recently examined for its performance under its current Strategic Plan in the fall of 2018 and received a rating of Satisfactory. The Strategic Plan now being proposed by the Bank retains the scoring structure of the Bank’s current Strategic Plan with some modifications to the goals of the Strategic Plan.

2. General Bank Information

As of July 1, 2021 the Bank operates three retail banking facilities, located in DuPage and Cook Counties in Illinois. The Oak Brook, Illinois headquarters (DuPage County) maintains a walk-up facility and is located in an upper income census tract. The Hinsdale, Illinois branch (DuPage County) is a full-service location, maintains a drive thru facility and is also located in an upper income census tract. The branch in Evergreen Park, Illinois (Cook County) is a full-service branch and is located in a middle income census tract. The Bank also has a loan production office located in Reno, Nevada, operating as FreedomRoad Financial and Performance Finance.

The Bank is focused on commercial, real estate and home equity line of credit lending within its designated assessment area. Commercial loan growth includes CRA initiatives related to community development loans. The majority of home equity lines are originated in the Bank’s assessment area.

The Bank’s loan production office located in Reno, Nevada originates motorsports loans through a nationwide program. This is a niche business offered by the Bank on a national level, obtaining loan business through a large, established dealership network, with loans extended to a nationwide market. Due to senior management’s extensive expertise and tenure in motorsports lending, and the financial viability of this business line, the motorsports portfolio makes up a significant portion of the Bank’s asset base. Because this is a national lending platform, a significant percentage of the loans are located outside of the Bank’s assessment area.

As of December 31, 2020 the Bank had \$1,243,177,231 in total assets. On such date, commercial loans totaled \$280,385,759, or 22.55% of the Bank’s total assets. Consumer real estate loans totaled \$74,127,189, or 5.96% of the Bank’s total asset base. Motorsports loans totaled \$571,478,341, or 45.97% of the Bank’s total asset base. Other non-real estate consumer loans totaled \$67,819,219 or 5.46% of the Bank’s total asset base.

B. COMMUNITY REINVESTMENT ACT

1. Introduction

The CRA, as amended, encourages each insured depository institution covered by the CRA to help meet the credit needs of the communities in which it operates. The CRA requires that each federal financial supervisory agency assess the record of each covered depository institution in helping to meet the credit needs of its entire community, including LMI individuals and geographies, consistent with safe and sound operations, and to take that record into account when deciding whether to approve an application by the institution for a deposit facility, new branches, mergers/acquisitions, and holding company applications.

Guidance from federal financial supervisory agencies states the following concerning CRA Strategic Plans:

Any institution is permitted to develop, and submit for approval by its primary supervisory agency, a strategic plan for addressing its responsibilities with respect to CRA. The Plan option was developed to provide institutions with more flexibility and certainty regarding what aspects of their performance will be evaluated and what quantitative and qualitative measures will be applied. To exercise this option, an institution must informally seek suggestions from the public while developing its plan, solicit formal public comment on its Plan and submit the Plan to its regulatory agency (along with any written comments received from the public and an explanation of any changes made to the Plan in response to those public comments).

To be approved by an agency, the Plan must have measurable goals and address how the institution plans to meet the credit needs of its assessment area, in particular, LMI geographies and individuals, through lending, investments and services, as appropriate. Although a Plan should generally emphasize lending goals, the rule allows institutions the flexibility to choose a different emphasis, as necessary, given their business strategy and the needs of their community. A Plan must contain goals that, if met, would constitute “Satisfactory” performance.

2. CRA Strategic Plan Reasoning and Goal

The Bank’s loan production office located in Reno, Nevada originates motorsports loans through a nationwide program. Because this is a national lending platform, a significant majority of these loans are located outside of the Bank’s lending assessment area. Due to the significant amount of lending conducted outside of the Bank’s assessment area through the Bank’s motorsports loan production office, and the general inability of an institution of the Bank’s size to provide community reinvestment initiatives on a nation-wide level, the Bank has elected to utilize the alternative method for assessing the Bank’s CRA performance through the development of its Strategic Plan, which will allow the Bank to effectively operate and meet its CRA obligations within the local communities it serves.

Given the Bank’s business plan and the evolution of the local lending market, the Bank has historically had difficulty generating substantial CRA-qualified loans within its assessment area. Furthermore, the Bank has observed increased competition from other lenders for CRA-qualified loans, making the achievement of the Bank’s goals substantially more difficult over the past few years. Additionally, given the Bank’s size, it finds it difficult to compete with government agencies, CDFI’s and larger lenders for many types of CRA-qualified commercial loans. The entry of other, non-traditional lenders in the marketplace, such as online FinTech lenders, has increased competition for loans to individuals and businesses that would qualify as CRA loans. Finally, the Covid-19 pandemic that began in 2020 and has continued into 2021 and is affecting the Bank’s (and other financial institutions’) organic loan growth within its assessment area.

The overall goal of the Bank's Strategic Plan is to effectively meet its obligations under the CRA by engaging in meaningful community development lending, community development investments and community development services that will benefit the communities that the Bank serves. The Bank believes achieving the goals contained in this Strategic Plan will result in the Bank providing a satisfactory level of CRA-qualified activity to the communities that the Bank serves.

3. Past CRA Performance

Given the Bank's business model, the Bank has operated under a Strategic Plan for the past several years as a way to fulfill its CRA obligations to the communities that the Bank serves. The Bank received a rating of Satisfactory from the Federal Deposit Insurance Corporation ("FDIC") in the most recent examination of the Bank in 2018. For each of the calendar years 2019 and 2020 the Bank's internal scoring showed that it obtained a rating of Satisfactory.

4. Proposed Strategic Plan

The Bank is now seeking approval from the FDIC to initiate a new three-year Strategic Plan. The Strategic Plan would begin on January 1, 2022 and would end on December 31, 2024.

5. Implementation

The Bank's Compliance Committee will oversee the progress in implementing the Strategic Plan. The Compliance Committee will review and approve any modifications and or amendments to the Strategic Plan, but only if there are material changes in the Strategic Plan's underlying assumptions or in the Bank's mission or operations or such changes cause the Strategic Plan's stated objectives to no longer be viable and appropriate. Any modifications and or amendments made to the Strategic Plan reflecting such changes will be made in accordance with regulatory requirements, guidance, timelines, and approval processes.

C. BANKING INFORMATION

1. Corporate Mission Statement and Goal

The Bank is dedicated to the highest standards of personal and professional service along with designing products tailored to its customers' needs. The Bank is dedicated to being the best community bank possible; meeting the diverse financial needs of individuals, businesses and nonprofit organizations in the marketplace the Bank serves.

The Bank is a locally-owned and managed full service commercial bank. The Bank and its employees are focused on the relationships they build with their clients and the communities they serve. The Bank's experienced staff is professional and highly responsive to clients' personal and business needs. Exceptional service that is flexible, creative, and individual is their gold standard.

2. Office Locations

During 2020 and the first part of 2021 the Bank's branches were closed or had limited availability due to the Covid-19 pandemic. The Bank made reasonable modifications to its services to ensure that customers

had access to banking services. In the spring of 2021 the Bank resumed normal services at all of its locations.

The Bank’s main office is located at 1515 West 22nd Street, Suite 100W, Oak Brook, IL 60523. The lobby of the Bank’s main office is open for banking services from 9:00 a.m. to 5:30 p.m. Mondays through Fridays, 9:00 a.m. to 1:00 p.m. on Saturdays, and is closed on Sundays. The Bank’s main office location does not offer drive-through banking services.

The Bank has a branch office located at 3842 West 95th Street, Evergreen Park, IL 60805. The lobby and drive-through of this branch office is open for banking services from 9:00 a.m. to 5:30 p.m. Monday through Friday, from 9:00 a.m. to 1:00 p.m. on Saturdays, and is closed on Sundays. The drive-through is open on Monday through Friday between 8:00 a.m. and 5:30 p.m. and on Saturday between 8:00 a.m. and 1:00 p.m. The drive-through is also closed on Sundays.

The Bank has a branch office located at One Grant Square, Hinsdale, IL 60521. The lobby of this branch is open from 9:00 a.m. to 5:30 p.m. Mondays through Fridays, 9:00 a.m. to 1:00 p.m. on Saturdays, and is closed on Sundays. This location also has a drive-through facility which is open from 8:00 a.m. to 5:30 p.m. Mondays through Fridays, 8:00 a.m. to 1:00 p.m. on Saturdays, and is closed on Sundays.

Customers have access to 24-hour banking through the Bank’s partnership with Star ATM Network. The Bank also offers on-line banking through its website.

The Bank’s motorsports loan production office (“LPO”), doing business as FreedomRoad Financial and Performance Finance, is located at 10509 Professional Circle, Reno, NV 89521.

3. Corporate Financial Information

As of December 31, 2020 the Bank reported assets totaling \$1,243,177,731, liabilities totaling \$1,106,310,573 and total equity of \$136,867,158. The Bank’s assets are primarily made up of \$5,671,281 in cash and due from banks, \$141,714,333 in interest bearing deposits, \$85,362,728 in investment securities, \$280,385,759 in commercial loans, \$74,127,189 in consumer real estate loans, \$67,815,916 in consumer loans, \$571,478,341 in motor sport loans, \$2,899,873 in real estate and other fixed assets, and \$20,860,759 in net reserve for loan losses. The Bank’s funding is primarily from deposits, including \$78,654,442 in non-interest bearing, \$31,745,529 in NOW accounts, \$256,283,975 in money market deposits, \$50,059,108 in savings deposits, and \$633,593,122 in certificates of deposit. As of December 31, 2020 the Bank’s Tier 1 and Tier 2 capital totaled \$147,605,588.

4. Loan-to-Deposit Information

The below information is obtained from the Bank’s Uniform Bank Performance Reports related to the Bank’s Loan-to-Deposit Ratio.

Quarter Ended	Loan-To-Deposit Ratio
9/30/2019	94.28%
12/31/2019	93.26%
3/31/2020	93.22%
6/30/2020	94.74%
9/30/2020	94.95%

12/31/2020	92.52%
3/31/2021	93.99%
6/30/2021	95.02%
09/30/2021	93.93%

5. Current Products and Services

The Bank provides a traditional array of deposit, credit, and other financial products and services to meet the needs of its surrounding communities.

Retail Deposit Products:

- Checking Accounts, including Evergreen Free Rewards, and Evergreen Free Checking
- Savings Accounts, including Evergreen Linked Saver, Cornerstone Money Market, Statement Savings Account, Kids Statement Savings Accounts
- Certificates of Deposit
- IRA Certificates of Deposit
- Christmas Club Accounts
- Intra FI Network Deposits
- Evergreen Bank Group Credit Card

Other retail services include online banking, online billpay, mobile banking, mobile deposit, bank to bank transfers, “pay a person” and estatements.

Commercial Deposit Products:

- Connect Checking Accounts
- Select Business Checking Accounts
- Commercial Analysis Checking Accounts
- Cornerstone Business Money Market Accounts
- Business Certificates of Deposit
- Business Savings Accounts
- Evergreen Bank Group Credit Card
- Intra Fi Network Deposits

Commercial Cash Management Products:

- Positive Pay
- Remote Deposit Capture
- Remote Deposit Anywhere
- Sweep Accounts
- Lockbox Services
- Online Banking
- ACH
- Wire Transfers
- Fidelity Mutual Funds Sweep
- Repurchase Agreement Sweep
- Customer Payment Portal Services

Other commercial services include online banking, online billpay, mobile banking, mobile deposits, bank to bank transfers, “pay a person”, e-statements, and debit cards.

Residential and Consumer Loan Products:

- Home Equity Lines of Credit
- Auto Loans
- Personal Loans
- Classic Car Loans (nationally through its Oak Brook office)
- Powersports Loans (nationally through its Reno LPO)

Commercial Loan Products:

- Lines of Credit
- Term Loans
- Commercial Real Estate Loans
- Working Capital Lines of Credit and Loans
- Letters of Credit

Other Products/Services:

- Auto-Pay/Debit Cards, Surcharge Free ATM’s, ATM Reimbursement Program, Overdraft Protection, Safe Deposit Boxes, Coin Counting and Account Sweeps

The Bank has ATMs located at each of its offices in Oak Brook, Hinsdale, and Evergreen Park, IL.

In addition to the Bank’s existing products and services, the Bank frequently evaluates other possible lines of business in the commercial and consumer lending areas. In the deposit area, the Bank anticipates that it will launch a new set of online and mobile deposit platforms in the fall of 2021, allowing the Bank to accept deposit customers from throughout the country.

6. Banking Markets

The Bank currently provides its retail products to three distinct markets. Banking services are provided to the local communities of Oak Brook, Hinsdale and Evergreen Park, Illinois via the Bank’s main and branch offices. In some instances, the Bank has been able to provide financing to clients in the collar counties surrounding its assessment area, though such communities have not been specifically targeted. Motorsport and classic car financing is provided to customers geographically dispersed throughout the United States, including areas that are not in close proximity to the loan production, main or branch offices.

D. BANK ASSESSMENT AREA INFORMATION

The CRA, implementing regulations, and regulatory guidance require that the Bank delineate one or more assessment areas for which the FDIC will evaluate the Bank’s record of helping to meet community credit needs.

A delineated assessment area is to consist generally of one or more Metropolitan Statistical Areas (“MSAs”) or one or more contiguous political subdivisions, such as counties, cities, or towns. Additionally, the assessment area should include the geographies in which the Bank has its main office, its branches, and its deposit-taking ATMs, as well as the surrounding geographies in which the Bank has originated or

purchased a substantial portion of its loans. This includes home mortgage loans, small business and small farm loans, and any other loans the Bank chooses, such as those consumer loans by which the Bank elects to have its performance assessed.

1. Assessment Area Description

The Bank’s assessment area consists of Cook and DuPage Counties, in Illinois, which are part of the Chicago-Naperville-Evanston Illinois Metropolitan Division (16984). The assessment area is comprised of whole geographies and includes the census tracts in which the Bank has its main office and branch facilities. The assessment area does not arbitrarily exclude low- and moderate-income geographies and meets the requirements of the regulation. The Bank’s assessment area was changed in 2009 to include all of Cook and DuPage Counties. Previously the Bank’s assessment area only included portions of those counties.

2. Demographic Information

Based on 2020 Census data, the official Assessment Area(s) of the Bank consists of 1,535 total census tracts based on Federal Financial Institutions Examination Council (“FFIEC”) definitions. The breakdown of income categories for these census tracts are 253 low income, 391 moderate income, 397 middle income, 481 upper income tracts and 13 tracts where income data was not available.

The following table summarizes census tract information within the Bank’s assessment area:

Census Tract Income Category	Number Of Census Tracts	Percent Of Census Tracts	% of Owner Occupied Units By Census Tract	% of Renter Occupied Units By Census Tract
Low Income	253	16.48%	5.64%	18.78%
Moderate Income	391	25.47%	20.36%	29.67%
Middle Income	397	25.86%	32.43%	23.89%
Upper Income	481	31.34%	41.39%	26.88%
Income Not Available	13	.85%	0.19%	0.79%
Number of Census Tracts	1,535	100%	100%	100.00%

According to the 2015 United States Census American Community Survey data, the population served by the assessment area is represented by a total of 6,166,805 persons.¹

3. Economic Conditions

Below is a discussion of the current economic conditions and trends for the Bank’s assessment area. Different aspects of the economy that shed light on the financial and community development needs of the assessment area are discussed. In March 2020 the United States economy was shaken by the effects of the Covid-19 pandemic. The pandemic, and the ensuing lockdowns on businesses, produced a shock throughout the country throughout the year. During 2021 the country has seen signs of a recovery, though the future is uncertain as to whether resurgences of the virus could again severely impair economic activity. Additionally, many consumers and businesses have not yet seen an improvement in their economic circumstance.

¹ Data Source: 2015 US Census American Community Survey data.
 Evergreen Bank Group
 Community Reinvestment Act –2022-2024 Strategic Plan

Real Estate:

Prior to the recession caused by the pandemic, there was a shortage of affordable housing units in the Bank's assessment area, primarily in the City of Chicago. The pandemic is expected to exacerbate the shortage for a number of reasons. Home prices in the Chicago area rose significantly in the first part of 2021, reducing the available affordable housing stock. Demand for rental housing has also increased during the year leading to increased rental prices for housing throughout the country.² Concerns over the increased costs of housing and rental units has increased the likelihood that many areas in the Bank's assessment area will continue to see a shortage of affordable homes. In discussing this issue with industry leaders, as discussed in Section E below, the Bank was informed that affordable housing shortage concerns continue to be a priority in the Chicago area.

Unemployment:

During the pandemic the nation's unemployment rate peaked in April 2020 at 14.8%.³ While unemployment has declined as the nation has recovered from the effects of the pandemic and economic lockdowns, parts of the Bank's assessment area have lagged behind in this improvement in conditions. While the national unemployment rate had declined to 5.8%, in May 2021, the unemployment rate in the Chicago area and in Cook County specifically remained higher at 7.9% and 8.7%, respectively.⁴ The unemployment increase during the pandemic disproportionately affected individuals in lower and moderate income households. While enhanced unemployment assistance and the eviction moratorium have been in place during most of the pandemic, these assistance measures are scheduled to terminate in the latter part of 2021 which is likely to result in increased strain on consumers and renters.

Business Demographics

Despite the aforementioned economic conditions, the Bank's assessment area continues to maintain a sound commercial base. According to Dun & Bradstreet data for 2020, the Bank's assessment area includes 476,177 non-farm businesses. 26,898 (5.65%) are located in low-income census tracts, and 80,964 (17.00%) are located in moderate income census tracts.

The COVID-19 pandemic did cause experienced businesses to close indefinitely, decreasing profits of companies as well as income paid to employees. Many companies have managed to stay in business with the assistance of federal stimulus payments, layoffs, cost cutting, obtaining forbearances from creditors, and local relief programs. The Bank provided a number of payment deferrals to commercial borrowers or required only interest payments for a defined period of time from borrowers. Based on published information, Chicago had a higher average of past due debt than the U.S. overall. Chicago received approximately \$56,465 per small-business employee in Paycheck Protection Program funding, considerably more than the national average of \$33,619. These federal funds reportedly helped many businesses retain employees. According to the Bureau of Labor Statistics, employment in Cook County remained 7% lower than in February 2020, just before the pandemic began.⁵

E. PUBLIC COMMENTS RELATED TO STRATEGIC PLAN

² See <https://www.chicagobusiness.com/commercial-real-estate/landlords-florida-california-are-jacking-rents-record-speeds>.

³ See St. Louis Federal Reserve Report at <https://fred.stlouisfed.org/series/UNRATE>.

⁴ Bureau of Labor Statistics Report, July 7, 2021.

⁵ Data obtained from The COVID-19 Pandemic's Effect on Small Business Credit in Chicago published by Urban Institute - <https://www.urban.org/research/publication/covid-19-pandemics-effect-small-business-credit-chicago>.

1. Informal Public Comments

Pursuant to the CRA requirement that a bank informally seek suggestions from the public while developing a Strategic Plan, members of management met with leaders in the areas of community development, small business lending, and community services. Information gathered in these meetings assisted in the development of the lending, investment and service goals established in the plan.

The Bank also placed a CRA notice on its website on August 23, 2021 to solicit public feedback on how the Bank can support the needs of the local community. The notice included a link for the public to provide feedback. The notice reads as follows:

Community Reinvestment – We Need Your Input

The Community Reinvestment Act is in place to inspire financial institutions to assist the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with sound and safe banking operations.

As a local community bank, Evergreen Bank Group is looking for ways to continue supporting the communities we serve. To do this, we need your input on how we can better serve the credit needs of the communities. Please take a moment to provide your feedback. We at Evergreen truly value your input and suggestions.

As of September 25, 2021, the Bank received no feedback via the notice on the website.

In addition to soliciting public comments in this manner, Members of the Bank's management team engaged in the following conversations with leaders in the CRA community in developing this Strategic Plan:

- An Executive Vice President and Vice President met with one of the Bank's directors who is a recognized leader in the local and national CRA community. This individual is involved in numerous CRA organizations in the Chicago area and has decades of experience in the workings of CRA. The officers received feedback on the proposed Plan as well as information about the needs of the community and the manner in which the Bank could help to meet those needs.
- An Executive Vice President of the Bank discussed the needs of students receiving scholarships from the HEAR Foundation with the director of that organization. These students are predominantly from families in the Chicago area with a demonstrated financial need. The result of these conversations was the Bank providing a financial literacy webinar for students. The Bank will likely hold similar comparable webinars for this organization and others in the future.
- An Executive Vice President and Vice President of the Bank spoke with leadership of CIC Corporation. CIC is a large nonprofit community development financial institution (CDFI) dedicated to providing financing for the acquisition and rehabilitation of multifamily residential real estate located in the Chicago area. The Bank can support this organization in a variety of ways, mainly by participating in a multifamily loan program by purchasing limited recourse collateral trust notes that are issued by CIC and secured by mortgages. CIC also has opportunities

for bankers to serve on various committees such as their loan, financing and marketing committees.

- An Executive Vice President and Vice President of the Bank spoke with the President, Core Business Solutions at IFF. IFF is a lender, developer and consultant that helps communities across the Midwest by helping nonprofits and other service providers to create safe, inspiring spaces that enable them to achieve their missions and support their communities. IFF helps clients from every sector, including human service agencies, schools, childcare providers, community health centers, housing developers and grocery stores. IFF is a CDFI certified by the U.S. Department of the Treasury. The Bank's officers discussed different needs within the Bank's assessment area and ways in which the Bank can support IFF in its mission during the term of the Strategic Plan.

2. Notice Regarding Public Inspection of Proposed Strategic Plan

Once the Bank has developed the Strategic Plan, the Bank is required to formally solicit public comment on the Strategic Plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the Strategic Plan. During the period of public formal comment, copies of the Strategic Plan were made available for review by the public at all offices of the Bank in the assessment area covered by the Strategic Plan. Copies of the Strategic Plan were also made available via mail delivery upon request for a reasonable fee to cover copying and mailing expenses.

The Bank formally solicited comments from the community prior to submitting the Strategic Plan for FDIC approval by posting a notice in The Chicago Tribune newspaper on August 26, 2021. This newspaper is published and circulated in DuPage and Cook counties.

Public Notice to be Placed in Newspapers

Community Reinvestment Act Strategic Plan

Public Comments Invited

Evergreen Bank Group intends to file a Community Reinvestment Act Strategic Plan with the FDIC Regional Director, 300 South Riverside Plaza, Chicago, IL, no earlier than thirty (30) days from the date of this Notice. The proposed Strategic Plan is available for public inspection from 9:00 a.m. to 5:00 p.m. Monday through Friday at 1515 W. 22nd Street, Suite 100W, Oak Brook, IL 60523, 3842 W. 95th Street, Evergreen Park, IL, 60805, and 1 Grant Square, Hinsdale, IL 60521.

Upon request, Evergreen Bank Group will mail a copy of the proposed plan to any interested party for a reasonable fee. These requests should be directed to Carrie Owen at (630) 468-5211. Written comments from the public should be addressed to Carrie Owen, Evergreen Bank Group, 1515 West 22nd Street, Suite 100W, Oak Brook, IL 60523 and will be reviewed and considered in preparing the final Community Reinvestment Act Strategic Plan. All written comments will also be submitted with the Strategic Plan to the FDIC Regional Director, Chicago, IL.

As of September 25, 2021, the Bank received no feedback related to the notice placed in the newspaper.

F. STRUCTURE OF CRA STRATEGIC PLAN

CRA regulations require a bank formulating a Strategic Plan to establish measurable goals for evaluating its performance in meeting the CRA needs of the bank's assessment area, including the needs of low- and moderate-income areas and based upon borrower profile, through lending, through community development investments and grants, and through community development services. The Bank has

developed a scoring system to rate its achievement of goals in meeting the CRA needs of the Bank's assessment area during the term of the Strategic Plan. This is a similar scoring system to that in place for the Bank's current Strategic Plan.

In preparing this Strategic Plan the Bank opted to prepare a three-year Strategic Plan from January 1, 2022 to December 31, 2024 for a number of reasons. First, nearly all available data for the peer institutions that the Bank analyzed in performing the peer analysis in Section G below were evaluated by the FDIC for a three-year period. More importantly, the Bank is preparing and submitting this Strategic Plan during the Covid-19 pandemic. The Bank's lending activities have been affected materially during 2020 and 2021 as a result of the pandemic and it appears that lingering consequences of the pandemic are likely to continue at least through 2022. As a result of the pandemic the Bank has seen reduced lending activity in many areas, both in its own business and by other financial institutions. Certain of the goals proposed in this Strategic Plan have been reduced from the Bank's current Strategic Plan as a result of the impact of the Covid-19 pandemic.

The Bank believes that the goals proposed in this Strategic Plan are reasonable and adequately meet the expectations of the Bank with respect to its CRA commitment. However, the Bank believes that a shorter Strategic Plan term is appropriate in light of the new proposed goals as the Bank can reevaluate its CRA goals sooner than it would in preparing a longer plan.

The Bank has established the following eleven categories of CRA activity for consideration in assessing its CRA performance under the Strategic Plan:

1. Lending in Low Income Census Tracts within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
2. Lending in Moderate Income Census Tracts within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
3. Lending to Low Income Borrowers within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
4. Lending to Moderate Income Borrowers within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
5. Small Business Lending in Low Income Census Tracts within the Bank's assessment area **(0-6 possible points)**;
6. Small Business Lending in Moderate Income Census Tracts within the Bank's assessment area **(0-6 possible points)**;

7. Lending to Small Businesses with annual revenues less than \$1 million within the Bank's assessment area **(0-6 possible points)**;
8. Community development lending within the Bank's assessment area **(0-18 possible points)**;
9. Annual community development investments and grants within the Bank's assessment area **(0-20 possible points)**;
10. Year-end community development investments within the Bank's assessment area **(0-20 possible points)**; and
11. Community development services within the Bank's assessment area **(0-20 possible points)**.

Under the scoring system, specific accomplishments in each CRA area translate into a numeric score for such activity. The Bank may earn points in each of the above categories based upon its achievements in CRA for each category. For each year during the Strategic Plan, the Bank will receive a number of points equivalent to its accomplishments in each of the eleven areas listed above. The total number of points earned for all eleven activity areas will then be aggregated to give the Bank a combined total score for CRA for such year.

Under this system, half of all points the Bank may earn are in the area of lending and half of all points the Bank may earn are in the areas of community development investments, grants and in community development services. In order to receive at least a Satisfactory rating for CRA, the Bank must earn at least an aggregate of 61 out of a possible 120 points in each year during the term of the Strategic Plan.

The Bank's scoring system is dynamic and allows the Bank to provide additional activities in one area if it is having difficulty accomplishing a goal in a different area. The Bank believes that this flexibility will allow the Bank to provide the communities it serves with CRA activities in an effective manner. Below, each area of CRA activity and the manner in which the Bank may earn points under the scoring system are described in detail.

In scoring each year's performance for most categories under the Strategic Plan, the Bank will utilize the average total assets reported on the Bank's call reports for the four calendar quarters comprising each year of the Strategic Plan. For purposes of analyzing the Bank's future lending and other CRA activities, the Bank has utilized its average total assets on its balance sheet of \$1,243,178,000 at year-end 2020. Comparable, or greater, growth in average total assets is possible during the term of the proposed Strategic Plan due to expansion in the motorsports financing space. The lending and other goals in the scoring system in the Strategic Plan are based upon the Bank's average total assets, so the Bank's achievement of specific scores will be based upon a percentage of average total assets regardless of whether or not the anticipated growth in assets is realized during each year of the Strategic Plan. In other words, the Bank's commitment to CRA within its assessment area will continue to increase in lockstep with the Bank's growth in assets, regardless of whether lending occurs inside or outside of the Bank's assessment area.

G. PEER ANALYSIS

In analyzing the Bank's required lending and investment activities under the Strategic Plan, the Bank has analyzed the CRA Performance Evaluations of other similarly situated banks in the same market area as

the Bank. The Bank has developed a peer group of seven other financial institutions in the marketplace that are similar in asset size and have comparable assessment areas. The Bank has selected institutions with recent Performance Evaluations for this comparison. While each of the institutions in the Bank’s peer group analysis may not have achieved outstanding results in each of the component areas evaluated in their Performance Evaluations, all of the institutions received at least an overall Satisfactory rating for CRA.

The Bank believes that the peer group accurately reflects the CRA activities of comparable institutions within the Bank’s area of operation. For comparing past performance, the Bank has calculated the year end average total assets for the most recently evaluated three-year period for each of the peer institutions. The average of these total assets for all institutions is \$1,087,396,000. The Bank’s average total assets for the three-year period from 2018 to 2020 was \$1,081,249,667. A summary of the institutions considered by the Bank follows:

SUMMARY OF BANK PEER GROUP INSTITUTIONS			
	Three-Year Average Total Assets	Assessment Period	Assessment Area
Financial Institution A	\$1,734,480,333	Exam 2/28/2017-3/9/2020	All of Cook and Lake Counties, Illinois
Financial Institution B	\$1,269,287,000	Exam 12/19/2016-12/2/2019	Parts of Cook and Lake Counties, Illinois
Financial Institution C	\$835,215,667	Exam 3/28/2016-2/24/2020	All of Cook and DuPage Counties, Illinois
Financial Institution D	\$1,085,680,000	Exam 10/23/2016-10/23/2019	All of Cook, DuPage, McHenry, Will, Kane and Lake County, Illinois
Financial Institution E	\$738,613,000	Exam 6/5/2017-6/29-2020	All of Cook, DuPage and Will Counties, Illinois and all of Porter and Lake Counties, Indiana
Financial Institution F	\$1,019,955,667	Exam 11/17/2017-12/7/2020	All of Cook, DuPage, McHenry, Will, Lake and Kane Counties, Illinois
Financial Institution G	\$928,540,333	Exam 5/22/2017-5/26/2020	All of Cook and DuPage Counties, Illinois

H. LENDING ACTIVITIES

As described earlier in this Strategic Plan, the Bank operates a nationwide motorsports lending business that makes a substantial number of loans outside of the Bank’s assessment area. The major purpose of the Strategic Plan is to ensure that the Bank meets the CRA needs of its local communities while operating the motorsports lending platform. Other than motorsports lending, the Bank’s major historical lending activities have included HMDA, small business lending, consumer lending and home equity lending. Additionally, the Bank began making classic car loans throughout the country in connection with Mecum Auctions in March of 2020. The Bank expects to originate between \$15 million and \$20 million of such loans in 2021, mostly outside of the Bank’s assessment area. The Bank believes that this activity may generate between \$20 million and \$40 million in originations in 2022. The Bank is also evaluating a

possible home improvement lending program in Illinois and other Midwestern states, but does not know when or if such a program will be initiated.

For the major lending categories of the Bank, the Bank has developed scoring categories for the Bank's lending activities within low to moderate income tracts and with respect to borrower profile. The Bank has developed a separate scoring category for community development lending due to the importance of this type of lending in evaluating CRA performance.⁶ The Bank believes that the actual dollar amount of loans made, rather than the number of loans made, more accurately reflects the Bank's commitment to CRA lending activities. Therefore, when discussing lending activities in this Strategic Plan all percentages presented reflect the percent of total loaned dollars rather than numbers of loans.

In developing the scoring system for evaluating the Bank's CRA lending performance, the Bank has analyzed its own historic lending activities. Additionally, the Bank has analyzed the lending activities of other banks in its assessment area in the historic lending areas of the Bank (other than motorsports lending). The Bank has looked at such activities both with respect to the geographic distribution of lending activity within the Bank's assessment area and with respect to borrower profile.

Due to the Bank's limited branch network (one location in Cook County and two locations in DuPage County), historically it has been a challenge to provide lending in low- and moderate-income tracts or based upon borrower profile in all lending categories within the Bank's assessment area. The Bank's Oak Brook and Hinsdale locations are located in upper income tracts and the Bank's Evergreen Park location is located in a middle-income census tract.

It should be noted that the peer performance and Bank performance analyzed in this Strategic Plan reflected pre-pandemic levels of lending and CRA activity. Excluding loans made under the Paycheck Protection Program, the pandemic has negatively impacted traditional commercial lending activity by financial institutions, including the Bank, during 2020 and 2021. It is unclear when this will change. Current economic conditions in the Bank's assessment area, while showing signs of improvement, continue to point to an uncertain recovery from the Covid-19 pandemic. The Bank is seeing signs of recovery among its current borrowers, but new loan growth in the Bank's assessment area has been a fraction of in prior years. Additionally, concerns in recent months over new spikes in the Covid-19 virus have led to fears of possible new lockdowns on economic activity. This, coupled with aggressive competition among financial institutions for available community development loans, small business transactions and other CRA-qualified loans, makes lending a challenge for a financial institution of the Bank's size.

In developing its Strategic Plan, the Bank has developed lending goals for each of the areas of lending listed in Section F above. The Bank plans to utilize existing strategies and sources to satisfy its CRA lending goals. Under the Strategic Plan, and the scoring system set forth in Section J, the Bank will successfully meet its CRA lending goals by either originating or purchasing loans based upon borrower profile or in LMI census tracts in the Bank's assessment area, and by making community development loans. Such loans will still be credited to the Bank's CRA lending even if such loans are subsequently resold after their

⁶ For purposes of this Strategic Plan, the terms Community Development Loans and Community Development Lending are used interchangeably and are intended to have the meaning of Community Development Loan as included in applicable regulations.

origination or purchase, provided that such loans have been held by the Bank for one year or more (other than with respect to motorsports loans, which may be held for less than one year).

As part of the Strategic Plan, the Bank may purchase LMI mortgages, community development and small business loans in its designated assessment area. To achieve this, the Bank will work with large residential home loan companies that provide first mortgage financing. In partnering with these companies, the Bank can assist in home loan financing for individuals in all income census tracts in the Bank's assessment area. The Bank may seek additional sources for purchasing loans based upon borrower profile, loans in LMI census tracts or community development loans. As further described in this document, the Bank has also been in communication with a variety of community development leaders and lenders regarding other possible loan participation or purchase opportunities.

The Bank will continue to focus its efforts in small business lending by targeting low and moderate income census tracts in our assessment area and taking advantage of niche opportunities. Additionally, while the Bank's nationwide motorsports lending program is not included in this Strategic Plan, to the extent that the Bank makes motorsports loans based upon borrower profile or in LMI census tracts within the Bank's assessment area, such loans are considered consumer loans within the Bank's assessment area for purposes of the Strategic Plan and the Bank will receive credit for such loans under the Strategic Plan. Detailed demographic and other information regarding the Bank's assessment area are included in Section D above. This data contains information with respect to census tracts, housing statistics and other demographic information for the Bank's assessment area.

In the paragraphs below the Bank details its analysis in setting the Bank's CRA goals in each scored category of the Strategic Plan.

1. Lending to Borrowers in Low Income Census Tracts.

Under the Strategic Plan, the Bank will receive a score for its lending activity in low-income census tracts within its assessment area based upon the Bank's combined lending in HMDA, home equity loans, and other consumer loans. Depending upon the combined lending of all of these categories, the Bank will receive a score of between 0 and 6 points towards its overall CRA score. The level of lending in these categories is measured as a percent of the Bank's year-end average total assets.

For each of HMDA, home equity lending, and other consumer lending, the Bank has analyzed (i) available peer data to determine the levels of lending activity by other institutions in the assessment area and (ii) the Bank's own lending activity over the past three calendar years. Based upon this analysis, the Bank has determined the level of lending in each lending category that would result in at least a satisfactory level of lending within the Bank's assessment area as a percent of the Bank's year-end average total assets. When combined, the satisfactory level of lending in each category would lead to approximately the median number of points available for the Bank to earn for lending to borrowers in low-income census tracts under the scoring system (3 points). For levels of lending below this satisfactory level, fewer points would be earned under the scoring system. For levels of lending greater than the satisfactory level, more points would be earned.

Data regarding lending by financial institutions in the Bank's peer group to borrowers in low-income census tracts is only available for HMDA loans. No data regarding home equity loans and other consumer lending is publicly available. For purposes of this Strategic Plan the Bank is considering the HMDA lending activity of the Bank's peer group as representative of home equity lending activities. The Bank believes

that using HMDA data in this way is appropriate and was utilized in the Bank's previously approved Strategic Plan.

HMDA Lending

The Bank has looked at the percent of lending in low-income census tracts relative to all HMDA loans made within each peer institutions' assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, lending to borrowers in low-income census tracts ranged from a low of 2.40% to a high of 26.60% of all HMDA loans made in the assessment area. The average of such lending was 12.08% of assessment area HMDA loans in low-income census tracts (10.47% when excluding the highest and lowest peer results). During the three-year period from 2018 through 2020, the Bank's HMDA lending to borrowers in low-income census tracts was 16.44% of all HMDA loans made in the assessment area.

Based on the bank peer data and the Bank's historical performance, the Bank believes that HMDA lending to borrowers in low-income tracts of 12.00% of all HMDA loans made in the Bank's assessment area represents a level of HMDA lending to borrowers in low-income census tracts comparable to other banks with adequate lending in this area. The Bank's average HMDA lending within its assessment area for the past three calendar years was \$7,342,350. 12.00% of the Bank's HMDA lending is \$881,082. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that HMDA lending equivalent to .08% of average total assets would equate to a satisfactory level of HMDA lending in low-income census tracts.

Home Equity Lending

As described earlier, the Bank has traditionally worked with large mortgage partners in finding qualified candidates for home equity loans. Very few of the Bank's historic home equity loans have come from borrowers seeking such loans at the Bank's locations, located in middle- and upper-income tracts. There is no publicly available data for lending by the Bank's peer group in the area of home equity lending. The Bank has therefore considered HMDA lending by institutions in the Bank's peer group and the Bank's historic performance in this area.

The Bank's peer group HMDA lending to borrowers in low-income census tracts represented 12.08% of all HMDA lending (10.47% when excluding the highest and lowest peer results). The Bank believes that lending to borrowers in low-income census tracts of 12.00% of in-assessment area home equity loans would represent a satisfactory commitment to making home equity loans to borrowers in low-income census tracts. The Bank believes that this percentage would meet or exceed the actual percentage of dollars lent in the Bank's assessment area in low-income census tracts related to home equity lines of credit by the Bank's peer group.

The Bank's average home equity lines of credit lending within its assessment area during the three-year period from 2018 through 2020 was \$24,280,011. 12.00% of the Bank's home equity lending is \$2,913,601. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that home equity lending equivalent to .27% of average total assets would equate to a satisfactory level of home equity lending in low-income census tracts.

Consumer Lending

The Bank's traditional consumer lending activities include motorsports, car and unsecured personal loans within the Bank's assessment area. As stated earlier, there is no publicly available data for lending by the

Bank's peer group in the area of consumer lending and the Bank has primarily considered its own historical lending in this area in establishing goals for the Strategic Plan. During the three-year period from 2018 through 2020 the Bank's in assessment area consumer lending to borrowers in low-income census tracts represented 4.03% of all consumer lending in the assessment area. The Bank believes that lending to borrowers in low-income census tracts of 4.00% of in-assessment area consumer loans would represent a satisfactory commitment under this Strategic Plan. The Bank's average consumer lending within its assessment area for the past three years was \$4,616,844. 4.00% of the Bank's average consumer lending is \$184,590. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that consumer lending equivalent to .02% of average total assets would equate to a satisfactory level of consumer lending in low-income tracts.

Overall Geographic Lending of the Bank and Scoring System (Low Income Census Tracts)

As described in the subsections above with respect to the Bank's traditional lending areas, the Bank has established, based upon available peer data and the Bank's historic and anticipated future lending, what the Bank believes would be adequate levels of lending in its assessment area in low-income census tracts. If the Bank were to achieve each of the levels of lending described above, the Bank would be lending .37% of its average total assets in low-income census tracts. Under the Bank's scoring system for loans based upon borrower geography, this would equate to a score of "3" for this scoring category. The Bank believes that this would be a reasonable score given the Bank's lending of .37% or more of average total assets and represents a satisfactory commitment to lending to borrowers in low-income census tracts.

2. Lending to Borrowers in Moderate Income Census Tracts.

Under the Strategic Plan, the Bank will receive a score for its lending activity in moderate income census tracts within its assessment area based upon the Bank's combined lending in HMDA, home equity loans, and other consumer loans. Depending upon the combined lending of all of these categories, the Bank will receive a score of between 0 and 6 points towards its overall CRA score. The level of lending in these categories is measured as a percent of the Bank's year-end average total assets.

For each of HMDA, home equity lending, and other consumer lending, the Bank has analyzed (i) available peer data to determine the levels of lending activity by other institutions in the assessment area and (ii) the Bank's own lending activity over the past three calendar years. Based upon this analysis, the Bank has determined the level of lending in each lending category that would result in at least a satisfactory level of lending within the Bank's assessment area as a percent of the Bank's year-end average total assets. When combined, the satisfactory level of lending in each category would lead to approximately the median number of points available for the Bank to earn for lending to borrowers in moderate income tracts under the scoring system. For levels of lending below this satisfactory level, fewer points would be earned under the scoring system. For levels of lending greater than the satisfactory level, more points would be earned.

Data regarding lending by financial institutions in the Bank's peer group to borrowers in moderate income census tracts is only available for HMDA loans, which is used in the Bank's analysis as a proxy for home equity lending. For purposes of consumer lending, the Bank has primarily considered its own historical lending activity. The Bank believes that this methodology is appropriate as described in Section H.1. above.

HMDA Lending

The Bank has analyzed the publicly available peer group data for purposes of setting its goals for HMDA lending under the Strategic Plan. The Bank has looked at the percent of lending in moderate income tracts relative to all HMDA loans made within each peer institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, lending to borrowers in moderate income tracts ranged from a low of 5.45% to a high of 58.80% of all HMDA loans made in the assessment area. The average of such lending was 19.78% of assessment area HMDA loans in moderate income census tracts (13.60% when excluding the highest and lowest peer results). During the calendar years 2018 through 2020, the Bank's HMDA lending to borrowers in moderate income census tracts was 28.10% of all HMDA loans in the assessment area.

Based on the bank peer data and the Bank's historical performance, the Bank believes that HMDA lending to borrowers in moderate income tracts of 20.00% of all HMDA loans made in the Bank's assessment area represents a level of HMDA lending in moderate income census tracts comparable to the average for the peer group. The Bank's HMDA lending within its assessment area for the three-year period from 2018 through 2020 was \$7,342,350. 20.00% of the Bank's HMDA lending is \$1,468,470. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that HMDA lending equivalent to .14% of average total assets would equate to a satisfactory level of HMDA lending in moderate income census tracts.

Home Equity Lending

There is no publicly available data for lending by the Bank's peer group in the area of home equity lending. The Bank has therefore again considered HMDA lending by institutions in the Bank's peer group and the Bank's historic performance in this area. The Bank's peer group HMDA lending to borrowers in moderate income census tracts represented 19.78% of all HMDA lending (13.60% when excluding the highest and lowest peer results). The Bank believes that lending to borrowers in moderate census tracts of 20.00% of in-assessment area home equity loans would represent a satisfactory commitment to making home equity loans to borrowers in moderate income census tracts. The Bank believes that this percentage would meet or exceed the actual percentage of dollars lent in the Bank's assessment area in moderate income census tracts related to home equity lines of credit by the Bank's peer group.

The Bank's average home equity lending within its assessment area for the three-year period from 2018 through 2020 was \$24,280,011. 20.00% of the Bank's average home equity lending is \$4,856,002. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that home equity lending equivalent to .45% of average total assets would equate to a satisfactory level of home equity lending in moderate income census tracts.

Consumer Lending

As stated earlier, there is no publicly available data for lending by the Bank's peer group in the area of consumer lending, and the Bank has primarily considered its own historical lending activity in this area. During the three-year period from 2018 through 2020 the Bank's in assessment area consumer lending to borrowers in moderate-income census tracts represented 18.37% of all other consumer lending in the assessment area. Based on the Bank's historical lending, the Bank believes that lending to borrowers in moderate-income census tracts of 18.00% of in-assessment area consumer loans would represent a satisfactory commitment. The Bank's consumer lending within its assessment area during the three-year period from 2018 through 2020 was \$4,616,844. 18.00% of the Bank's average consumer lending is

\$831,032. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that consumer lending equivalent to .08% of average total assets would equate to a satisfactory level of consumer lending to borrowers in moderate income census tracts.

Overall Geographic Lending of the Bank and Scoring System (Moderate Income Census Tracts)

As described in the subsections above with respect to the Bank's traditional lending areas, the Bank has established, based upon available peer data and the Bank's historic and anticipated future lending, what the Bank believes would be adequate levels of lending in its assessment area in moderate income census tracts. If the Bank were to achieve each of the levels of lending described above, the Bank would be lending .67% of its average total assets in moderate income census tracts. Under the Bank's scoring system for loans based upon borrower geography, this would equate to a score of "3" for this scoring category. The Bank believes that this would be a reasonable score given the Bank's lending at .67% or more of average total assets and represents a satisfactory commitment to lending to borrowers in moderate income census tracts.

3. Lending to Borrowers with Low Incomes.

Under the Strategic Plan, the Bank will receive a score based upon its lending to low-income borrowers within its assessment area based upon the Bank's combined lending in HMDA, home equity and other consumer loans. Depending upon the combined lending of all of these categories, the Bank will receive a score of between 0 and 6 points towards its overall CRA score. The level of lending in these categories is measured as a percent of the Bank's year-end average total assets.

For each of HMDA lending, consumer lending and home equity lending the Bank has analyzed the available peer data to determine the levels of lending activity in the assessment area and the Bank's historical lending in these areas. Based upon this analysis, the Bank has determined the level of lending in each lending category that would result in at least a satisfactory level of lending within the Bank's assessment area in each category as a percent of average total assets. When combined, the satisfactory level of lending in each category would lead to approximately the median number of points available for the Bank to earn for lending to low-income borrowers under the scoring system. For levels of lending below this satisfactory level, fewer points would be earned under the scoring system, and for levels of lending greater than the satisfactory level, more points would be earned.

Data regarding lending by financial institutions in the Bank's peer group based upon borrower profile is only available for HMDA loans, which is used in the Bank's analysis as a proxy for lending for home equity. The Bank believes that using HMDA data in this way is appropriate as described in Section H.1. above. For purposes of other consumer lending the Bank has primarily considered its own historical performance. The Bank has compared the peer group performance with the Bank's own performance for the preceding three-year period, as described below.

HMDA Lending

The Bank has analyzed the publicly available peer group data for purposes of setting its goals for HMDA lending under the Strategic Plan. The Bank has looked at the percent of lending to low-income borrowers relative to all HMDA loans made within each institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, lending to low-income borrowers ranged from a low of 1.30% of all HMDA loans made in the assessment area and a high of 3.40%. The average of lending by the peer

group institutions was 2.08% of assessment area HMDA loans to low-income borrowers (1.73% excluding the high and the low peer results).

The average of the Bank's lending to low-income Borrowers during the three-year period from 2018 through 2020 was 2.35% of total HMDA loans. Based on peer data and the Bank's performance, the Bank believes that HMDA lending to low-income borrowers of 2.00% of all HMDA loans made in the Bank's assessment area represents an adequate level of HMDA lending based upon the analysis of the peer data. The Bank's HMDA lending within its assessment area during the three-year period from 2018 through 2020 was \$7,342,350. 2.00% of the Bank's average HMDA lending for the three-year period 2018-2020 is \$146,847. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that HMDA lending equivalent to .01% of average total assets would equate to a satisfactory level of HMDA lending to low-income borrowers in the Bank's assessment area.

Home Equity Lending

There is no publicly available data for lending by the Bank's peer group in the area of home equity lending. The Bank has therefore again considered HMDA lending by institutions in the Bank's peer group and the Bank's historic performance in this area. The Bank's peer group HMDA lending to low-income borrowers represented 2.08% of assessment area HMDA loans to low-income borrowers (1.73% excluding the high and the low peer results). The Bank believes that lending of 2.00% of in-assessment area home equity loans would represent at least a satisfactory commitment to making home equity loans to low-income borrowers.

The Bank's home equity lending within its assessment area during the three-year period from 2018 through 2020 was \$24,280,011. 2.00% of the Bank's average home equity lending is \$485,600. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that home equity lending equivalent to .04% of average total assets would equate to a satisfactory level of home equity lending to low-income borrowers.

Consumer Lending

As stated earlier, there is no publicly available data for lending by the Bank's peer group in the area of consumer lending, and the Bank has considered its own historical consumer lending. During the three-year period from 2018 through 2020 the Bank's in assessment area consumer lending to low income-borrowers represented 6.09% of all consumer lending in the assessment area. Based on the Bank's historical lending, the Bank believes that lending to low-income borrowers of 6.00% of in-assessment area consumer loans would represent a satisfactory commitment. The Bank's average consumer lending within its assessment area during the three-year period from 2018 through 2020 was \$4,616,844. 6.00% of the Bank's consumer lending is \$277,011. Given the Bank's 2020 three-year average total assets of \$1,081,249,667, the Bank believes that consumer lending equivalent to .03% of average total assets would equate to a satisfactory level of consumer lending to low-income borrowers.

Overall Lending of the Bank to Borrowers with Low Income and Scoring System

As described in the subsections above with respect to the Bank's traditional lending areas, the Bank has established, based upon available peer data, demographics and the Bank's historic and anticipated future lending, what the Bank believes would be adequate levels of lending to low-income borrowers in its assessment area. If the Bank were to achieve each of the levels of lending described above, the Bank

would be lending .08% of its average total assets to low-income borrowers. While the Bank believes that this is in line with other lenders in the Bank's peer group, for purposes of this Plan the Bank has determined that it will increase its commitment in this area for two reasons. First, the Bank's historical HMDA performance has exceeded the peer group over the past three years (2.35% of all HMDA lending by the Bank versus 2.08% for the peer group). Second, the Bank's HMDA lending and HELOC lending fell substantially during the pandemic. As a result the Bank believes that a goal of .25% of average total assets should result in a score of "3" in this lending category for purposes of this Strategic Plan. The Bank believes that this would represent a satisfactory commitment to lending to low-income borrowers in the Bank's assessment area.

4. Lending to Borrowers with Moderate Incomes.

Under the Strategic Plan, the Bank will receive a score based upon its lending to moderate-income borrowers within its assessment area based upon the Bank's combined lending in HMDA, home equity and other consumer loans. Depending upon the combined lending of all of these categories, the Bank will receive a score of between 0 and 6 points towards its overall CRA score. The level of lending in these categories is measured as a percent of the Bank's year-end average total assets.

For each of HMDA lending, consumer lending and home equity lending the Bank has analyzed the available peer data and the Bank's historical lending in these areas. Based upon this analysis, the Bank has determined the level of lending in each lending category that would result in at least a satisfactory level of lending within the Bank's assessment area in each category as a percent of average total assets. When combined, the satisfactory level of lending in each category would lead to approximately the median number of points available for the Bank to earn for lending to moderate income borrowers under the scoring system. For levels of lending below this satisfactory level, fewer points would be earned under the scoring system, and for levels of lending greater than the satisfactory level, more points would be earned.

Data regarding lending by financial institutions in the Bank's peer group to moderate income borrowers is only available for HMDA loans, which is used in the Bank's analysis as a proxy for lending for home equity lending. The Bank believes that using HMDA data in this way is appropriate as described in Section H.1. above. The Bank has also considered its historical lending with respect to other consumer loans. The Bank has compared the peer group performance with the Bank's own performance for the preceding three-year period, as described below.

HMDA Lending

The Bank has analyzed the publicly available peer group data for purposes of setting its goals for HMDA lending under the Strategic Plan. The Bank has looked at the percent of lending to moderate income borrowers relative to all HMDA loans made within each institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, lending to moderate-income borrowers ranged from a low of 5.10% of all HMDA loans made in the assessment area and a high of 21.50%. The average of lending by the peer group institutions was 7.65% (6.30% excluding the high and low peer results) of assessment area HMDA loans to moderate income borrowers.

The average of the Bank's lending to moderate income Borrowers during the three-year period from 2018 through 2020 was 1.55% of total HMDA loans. Based on peer data and the Bank's performance, the Bank believes that HMDA lending to moderate income borrowers of 7.50% of all HMDA loans made in the

Bank's assessment area represents a reasonable level of HMDA lending. The Bank's HMDA lending within its assessment during the three-year period from 2018 through 2020 was \$7,342,350. 7.50% of the Bank's 2018-2020 HMDA lending is \$550,676. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that HMDA lending equivalent to .05% of average total assets would equate to a satisfactory level of HMDA lending to moderate income borrowers.

Home Equity Lending

There is no publicly available data for lending by the Bank's peer group in the area of home equity lending. The Bank has therefore again considered HMDA lending by institutions in the Bank's peer group and the Bank's historic performance in this area. The Bank's peer group HMDA lending to moderate income borrowers represented 7.65% of all HMDA lending (6.30% excluding the high and low institutions). The Bank's home equity lending to moderate-income borrowers has historically made up a small percentage of its home equity lending, averaging 3.10% of all home equity lending during the period from 2018 through 2020. The Bank believes that lending to moderate income borrowers of 7.50% of in-assessment area home equity loans would represent a satisfactory commitment to making home equity loans to moderate-income borrowers.

The Bank's home equity lines of credit within its assessment area during the three years from 2018 through 2020 was \$24,280,011. 7.50% of the Bank's 2018 to 2020 average home equity lending is \$1,821,001. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that home equity lending equivalent to .17% of average total assets would equate to a satisfactory level of home equity lending to moderate-income borrowers.

Consumer Lending

As stated earlier, there is no publicly available data for lending by the Bank's peer group in the area of consumer lending. Over the three-year period between 2018 and 2020 the Bank's in assessment area consumer lending to moderate-income borrowers represented 16.90% of all other consumer lending in the assessment area. Based on the Bank's historical lending, the Bank believes that lending to moderate income borrowers of 16.00% of in-assessment area consumer loans would represent a satisfactory commitment. The Bank's average consumer lending within its assessment area for the three-year period from 2018 through 2020 was \$4,616,844. 16.00% of the Bank's average 2018 through 2020 consumer lending is \$738,695. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that consumer lending equivalent to .07% of average total assets would equate to a satisfactory level of consumer lending to moderate-income borrowers.

Overall Lending of the Bank to Borrowers with Moderate Income and Scoring System

As described in the subsections above with respect to the Bank's traditional lending areas, the Bank has established, based upon available peer data, demographics and the Bank's historic and anticipated future lending, what the Bank believes would be adequate levels of lending to moderate-income borrowers in its assessment area. If the Bank were to achieve each of the levels of lending described above, the Bank would be lending .29% of its average total assets to moderate income borrowers. Under the Bank's scoring system for loans to moderate income borrowers, this would equate to a score of "3" for this scoring category. The Bank believes that this would be a reasonable score given the Bank's lending at

.29% of average total assets and represents a satisfactory commitment to lending to moderate income borrowers.

5. Small Business Lending in Low Income Census Tracts

The Bank has analyzed the publicly available peer group data and its own historical performance for purposes of setting its goals for small business lending under the Strategic Plan. The Bank has looked at the percent of lending to small businesses in low-income tracts relative to all small business loans made within each peer institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, small business lending in low-income census tracts ranged from a low of 2.30% to a high of 14.85% of all small business loans made in the assessment area. The average of such lending was 6.73% of assessment area small business loans to borrowers in low-income census tracts (5.50% with the high and the low institutions peer results excluded). The Bank has lent on average approximately 8.71% of all small business loans (in dollars) to small businesses in low-income census tracts during the years 2018 through 2020.

Based upon the foregoing, the Bank believes that small business lending in low-income census tracts of 9.00% of all small business loans made in the Bank's assessment area represents a satisfactory level of small business lending in low-income census tracts based upon the analysis of the peer data. The Bank's average annual small business lending within its assessment area during the years 2018 through 2020 was \$23,423,236. This average was increased substantially as a result of the Bank's participation in the Paycheck Protection Program (PPP). During 2020 the Bank's small business lending was approximately \$31.5 million dollars. In 2018 and 2019 small business lending by the Bank was approximately \$19.5 million and \$19.3 million, respectively. While the Bank's small business lending has declined significantly in 2021 as a result of the expiration of the PPP and the decline in economic activity as a result of the pandemic, the Bank will utilize the aforementioned three-year average for the purposes of this Strategic Plan.

9.00% of the Bank's average annual small business lending during the years 2018 through 2020 is approximately \$2,108,091. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that small business lending equivalent to .19% of average total assets would equate to a satisfactory level of small business lending in low-income census tracts.

6. Small Business Lending in Moderate Income Census Tracts

The Bank has analyzed the publicly available peer group data and its own historical performance for purposes of setting its goals for small business lending under the Strategic Plan. The Bank has looked at the percent of lending to small businesses in moderate income census tracts relative to all small business loans made within each peer institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, small business lending in moderate income census tracts ranged from a low of 6.70% to a high of 13.55% of all small business loans made in the assessment area. The average of such lending was 11.21% of assessment area small business loans to borrowers in moderate income census tracts (11.75% with the high and low peer results excluded). The Bank has lent on average approximately 17.35% of all small business loans (in dollars) to small businesses in moderate income census tracts during the years 2018 through 2020.

Based upon the foregoing, the Bank believes that small business lending in moderate income census tracts of 12.00% of all small business loans made in the Bank's assessment area represents a satisfactory level of small business lending in moderate income census tracts based upon the analysis of the peer data. The

Bank again will utilize its three-year average of its small business lending within its assessment area, or \$23,423,236, for purposes of setting its goals in this category. 12.00% of this three-year average is \$2,810,788. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that small business lending equivalent to .26% of average total assets would equate to a satisfactory level of small business lending in moderate income census tracts.

7. Lending to Small Businesses with Annual Revenues Less Than \$1 million

The Bank has analyzed the publicly available peer group data and its own historical performance for purposes of setting its goals for lending to small businesses with revenues less than \$1 million under the Strategic Plan. The Bank has looked at the percent of lending to small businesses with revenues less than \$1 million relative to all small business loans made within each peer institution's assessment area for purposes of this analysis. Of the institutions in the Bank's peer group, lending to small businesses of this kind ranged from a low of 9.00% to a high of 84.50% of all small business loans made in the assessment area. The average of such lending was 42.68% of assessment area small business loans (40.64% excluding the high and the low peer results). During the years 2018 through 2020 the Bank lent on average approximately 37.85% of all small business loans (in dollars) to small businesses with revenues of less than \$1 million.

Based upon the foregoing, the Bank believes that lending to small businesses with revenues of less than \$1 million of 42.00% of all small business loans made in the Bank's assessment area represents a satisfactory level of lending to businesses with revenues of less than \$1 million based upon the analysis of the peer data and the Bank's historical performance. The Bank again will utilize its three-year average of its small business lending within its assessment area, or \$23,423,236, for purposes of setting its goals in this category. 42.00% of this three-year average is \$9,837,759 million. Given the Bank's three-year average total assets of \$1,081,249,667, the Bank believes that small business lending equivalent to .91% of average total assets would equate to a satisfactory level of lending to small businesses with annual revenues of less than \$1 million.

8. Community Development Lending

The Bank has analyzed the community development lending of the financial institutions in the Bank's peer group. There is a wide range of community development lending by financial institutions in the peer group analysis. Banks in the peer group made average annual community development loans equating to .18% of average total assets on the low end and 4.13% of average total assets on the high end. The average lending as a percentage of average total assets by the peer group institutions was 1.75% (1.59% with the high and the low peer results excluded).

During the period from 2018 through 2020, the Bank's community development lending equated to .92% of the Bank's average total assets, below the average of the Bank's peer group. For the reasons discussed earlier in this Strategic Plan, it has been a challenge for the Bank to achieve higher levels of community development lending.

The Bank believes that community development equal to 1.70% of average total assets would provide comparable levels of community development lending to other institutions within the Bank's assessment area, given the analysis set forth in this Section H.8. Under the Bank's scoring system, the Bank would achieve a score of "9" with this level of community development lending. The precise score achieved by

the Bank based upon its community development lending as a percent of average total assets is detailed in Section J. below. The Bank believes that this is a reasonable method of evaluating and scoring the Bank's community development lending.

I. COMMUNITY DEVELOPMENT INVESTMENTS AND SERVICES

1. Community Development Investments and Grants

The Bank has established specific goals with respect to its CRA-qualified investments and grant activities.⁷ These goals have been set based upon the Bank's analysis of community development investments and grants made by the Bank's peer group. Additionally, the Bank has considered its historic pattern of making such investments and grants. In evaluating the Bank's CRA performance, the Bank has incorporated scoring of (i) the Bank's annual community development investments and grants and (ii) the Bank's year-end community development investments during the life of the Strategic Plan.

The Bank believes it can assist the communities it serves through niche opportunities in community development investments, including investing with intermediary investors and micro lenders. These investments will support loans in low to moderate income areas and provide funding to nonprofit organizations in the Bank's assessment area. In recent years the Bank has made significant community development investments and the Bank will continue to make qualified CRA investments under the Strategic Plan. The Bank supports numerous other charitable and community causes and organizations both within and outside of the Bank's assessment area. While many of these causes may not constitute CRA-qualified investments or grants, the Bank anticipates continuing to lend financial support to worthwhile groups and activities that will make a difference in the lives of the members of the Bank's communities and to others.

In evaluating the Bank's peer group community development investment and grant activities, the Bank reviewed the performance evaluations of each of the institutions in the peer group. Based upon the community development investments and grants made by each of the institutions, the Bank determined the annual CRA-qualified investments and grants made by each institution as a percent of total assets during their evaluation periods. The range of annual investments of these institutions ranged from .23% of total assets on the low end and 1.31% of total assets on the high end. The banks in the peer group made annual investments and grants at an average rate of approximately .48% of total assets (.36% excluding the high and the low peer results). During this period, the Bank averaged annual community development investments equal to 1.23% of average total assets. The Bank expects its 2021 annual investments to be approximately 1.16% of average total assets.

Based upon this analysis, the Bank believes that annual community development investments and grants of .60% of average total assets would be a satisfactory level of community development investments in line with other institutions in the Bank's peer group. Under the Bank's scoring system, the Bank would achieve a score of "10" with this annual level of community development investments and grants. The precise score achieved by the Bank based upon its community development investments and grants as a percent of average total assets is detailed in Section H below. The Bank believes that this is a reasonable method of evaluating and scoring the Bank's community development lending.

⁷ The term CRA-Qualified Investment and Grants is intended to include any lawful investment, deposit, membership share, or grant that has as its primary purpose community development related to endeavors identified in applicable regulations of the FDIC.

During the years 2018 through 2020 the average year-end cumulative investments was 2.61%. With respect to year-end community development investments, at the end of 2020 the Bank's community development investments equaled 2.39% of its total assets and the Bank expects a comparable result for 2021. Based upon the cumulative investments made by the peer group institutions during their performance evaluations, it appears that year-end investments ranged from a low of .77% of total assets to a high of 3.92%, with an average of 1.49% (1.15% excluding the high and the low peer results).

While the Bank intends to continue to grow its community development investments as a percent of total assets, the Bank expects certain of these investments to pay off or pay down during each year of the Strategic Plan. Additionally, there may be reasons for the Bank to liquidate certain of these investments during the term of the plan, which would reduce the Bank's year-end community development investment growth. Finally, certain of the Bank's annual community development activities may be in the form of grants that will not remain on the Bank's financial statements from year to year. In the event that an investment is sold or pays off during any year during the Strategic Plan, the Bank will need to make additional investments to maintain or increase its year-end community development investments and receive credit under the Strategic Plan.

Under the Bank's scoring system in this Strategic Plan, the Bank's year-end community development investments would need to equate to 1.65% of average total assets in order for the Bank to achieve a score of "10" with respect to year-end community development investments during each year of the Strategic Plan.

The precise score achieved by the Bank based upon its community development investments and grants as a percent of average total assets is detailed in Section J. below. The Bank believes that this is a reasonable method of evaluating and scoring the Bank's community development lending.

2. Community Development Services

The Bank has reviewed the Performance Evaluations of the banks in the peer group set forth in this Strategic Plan with respect to community development services.⁸ The evaluation of each institution's commitment to providing community development services to its assessment area is based in large part upon a subjective evaluation of the types and number of services provided by the institution in question. To that extent, a meaningful analysis of the peer group's individual community development services is difficult. The Bank has therefore looked at its historic provision of community development services and the needs of its assessment area in developing a method of evaluating its performance for CRA in this area.

The existing Strategic Plan has created goals for assessing the Bank's service activities. Bank employees earn points for hours of service when volunteering for qualifying community development service activities within the Bank's assessment area. The Bank intends to continue to support the volunteer services of its employees and members of the Board of Directors in various community-based groups, as

⁸ For purposes of this Strategic Plan, the terms community development service, CRA-Qualified service or simply service are used interchangeably and are intended to mean: a service that has as its primary purpose community development; is related to the provision of financial services; and has not been considered in the evaluation of the bank's retail banking services under Federal Regulations.

well as new organizations that are involved in economic development or other community revitalization efforts. Some of the organizations and initiatives that Bank employees have worked with in recent years within the Bank's assessment area include:⁹

- **Habitat For Humanity (DuPage County):** The Bank's CRA Officer serves on the Finance Committee for this organization. The committee assists in reviewing and amending various policies for the organization. Committee members also participate in onsite internal audits. Meetings take place monthly, as well as quarterly. Internal audits performed by members of the committee take place on a quarterly basis.

- **HEAR FOUNDATION (Health Education and Relief Foundation):** An Executive Vice President of the Bank serves on the Board of this organization. The HEAR Scholarship Foundation's mission is to provide financial and mentoring support to Chicagoland high school graduates of need, who have demonstrated academic excellence, commitment to community, and highest moral character in pursuing their goal of a college education. The Bank Officer serves on the Scholarship Committee. The committee reviews the applicant information and determines which applicants will receive scholarships. In order to be considered for a scholarship, the applicant must demonstrate financial need, maintain a minimum GPA, and demonstrate impeccable work ethic and commitment to service.

- **West Suburban Community Pantry:** An officer of the bank serves on the Board of Directors for this organization. West Suburban operates as a food pantry and is located in Woodridge, IL (DuPage County). The pantry provides items to families located in DuPage County. They also provide home delivery to seniors in the area.

- **Director Service Hours:** A board member of the bank serves on the boards of many non-profit organizations located in the Chicago area. These organizations include Access Community Healthcare, CCLF, House of the Good Shepherd, Neighborworks Capital, Neighborhood Lending Services, Community Reinvestment Fund, and the Woodstock Institute. All the organizations operate to serve lower and moderate-income individuals and communities by providing the following:

- access to affordable healthcare (Access Community Healthcare)
- short term housing and social services for mothers and their children (House of the Good Shepherd)
- alternative financing to create affordable housing and economic development in lower income areas (NLS and Neighborworks Capital)
- non-profit lender providing loans that benefit low and moderate-income neighborhoods (CCLF)
- research and data to improve the financial system to support lower income individuals so they can borrow safely in their communities (Woodstock Institute)

- **Financial Literacy:** Traditionally, the Bank's retail staff has given presentations in financial literacy to students from grammar schools in low- and moderate-income areas in the Bank's assessment area. Due to the COVID-19 pandemic, financial literacy classes have been limited. However, in May 2021 members of the Retail Staff conducted financial literacy classes for the HEAR Foundation remotely. The

⁹ The different service activities contained in this section are subject to review and approval as qualified CRA-service activities during the FDIC examinations of the Bank's performance.

Bank anticipates continuing to provide financial literacy to schools and other organizations during the term of the Strategic Plan.

In evaluating the Bank's performance for CRA purposes, the Bank believes that given a comparable level of service activities as in the past, the Bank's commitment to community development services should be evaluated based upon the number of hours committed by Bank employees and directors to such services. This is the manner of evaluating the Bank's performance in the community development services area under the current Strategic Plan and the Bank believes that it continues to be appropriate.

Under the current Strategic Plan, during the years 2018 through 2020, the Bank's employees and directors provided service hours per individual of 4.32 in 2018, 3.59 in 2019 and 3.95 in 2020. The Bank expects that 2021 services hours will be closer to 3.00 per individual. A substantial number of these hours were generated by a Bank director who is one of the leaders in the CRA community. The Bank discussed with this director the importance of CRA to the Bank at the time that the director joined the Board of Directors. The Bank believes that seeking out this individual to serve as a director shows its significant commitment to CRA services.

Given the foregoing discussion, the Bank believes that it would be appropriate for the Bank to be evaluated under this category of the Strategic Plan based upon the number of service hours provided by the Bank per full time equivalent employee during the plan. Additionally, the Bank will receive credit for service hours performed by members of its board of directors. For purposes of this measurement, the Bank's performance will be measured for each Strategic Plan year by taking the average of the number of such employees of the Bank, plus directors of the Bank, at the end of each calendar quarter during each year. For example, if the Bank had 180 full time equivalent employees and directors at March 31, 2022; 200 such individuals at June 30, 2022; 220 such individuals at September 30, 2022; and 240 such individuals at December 31, 2022, the Bank's performance during 2022 would be measured based upon 210 average full time equivalent employees and directors during the year.

As provided in the Bank's current Strategic Plan, the Bank believes that the provision of 2.7 hours of community development service hours per full time equivalent employee and director of the Bank during each year of the term of the plan would be a satisfactory level of community development services and should achieve a score of "10" under the Bank's scoring system. The precise score achieved by the Bank based upon its hours of service is detailed in Section J below and varies based upon the number of hours of service provided. The Bank believes that this is a reasonable method of evaluating and scoring the Bank's community development services.

J. SCORING SYSTEM FOR CRA PERFORMANCE EVALUATION

As detailed in Sections F through H above, the Bank has developed a scoring system for its CRA performance evaluation that takes into account the following areas of CRA activity:

1. Lending in Low Income Census Tracts within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending (**0-6 possible points**);

2. Lending in Moderate Income Census Tracts within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
3. Lending to Low Income Borrowers within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
4. Lending to Moderate Income Borrowers within the Bank's assessment area in (i) First and Second Mortgage Lending (HMDA), (ii) Home Equity Lines of Credit, and (iii) Other Consumer Lending **(0-6 possible points)**;
5. Small Business Lending in Low Income Census Tracts within the Bank's assessment area **(0-6 possible points)**;
6. Small Business Lending in Moderate Income Census Tracts within the Bank's assessment area **(0-6 possible points)**;
7. Lending to Small Businesses with annual revenues less than \$1 million within the Bank's assessment area **(0-6 possible points)**;
8. Community development lending within the Bank's assessment area **(0-18 possible points)**;
9. Annual community development investments and grants within the Bank's assessment area **(0-20 possible points)**;
10. Year-end community development investments within the Bank's assessment area **(0-20 possible points)**; and
11. Community development services within the Bank's assessment area **(0-20 possible points)**.

The Bank has determined, based upon an analysis of peer institutions, the demographics of the Bank's assessment area and the Bank's historic and future activities, the level of activity in each of the foregoing areas that would equate to a satisfactory level of CRA activity. Based upon these levels, the Bank has developed a scoring system that would provide the Bank with an aggregate score on the scoring system given lower or greater activity in each of the categories.

The Bank will receive an overall CRA performance rating based upon the cumulative number of points earned in the eleven categories listed above. The score required to achieve specific performance ratings under the Strategic Plan are as follows:

Evergreen Bank Group Strategic Plan Performance Rating	Score	
	Low	High
Outstanding	91	120
Satisfactory	61	90
Needs to Improve	31	60
Substantially Non-Compliant	0	30

Under this system, the Bank would need to earn a majority of the points available under the scoring system to earn a Satisfactory rating for CRA. While the Bank could earn more points in one category than in another in reaching its goal of achieving Satisfactory CRA performance, it is the Bank’s goal to achieve satisfactory performance in as many of the identified scoring categories as possible. As a result of the design of the scoring system, it is unlikely that the Bank could achieve a Satisfactory CRA rating without a substantial commitment to CRA activities in most of the scored categories.

Under the scoring system, lending makes up 50% of the total points that the Bank may earn under the scoring model due to the importance of this type of activity to the communities the Bank serves and to the Bank’s assessment area. In determining the different scores in each scored category of activity, the Bank has attempted to establish a reasonable range of different activity levels based upon the specific activity being scored. Under this system, the Bank is incentivized to engage in all of the scored activities.

In defining the levels of performance considered necessary to attain a Satisfactory rating, the Bank has strived to prudently consider the identified lending, community development investment and community development service needs of its assessment area, within the specific business model which is unique to the Bank.

The Bank believes that the scoring system is an appropriate method of rating its overall CRA performance. The system permits the Bank to achieve a Satisfactory or Outstanding rating by providing the communities the Bank serves with strong CRA-related activities. The scoring system also allows the Bank flexibility in providing these activities such that the Bank can fulfill the CRA needs of its communities in a variety of ways. It is the Bank’s objective to achieve at least a Satisfactory rating during each year of the Bank’s Strategic Plan. The Bank’s scoring system for CRA performance follows on the next page. As stated earlier, in scoring each year’s performance under the Strategic Plan, the Bank will utilize the average total assets reported on the Bank’s call reports for the four calendar quarters comprising such year.

In the event that the Bank is examined by the FDIC with respect to any year of this Strategic Plan and the FDIC determines that the Bank has achieved at least Satisfactory results for its CRA performance within the Bank’s assessment area, the FDIC may consider additional CRA-qualified lending, investment and

services, outside of the Bank’s assessment area but within the Bank’s Broader Statewide or Regional Area, to determine if an overall rating of Outstanding is appropriate.

	Max Pts	Weight As %	POINTS AWARDED										
CRA Qualified Loans			0	1	2	3	4	5	6				
Loans in Low Census Tracts	6	4.76%	<.17%	0.17%	0.27%	0.37%	0.47%	0.57%	0.67%				
Loans in Moderate Census Tracts	6	4.76%	<.37%	0.37%	0.52%	0.67%	0.82%	0.97%	1.12%				
Loans to Small Businesses in Low Census Tracts	6	4.76%	<.09%	0.09%	0.14%	0.19%	0.24%	0.29%	0.34%				
Loans to Small Businesses in Moderate Census Tracts	6	4.76%	<.16%	0.16%	0.21%	0.26%	0.31%	0.36%	0.41%				
			0	1	2	3	4	5	6				
Loans to Low Income Borrowers	6	4.76%	<.05%	0.05%	0.15%	0.25%	0.35%	0.45%	0.55%				
Loans to Moderate Income Borrowers	6	4.76%	<.09%	0.09%	0.19%	0.29%	0.39%	0.49%	0.59%				
Loans to Small Businesses	6	4.76%	<.71%	0.71%	0.81%	0.91%	1.01%	1.11%	1.21%				
			0	2	4	6	8	9	10	12	14	16	18
Community Development as % of Total Assets	18	16.67%	<.30%	0.30%	0.70%	1.10%	1.50%	1.70%	1.90%	2.30%	2.70%	3.10%	3.50%
CRA Investments			0	2	4	6	8	10	12	14	16	18	20
CRA Investments - Annual as % of Total Assets	20	16.67%	<.20%	0.20%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%	1.10%
CRA Investments - Cumulative as % of Total Assets	20	16.67%	<1.25%	1.25%	1.35%	1.45%	1.55%	1.65%	1.75%	1.85%	1.95%	2.15%	2.25%
Service Hours per Quarterly Average	20	16.67%	0	2	4	6	8	10	12	14	16	18	20
Number of Employees and Directors			<2.3	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3	3.1	3.2
Total Points Available	120	100.00%											
			Evergreen Bank Group				Score						
			Strategic Plan Performance Rating				Low		High				
			Outstanding				91		120				
			Satisfactory				61		90				
			Needs To Improve				31		60				
			Substantially Non-Compliant				0		30				

K. ONGOING REVIEW OF PERFORMANCE GOALS AND MEASUREMENT STANDARDS

The Bank recognizes the specified goals of this Strategic Plan are based on general assumptions and assessments regarding the Bank's business model, industry, and economic environment and market conditions. These assumptions and assessments may change and, consequently, the Bank's Board of Directors or a committee thereof, and Senior Management will assess the Bank's performance on a quarterly basis.

The Bank's Senior Management will provide a report to the Board of Directors, or a committee thereof, detailing the Bank's performance in each measurement area specified in this Strategic Plan. The report will include quarter-to-date and year-to-date analysis of the Bank's activities and accomplishments.

Any changes to the plan that are deemed necessary as a result of these quarterly assessments will be made in accordance with the CRA and the FDIC's requirements, guidelines and approval process. Such changes are only expected to be made if there are significant changes to the underlying assumptions which render the goals contained within this Strategic Plan no longer viable or appropriate.

L. ELECTION OF ALTERNATIVE PERFORMANCE EVALUATION

The CRA allows the Bank to elect to be evaluated under an alternative assessment method (the lending, investment and service test for large institutions, the small institution performance standards or the intermediate small bank performance test, as appropriate) if it fails to substantially meet the strategic plan goals for a "Satisfactory Rating".

Given the significant percentage of loans made through the Bank's motorsports loan production office that are booked outside of the Bank's assessment area, the Bank would not elect to be evaluated under the lending, investment, and service tests, the community development test, or the intermediate small bank performance standards, if the Bank fails to achieve a Satisfactory rating under this Plan.

It is the intent and expectation of the Bank's Board of Directors and Senior Management that the Bank will meet or exceed all goals established within this Plan.

M. DESIGNATED CRA ASSESSMENT AREA MAPS AND CENSUS INFORMATION

Chicago-Naperville-Evanston, Illinois Metropolitan Division (16984)



Bank's Assessment Area - Cook County, IL



Bank's Assessment Area - DuPage County, IL



