

# **PUBLIC DISCLOSURE**

May 27, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Byline Bank  
Certificate Number: 20624

180 North La Salle Street, Suite 300  
Chicago, Illinois 60601

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

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

- Lending levels reflect good responsiveness to AA credit needs.
- A high percentage of loans are made within the institution's AAs.
- The geographic distribution of loans reflects adequate penetration throughout the AAs.
- The distribution of borrower characteristics reflects adequate penetration among business customers of different sizes and income levels, given the product lines offered by the institution.
- The institution made a relatively high level of community development (CD) loans.
- The institution makes limited use of innovative and/or flexible lending practices in order to serve AAs credit needs.

**The Investment Test is rated High Satisfactory.**

- The institution has a significant level of qualified CD investments and grants, given the community needs, the institution's financial capacity and business focus, and availability of investment activities.
- The institution exhibits good responsiveness to credit and community economic development needs.

- The institution occasionally uses innovative and/or complex investments to support CD initiatives.

**The Service Test is rated High Satisfactory.**

- Delivery systems are reasonably accessible to essentially all portions of the institution's AAs.
- To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services, including business hours, do not vary in a way that inconveniences portions of the AAs, particularly LMI geographies and/or individuals.
- The institution is a leader in providing CD services.

## DESCRIPTION OF INSTITUTION

### **Background**

Byline Bank (Byline) is a \$9.6 billion commercial bank that is wholly owned by Byline Bancorp, Inc., both headquartered in Chicago, Illinois. Byline is a leading Small Business Administration (SBA) lender that has expanded its lending through its Small Business Capital (SBC) business unit. Byline received a “Satisfactory” rating at the previous FDIC CRA examination dated August 15, 2022, conducted using Interagency Large Institution CRA Examination Procedures.

### **Operations**

Byline’s main office is located in downtown Chicago but does not serve as a branch banking office, as deposits are not accepted. The bank operates a total of 48 branches in Illinois and Wisconsin, of which 8 (16.7 percent) are in LMI census tracts. The bank has 44 full-service and three limited-service branches within the Chicago metropolitan area, as well as one full-service branch in Wauwatosa, Wisconsin, within the Milwaukee-Waukesha metropolitan area. Since the previous CRA evaluation, Byline acquired two financial institutions that had 11 retail branches combined. After the mergers, management consolidated one of the acquired branches with a nearby Byline branch and closed two other branches. Management also closed one of its pre-existing branches as result of extensive fire damage, and relocated the branch in Wisconsin. In addition, Byline’s SBC business unit closed two loan production offices (LPOs) in Michigan and Tennessee, maintaining six LPOs which provide small business and SBA loans. These LPOs are located in the states of California, Illinois (two), Indiana, South Carolina, and Wisconsin. Information regarding the acquired institutions is included in the following table.

<b>Acquired Bank Name</b> (Headquarters Location)	<b>FDIC Cert. #</b>	<b>Acquisition Date</b>	<b>Total Assets</b>	<b>Most Recent CRA Rating</b>
<b>Inland Bank</b> (Oak Brook, IL)	22444	7/1/2023	\$1.2 billion (06/30/2023)	11/28/2022 (Satisfactory)
<b>First Security Trust and Savings Bank</b> (Elmwood Park, IL)	17224	4/1/2025	\$313.4 million (03/31/2025)	03/06/2022 (Satisfactory)

Byline offers a wide range of loan and deposit products for both commercial and retail customers. Commercial products include business deposit accounts, working capital lines of credit, equipment loans and leases, real estate loans, treasury management services, and merchant services. Byline is active in extending commercial loan programs through the SBA including SBA 7(a), 504, and Express Loans. The bank's retail products consist of an array of checking, savings, money market, and certificates of deposit accounts. Byline also offers mobile banking, online banking, and access to automated teller machines (ATMs) at each of its branch locations. Consumer loan products include home equity loans and lines of credit, as well as personal secured loans. Byline partners with a secondary market lender to refer longer-term home mortgage loan requests. Byline also offers investment management and trust services through its Wealth Management Services division.

## **Ability and Capacity**

According to the March 31, 2025, Consolidated Reports of Condition and Income, Byline reported total assets of \$9.6 billion, net loans of \$6.9 billion and total deposits of \$7.6 billion, yielding a net loan-to-deposit ratio of 90.8 percent and a net loan-to-asset ratio of 71.9 percent. Additionally, Byline's investment portfolio totaled approximately \$1.5 billion, 16.1 percent of total assets.

Byline experienced significant growth in both assets and loans since the previous CRA evaluation. Total assets increased \$2.5 billion, or 35.2 percent. Loans and leases increased \$1.8 billion, or 35.3 percent. Loan growth by dollar volume has been primarily in commercial real estate, commercial and industrial, loans to non-depository financial institutions, and lease financing receivables. More specifically, from June 30, 2022, to March 31, 2025, commercial real estate increased \$480.8 million (25.2 percent), commercial and industrial increased \$471.8 million (26.7 percent), loans to non-depository financial institutions increased \$341.8 million (223.9 percent), and lease financing receivables increased \$276.3 million (62.5 percent). This loan growth is primarily attributable to recent bank acquisitions.

The bank's loan portfolio as of March 31, 2025, is diversified between commercial real estate and commercial and industrial loans. Commercial lending, including commercial real estate loans and commercial and industrial loans, represents 65.6 percent of the loan portfolio and is the largest credit product. Lease financing represents 10.1 percent and obligations of state and political subdivisions in the United States (U.S.) represents 7.0 percent.

The bank's loan portfolio concentrations are further detailed in the following table.

<b>Loan Portfolio Distribution as of 03/31/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	480,032	6.8
Secured by Farmland	1,064	< 0.1
Secured by 1-4 Family Residential Properties	292,114	4.1
Secured by Multifamily (5 or more) Residential Properties	435,282	6.2
Secured by Nonfarm Nonresidential Properties	2,383,347	33.8
<b>Total Real Estate Loans</b>	<b>3,591,839</b>	<b>51.0</b>
Commercial and Industrial Loans	2,238,518	31.8
Consumer Loans	2,118	< 0.1
Obligations of State and Political Subdivisions in the U.S.	496,024	7.0
Lease Financing Receivable (net of unearned income)	718,671	10.2
<b>Total Loans</b>	<b>7,047,170</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Byline has the largest percentage of branches, loans, and deposits in the Illinois assessment area (AA). The following table demonstrates the concentration of operations in each AA.

State and Assessment Area Weighting				
Assessment Area Name	% of Loans (#)	% of Loans (\$)	% of Deposits (\$)	% of Branches (#)
Illinois AA	98.9	98.6	98.4	97.9
Wisconsin AA	1.1	1.4	1.6	2.1
<i>Source: CRA Data (2022- 2024), June 30, 2024 FDIC Summary of Deposits, Bank Records.</i>				

Examiners did not identify any financial or other legal impediments that hinder the bank's ability to provide credit within its AAs.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. Byline has designated two AAs located in two rated areas, one in each of the states in which it operates, as summarized in the table below.

Byline Bank Assessment Areas			
State	Metropolitan Statistical Area (MSA)/Metropolitan Division (MD)	Counties	Assessment Area Name
Illinois	Chicago-Naperville-Schaumburg, IL MD 16984, Elgin, IL MD 20994, and Lake County, IL MD 29404	Cook, DuPage, Kane, Kendall, Will, and Lake	Illinois AA
Wisconsin	Milwaukee-Waukesha, WI MSA 33340	Milwaukee	Wisconsin AA

The AAs are consistent with the requirements of the CRA, as they are comprised of whole geographies, do not arbitrarily exclude any LMI geographies, and include all geographies where the bank's main office, branches, and deposit-taking ATMs are located. The bank acquisitions that occurred within this evaluation period did not result in any changes to the bank's AA. A more detailed discussion of each AA (including economic and demographic data, competition, and CD opportunities) can be found in the corresponding state sections of this evaluation.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the previous evaluation dated August 15, 2022, to the current evaluation dated May 27, 2025. Examiners used the Interagency Large Institution Examination Procedures to evaluate Byline's CRA performance. These procedures include three tests: the Lending Test, Investment Test, and Service Test. The criteria for these tests are listed in the Appendix.

The bank's overall rating is determined using a points system as defined in the CRA regulation. Banks must achieve at least a Low Satisfactory rating under the Lending Test to obtain an overall Satisfactory rating. This evaluation does not include any activity performed by affiliates.

## **Activities Reviewed**

Byline's CRA performance is based on an analysis of the universe of reported small business loans originated and purchased in 2022, 2023, and 2024. Small farm, home mortgage and consumer loans were not evaluated, as these categories do not comprise a significant portion of Byline's loan portfolio and volume is nominal. Business lending represents the largest volume of overall lending during the review period and is the bank's primary lending focus. Byline ceased originating owner-occupied home mortgage loans in 2016, referring all such loan requests to a third-party nationwide provider.

Small business loans include all loans reported under CRA data collection requirements between January 1, 2022 and December 31, 2024. Byline originated 1,013 small business loans totaling \$397.1 million in 2022, 1,118 loans totaling \$358.4 million in 2023, and 1,059 loans totaling \$388.8 million in 2024.

As aggregate data reflects the performance of all lenders, it is considered a better comparator than area demographics and examiners placed more weight on the comparison of Byline's performance relative to aggregate CRA data when drawing conclusions. At the time of this CRA evaluation, aggregate CRA data was only available for 2022 and 2023.

CD loans, qualified investments, and services initiated or maintained since the previous CRA evaluation dated August 15, 2022 were also reviewed. Bank performance in the states of Illinois and Wisconsin was evaluated using full scope procedures. Byline's performance in Illinois carried the most weight when drawing conclusions, as a significant majority of the bank's loans, deposits, branches, and ATMs reside in that market. The bank's performance in Wisconsin received limited weighting in the overall rating.

In addition to bank-provided activities, this evaluation includes the activities of the acquired Inland Bank. Inland Bank was previously evaluated as an Intermediate Small Bank and included CD Activities in its prior evaluation. Considering provided activities and the CRA evaluation date of Inland Bank, these activities consist of CD Investments as prior period investments. First Security Trust and Savings Bank was evaluated only under the Lending Test as a Small Bank, and did not have any activities that warranted inclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

This Performance Evaluation includes a review of the bank's retail and CD lending performance, qualified investment activity, and both retail and CD services. Byline is considered an interstate bank, as it has branch locations in the states of Illinois and Wisconsin. Therefore, it is subject to the Interstate Banking and Branching Efficiency Act of 1994 (IBBEA). In accordance with IBBEA guidelines, this Public Evaluation includes an overall rating and a state rating for each state.



## **LENDING TEST**

A High Satisfactory rating is assigned under the Lending Test. Consistent with this rating, Byline demonstrates good responsiveness to credit needs in its AAs, taking into account the number and amount of small business loans and flexible lending practices.

Examiners placed more weight on the AA concentration, CD lending, geographic distribution, and borrower profile criteria, particularly in the Illinois AA. These criteria measure the bank's effectiveness of meeting the credit needs in LMI areas and meeting the credit needs of LMI individuals and small businesses - the primary focus of CRA. Below is a discussion of the overall conclusions for each of the performance criteria under which Byline was evaluated. Please refer to the separate analyses within each AA for more detail of the bank's performance.

### **Lending Activity**

The bank's lending levels reflect good responsiveness to the credit needs of the AAs. This conclusion was consistent in both the Illinois and Wisconsin AAs. Byline has originated a significant volume of small business loans throughout the combined AAs, particularly within the Illinois AA. Within the combined AAs, Byline originated or purchased 2,514 small business loans totaling \$823.4 million in 2022, 2023, and 2024. The bank also originated 189 CD loans totaling \$378.5 million. According to the SBA, for SBA 7(a) loans in fiscal year 2024, Byline ranked 12<sup>th</sup> among active SBA lenders nationwide, 2<sup>nd</sup> in Wisconsin, and 1<sup>st</sup> in Illinois by loan dollar volume. A complete discussion of the performance for this criterion is detailed in the corresponding state sections of the evaluation.

### **Assessment Area Concentration**

A high percentage of Byline's small business loans, by number and dollar volume, are made within the AAs. As noted in the following table, 78.8 percent of the bank's small business loans by number were originated or purchased within the AAs during the review period. By dollar volume, 72.0 percent of the bank's small business loans were within the AAs. The bank's percentage of small business loans located outside the AAs is largely attributed to the bank's broader geographic footprint through its SBA lending efforts and non-local loan production offices. The table below reflects the distribution of the bank's loans inside and outside the AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000)	%	\$(000)	%	
Small Business										
2022	808	79.8	205	20.2	1,013	297,698	75.0	99,433	25.0	397,131
2023	917	82.0	201	18.0	1,118	263,360	73.5	95,029	26.5	358,389
2024	789	74.5	270	25.5	1,059	262,317	67.5	126,528	32.5	388,845
Total	2,514	78.8	676	21.2	3,190	823,375	72.0	320,990	28.0	1,144,365
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

### **Geographic Distribution**

The bank's geographic distribution of small business loans reflects adequate penetration throughout the AAs, particularly in LMI geographies. This conclusion was consistent in both the Illinois and Wisconsin AAs.

### **Borrower Profile**

The distribution of loans to borrowers reflects, given the products offered by the institution, adequate penetration among businesses of different sizes. While performance is poor in the Wisconsin AA, this conclusion is primarily supported by adequate performance in the heavily weighted Illinois AA.

### **Innovative or Flexible Lending Practices**

Byline makes limited use of innovative and/or flexible lending practices to serve AA credit needs by offering small business loans through SBA lending products, state and federal loan programs, as well as internally developed loan products. A summary of the products follows.

### **SBA Lending**

The bank participates in SBA lending programs in Illinois and Wisconsin, and is one of the largest SBA lenders in the nation. Byline's SBA product suite includes 504 loans, 7(a) loans, and Express loans. These products provide financing to customers who would have some challenges in qualifying for conventional financing.

SBA 504 loans provide financing for the purchase of real estate, buildings, and machinery. Business owners contribute 10 percent upon acquisition, the bank lends 50 percent, and a non-profit Community Development Corporation (CDC) that supports economic growth in their local area finances the remaining 40 percent. During the review period, Byline originated six SBA 504 loans totaling \$10.9 million, of which two loans totaling \$6.4 million were originated in the bank's AAs.

SBA 7(a) loans provide financing to acquire, refinance, or improve real estate buildings, short- and long-term capital, purchase and installation of equipment and other purposes. The SBA guarantees up to a maximum of 85 percent for loan amounts less than \$150,000 and 75 percent for loan amounts greater than \$150,000. Byline originated 778 SBA 7(a) loans totaling \$1.1 billion during the review period. Of these loans, 145 totaling \$195.6 million are in the AAs.

SBA Express loans provide for working capital term loans, lines of credit, and several other purposes with an SBA guarantee of up to 50 percent of the credit amount up to \$500,000. Under this loan product the bank originated 159 loans totaling approximately \$50.3 million, with 21 loans totaling \$5.6 million in the AAs.

### ***Business Banking Express***

Byline has developed Business Banking Express products to provide credit to small businesses on fair and competitive terms. The terms include flexible Uniform Commercial Code (UCC) collateral position of either 1st or 3rd position, depending on the loan amount requested and interest rates of no higher than prime plus 4 percent for conventional lines of credit/term loans, and prime plus 10 percent for overdraft lines of credit. These loans have loan amounts set as a portion of borrower revenues, and the loans are either underwritten based on the business owner's credit score or simplified and streamlined underwriting. The following is a summary of the different types of loans offered under this program and the volume of loans originated during the review period within the AAs:

- Business Banking Express Overdraft Line of Credit is designed to help small businesses run their operations smoothly. The line features very small dollar amounts (\$1,000 to \$5,000) and require no collateral other than a personal guarantee from the business owner with no loan fees. The borrower must have been in business for 2 years or more, a credit score of 650 or higher, and have six months of deposit account tenure with the bank to qualify. During the review period, Byline originated 214 Business Banking Express Overdraft Lines of Credit totaling approximately \$1.7 million, of which all but one loan was originated in the AAs.
- Byline Express Loans provide Chicagoland small businesses with expedited financing through term loans and lines of credit of up to \$500,000. These loans provide access to funding to support working capital, equipment, inventory, and other purposes. Collateral for term loans and lines of credit in an amount of \$150,000 or less is in third position UCC filing, while collateral for amount greater than \$150,000 is in first position UCC filing. During the review period, Byline originated 460 term loans and lines of credit in an amount of \$150,000 or less totaling approximately \$46.1 million, and 24 for amounts greater than \$150,000 totaling \$8.9 million, from which a total of 476 totaling \$54.1 million are in the AAs.

### ***Advantage Illinois Program***

Byline bank is an approved participating lender in Advantage Illinois, an initiative by the Illinois Department of Commerce and Economic Opportunity to support small businesses access to funding

at lower interest rates to grow the economy and create job opportunities. Byline's participation in the program provided 14 loans totaling \$12.0 million within the bank's Illinois AA.

### ***Scale Link Small Business Microloan Purchase Program***

Scale Link is a certified Community Development Financial Institution (CDFI) that bundles microloans from CDFIs and pools them together for banks to purchase. This approach connects bank liquidity to small businesses in support of economic development in communities and entrepreneurs. Byline purchased 64 loans totaling approximately \$287,000 in the bank's AAs in support of two CDFIs.

### ***US Department of Agriculture (USDA) Lending***

Byline participates in many USDA loan programs which support small businesses. The USDA program provides guarantees for loans made to businesses that save or create jobs in rural areas. Eligible business activities include manufacturing, sales (retail and wholesale), providing services, and other activities that will provide employment and improve the economic or environmental climate. During the review period, the bank originated five USDA loans totaling \$60.1 million, none of which are in the AAs.

### **Community Development Loans**

Byline made a relatively high level of CD loans in its AAs, which provide ample CD opportunities. A significant majority of the CD loans are in the Illinois AA, which contains a substantial portion of the bank's lending, deposits, and branches.

The bank originated 189 CD loans, totaling \$378.5 million during the evaluation period. This represents approximately 6.1 percent of average net loans, based on the 11 quarters preceding this evaluation. This activity represents an increase in the dollar volume of CD loans (13.4 percent), but a decline in the percentage of total number of CD loans (17.1 percent). At the previous evaluation dated August 15, 2022, Byline originated 228 CD loans totaling \$333.7 million (7.7 percent of average loans).

Byline's CD lending was compared to the performance of four similarly situated banks (SSBs) operating within the bank's Illinois AA. These SSBs' CD loans-to-net loans ratios ranged from 4.4 to 7.6 percent. Of the four banks, one was assessed as high-satisfactory (7.6 percent) and three were assessed as low-satisfactory in their CD loan performance (4.4 - 5.9 percent). Additionally, Byline made significantly more loans (189) compared to the SSBs (between 39 and 99) for a significantly higher dollar volume (\$378.5 million versus between \$88.6 and \$195.9 million). The performance conclusion under this criterion is supported by Byline's stronger performance relative to the SSBs considering they exceed three of the four SSBs in CD lending as a percentage of average net loans and made significantly more CD loans.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (after 8/15)	15	7,260	2	400	6	9,320	1	2,000	24	18,980
2023	32	36,482	9	9,325	18	55,966	3	79,500	62	181,273
2024	19	27,551	23	34,126	28	65,722	1	2,097	71	129,496
YTD 2025	18	14,358	8	13,688	6	20,675	-	-	32	48,721
<b>Total</b>	<b>84</b>	<b>85,651</b>	<b>42</b>	<b>57,539</b>	<b>58</b>	<b>151,683</b>	<b>5</b>	<b>83,597</b>	<b>189</b>	<b>378,470</b>
<i>Source: Bank Data</i>										

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Illinois AA	82	69,291	39	48,621	51	136,301	5	83,597	177	337,810
Wisconsin AA	-	-	2	6,448	3	6,872	-	-	5	13,320
Regional	2	16,360	1	2,470	4	8,510	-	-	7	27,340
<b>Total</b>	<b>84</b>	<b>85,651</b>	<b>42</b>	<b>57,539</b>	<b>58</b>	<b>151,683</b>	<b>5</b>	<b>83,597</b>	<b>189</b>	<b>378,470</b>
<i>Source: Bank Records.</i>										

Byline's total CD lending included the six SBA 504 loans mentioned previously, and an additional 38 loans totaling \$108.2 million originated in conjunction with the SBA 504 program. Byline's 84 CD loans for affordable housing supported more than 1,000 rental housing units with rents that were maintained at a level affordable to LMI families. In addition, the affordable housing loans include operating lines to support ongoing operations of non-profits with a primary purpose of affordable housing. Community contacts identified a need for small business loans, loan pools, and affordable multifamily housing projects. Byline's CD lending has been responsive to the credit and CD needs of the AAs.

Additionally, Byline originated seven CD loans in the greater regional area. As Byline has been responsive to the needs of its AAs, additional CD credit for these loans was provided. These regional area CD loans include:

- A \$14.2 million loan to refinance a five-property multi-family real estate portfolio in Missouri. The properties consist of 219 units, of which 183 are considered affordable based on the U.S. Department of Housing and Urban Development (HUD) fair market rents (FMRs) for the area.
- A \$2.2 million loan for an adult day care program provider in Minnesota that is a licensed corporate 245D provider. The Department of Human Services (DHS) licenses certain Home and Community-Based Services (HCBS) provided to people with disabilities and those over age 65. Most of the services are funded under one of Minnesota's Medicaid waiver programs that provide financial assistance to eligible low-income individuals.
- A \$1.6 million loan to fund a start-up brewery in Wisconsin. The funds support economic development by adding jobs for LMI individuals.

## **INVESTMENT TEST**

A High Satisfactory rating is assigned under the Investment Test. Consistent with this rating, the institution has a significant level of responsiveness to the qualified CD investment needs of its AAs. Examiners considered community needs, the bank's financial capacity and business focus, investment and grant activities, and the availability of qualified investment opportunities that benefit its AAs or a broader statewide or regional area.

### **Investment and Grant Activity**

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position. Byline maintains \$104.1 million in qualified investments and \$941,000 in qualified donations, representing a significant increase since the last evaluation when the bank had \$65.8 million in qualified investments and \$874,000 in qualified donations, totaling \$66.7 million.

This level of investment activity represents 10.0 percent of average equity capital and 7.9 percent of average securities based on the 11 quarters preceding this evaluation. The level of qualified investments increased in terms of average equity capital (8.2 percent) and average securities (4.9 percent) at the previous evaluation.

Byline's CD investments are generally consistent with the performance of the aforementioned SSBs relative to average securities and equity capital. The SSBs possessed CD investments-to-average securities ratios that ranged between 1.5 and 19.6 percent. The investments-to-average equity capital ratios of the SSBs ranged between 8.0 and 16.7 percent. While Byline's results relative to average securities and equity capital are within the mid-range of the SSBs' results, Byline made significantly more CD investments (404) compared to the SSBs (between 55 and 284) for a significantly higher dollar volume (\$104.1 million versus between \$18.3 and \$51.1 million). The performance conclusion under this criterion is supported by Byline's performance relative to the SSBs. The following tables provide additional details regarding the bank's investment and donation activity.

Community Development Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	31	31,803	29	16,832	27	26,597	7	3,963	94	79,195
2022 (after 8/15)	1	4,517	1	258	3	3,000	-	-	5	7,775
2023	-	-	4	1,467	1	2,000	-	-	5	3,467
2024	3	5,606	4	2,041	1	1,000	-	-	8	8,647
YTD 2025	-	-	2	1,057	3	3,000	-	-	5	4,057
<b>Subtotal</b>	<b>35</b>	<b>41,926</b>	<b>40</b>	<b>21,655</b>	<b>35</b>	<b>35,697</b>	<b>7</b>	<b>3,963</b>	<b>117</b>	<b>103,141</b>
Qualified Grants & Donations	32	128	225	705	27	104	3	4	287	941
<b>Total</b>	<b>67</b>	<b>42,054</b>	<b>265</b>	<b>22,360</b>	<b>62</b>	<b>35,701</b>	<b>10</b>	<b>3,967</b>	<b>404</b>	<b>104,082</b>
<i>Source: Bank Data</i>										

Community Development Qualified Investments by Assessment Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Illinois	61	40,372	250	16,576	39	11,701	5	1,616	355	70,265
Wisconsin	6	1,682	7	1,005	14	15,000	-	-	27	17,687
Regional	-	-	8	4,779	9	9,000	5	2,351	22	16,130
<b>Total</b>	<b>67</b>	<b>42,054</b>	<b>265</b>	<b>22,360</b>	<b>62</b>	<b>35,701</b>	<b>10</b>	<b>3,967</b>	<b>404</b>	<b>104,082</b>
<i>Source: Bank Records. *Column and row totals do not equal due to rounding.</i>										

### **Responsiveness to Credit and Community Development Needs**

Byline exhibits good responsiveness to credit and community economic development needs, considering its performance in its AAs. The majority of the investments consistently support affordable housing, community services, and economic development activities within its AAs. Through review of economic and demographic data as well as interviews with community contacts, examiners determined that small business loans, loan pools, affordable multifamily housing projects, and assistance for first time homebuyers including LMI borrowers and small business assistance in applying for credit and financial literacy education are primary area needs in the bank's AAs.

Management made 23 new investments totaling \$23.9 million and acquired 35 investments totaling \$25.4 million from a bank they acquired to support CD needs. These include investments that serve the bank's AAs and some that served the greater regional area. All of the regional investments consist of either Small Business Investment Company (SBIC) funds which provide financing for small businesses and support economic development and job creation or municipal bonds which provide financial support for LMI school districts.

## **Community Development Initiatives**

Byline occasionally uses innovative and/or complex investments to support CD initiatives. Management's decision to invest in lending pools to finance economic development and affordable housing activities demonstrates the bank's willingness to use innovative and/or complex investments in support of CD initiatives.

## **SERVICE TEST**

A High Satisfactory rating is assigned under the Service Test. This rating is supported by adequate retail delivery systems with outstanding CD service initiatives provided to the AAs.

## **Accessibility of Delivery Systems**

Byline's delivery systems are reasonably accessible to essentially all portions of its AAs. Byline operates 48 branches with 47 in the Illinois AA and one in the Wisconsin AA. In addition, each branch has a deposit-taking ATM, and the bank operates an additional six ATMs, of which four take deposits. The bank has one branch in a low-income census tract and seven branches in moderate-income census tracts, representing 16.7 percent of all locations. The following table provides the distribution of branch locations among the census tracts income levels.

<b>Branch Distribution by Tract Income Level</b>							
<b>Tract Income Level</b>	<b>Census Tract</b>		<b>Population</b>		<b>Branches</b>		<b>Other Bank Branches</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low	327	14.2	980,812	10.6	1	2.1	5.1
Moderate	545	23.6	2,162,160	23.5	7	14.6	18.1
Middle	705	30.5	3,022,506	32.8	15	31.2	35.1
Upper	700	30.3	2,978,826	32.4	25	52.1	41.1
NA	33	1.4	62,691	0.7	0	0.0	0.6
<b>Total</b>	<b>2,310</b>	<b>100.0</b>	<b>9,206,995</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, 2023 Peer Deposit Data</i>							

The distribution of the bank's branches trails the population demographics in LMI geographies; however, the distribution of other bank branches in the market is a better indicator of the opportunities for supporting retail branches within the various tract income segments. Byline's LMI branch distribution slightly trails the concentration of all branches.

Byline offers a variety of alternative delivery systems that increase the availability of its loan and deposit products. These delivery systems utilize technology to provide customers with 24-hour account access and product information. The bank offers online and mobile banking services to personal and corporate customers, providing them the ability to review account balances, transfer funds between accounts, review account histories, view cancelled check images, and pay bills.

Bank deposit data reflects that the percentage of customers residing in LMI tracts is generally consistent with the percentage of population in LMI tracts in the AAs. Based on the number of



branches in LMI tracts, deposit data, and the availability of alternative delivery systems, examiners concluded that Byline's delivery systems are reasonably accessible to essentially all portions of the AAs.

### **Changes in Branch Locations**

The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. Since the previous CRA evaluation, Byline consolidated one branch in a middle-income census tract with an existing nearby retail branch, closed three branches (one in a moderate-, one in a middle-, and one in an upper-income census tract), and relocated one branch from an upper-income to a middle-income census tract. The branch consolidation and closures were done in accordance with the bank's internal Branch Closing Policy and Branch Network Optimization strategy, and after internal bank data analysis was performed regarding overlapping branch market areas.

### **Reasonableness of Business Hours and Services**

Services (including business hours) do not vary in a way that inconveniences portions of the AAs, particularly LMI geographies and/or individuals. The bank's operating hours and services do not vary significantly between locations, or from hours and services offered by other banks operating within the bank's AAs. Business hours are generally comparable to the market, including extended hours in most branches, with 24 -hour ATM services available at each of the branch locations. Byline offers a wide range of loan and deposit products for both commercial and retail customers. Commercial products include business deposit accounts, working capital lines of credit, express business loans, equipment loans and leases, real estate loans, SBA loans, treasury management services, and merchant services. Consumer products include checking, savings, money market, certificates of deposit, home equity loans and lines of credit, and secured personal loans. Byline partners with a leading secondary market lender to offer customers home mortgage loans.

Byline began offering the Opportunity Checking account, which meets the standards of the Cities for Financial Empowerment Fund's BankOn program. The account helps unbanked and underbanked individuals who do not qualify for traditional bank accounts to have access to affordable bank accounts. As of April 2025, Byline has 24 open and active Opportunity Checking accounts.

Byline offers a checking account available exclusively to non-profit entities called Not-For-Profit Checking. This product offers a larger number of free transactions per month, a lower minimum deposit to open, and no minimum balance or monthly maintenance fees. This product helps non-profit organizations direct more funding to their respective missions. As of April 2025, Byline has a total of 1,285 open and active Not-For-Profit checking accounts with total balances of \$51.3 million.

Through the bank's Alternative Primary ID program, Byline accepts several non-standard types of identification from immigrants who may not have access to U.S. government identification. Accepting alternative forms of identification enables greater access to open consumer bank

accounts. The bank has 3,411 accounts where the primary owner's identification is not a form of U.S. government identification.

### **Community Development Services**

Byline is a leader in providing CD services. During the evaluation period, bank employees, management, and Board members participated in 1,271 services, providing 5,478 qualifying service hours. This represents a significant increase (352.3 and 48.5 percent, respectively) since the last CRA evaluation when the bank provided 281 instances of qualifying services totaling 3,689 service hours. As of December 31, 2024, the bank had 1,018 employees and this level of service is equivalent to approximately five hours per full-time employee. Many of the services involve reoccurring activities with bank employees, management and Board members providing technical assistance to different qualifying organizations.

Byline's CD services were compared to the performance of the previously mentioned SSIs. The bank's CD services exceeded the number of services provided by the SSIs, as these SSIs' services totaled 11, 94, 118, and 879 instances. While only two of the SSBs disclosed qualified hours (325 and 3,367), Byline exceeded the performance of both. The following tables provide information on the number of services provided by year and AA.

<b>Community Development Services</b>						
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>	<b>Total (Hours)</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2022 (after 8/15)	4	121	36	-	<b>161</b>	<b>1,477</b>
2023	12	407	40	-	<b>459</b>	<b>1,758</b>
2024	12	481	50	-	<b>543</b>	<b>1,907</b>
YTD 2025	4	87	17	-	<b>108</b>	<b>336</b>
<b>Total</b>	<b>32</b>	<b>1,096</b>	<b>143</b>	<b>-</b>	<b>1,271</b>	<b>5,478</b>

*Source: Bank Data*

<b>Community Development Services by AA</b>						
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>	<b>Total Hours</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Illinois	32	1,089	131	-	<b>1,252</b>	<b>5,402</b>
Wisconsin	-	2	-	-	<b>2</b>	<b>16</b>
Regional	-	5	12	-	<b>17</b>	<b>60</b>
<b>Total</b>	<b>32</b>	<b>1,096</b>	<b>143</b>	<b>-</b>	<b>1,271</b>	<b>5,478</b>

*Source: Bank Data*

A significant number of services were devoted to CD activities related to providing technical assistance to CD organizations by serving on the Board of Directors and providing financial literacy primarily for the benefit of LMI individuals.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No violations of the substantive provisions of the anti-discrimination laws and regulations were identified during the examination; therefore, this consideration did not affect the institution's CRA rating.

### **ILLINOIS – Full-Scope Review**

#### **CRA RATING FOR ILLINOIS:**

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

**The Investment Test is rated: High Satisfactory**

**The Service Test is rated: High Satisfactory**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS**

Byline maintains 47 of its 48 branches (97.9 percent), a significant portion of its deposits (98.4 percent), and the majority of small business lending (98.6 percent) by dollar volume within this AA during the review period. Additionally, a substantial majority of CD lending, investments and services were conducted within this AA; thus, it received heavy weighting in the overall CRA performance evaluation. The following sections discuss demographic and economic information for the AA.

##### **Economic and Demographic Data**

Examiners used demographic data from the 2020 U.S. Census to analyze the bank's CRA performance and lending in 2022, 2023, and 2024. According to the 2020 U.S. Census demographic data, the AA's 2,008 census tracts reflect the following income designations:

- 247 low-income tracts
- 470 moderate-income tracts
- 613 middle-income tracts
- 654 upper-income tracts
- 24 census tracts have no income designation

The following table illustrates select 2020 U.S. Census demographic characteristics of the AA.

Demographic Information of the Assessment Area – Illinois AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,008	12.3	23.4	30.6	32.6	1.2
Population by Geography	8,267,506	9.4	23.3	32.7	34.0	0.6
Housing Units by Geography	3,301,316	9.8	22.8	32.4	34.6	0.5
Owner-Occupied Units by Geography	1,933,439	4.8	19.2	35.5	40.2	0.3
Occupied Rental Units by Geography	1,106,671	16.0	28.2	28.5	26.3	0.8
Vacant Units by Geography	261,206	20.1	25.9	25.4	27.8	0.8
Businesses by Geography	1,019,019	5.7	17.1	30.8	45.9	0.5
Farms by Geography	13,313	4.7	19.3	34.8	40.9	0.3
Family Distribution by Income Level	1,944,623	23.3	16.6	19.1	40.9	0.0
Household Distribution by Income Level	3,040,110	25.5	15.3	16.8	42.4	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL		\$92,622	Median Housing Value			\$287,166
Median Family Income MSA - 20994 Elgin, IL		\$97,326	Median Gross Rent			\$1,244
Median Family Income MSA - 29404 Lake County, IL		\$112,326	Families Below Poverty Level			8.1%
Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

According to the 2024 D&B data, 5.7 percent of businesses are located in low-income census tracts and 17.1 percent are located in moderate-income census tracts. The bank's performance under the geographic distribution criterion compares small business loans to the percentage of businesses located within geographies by income level and to aggregate performance as well, if available. These characteristics provide some insight into the overall small business credit needs and demand in LMI geographies, which are considered when evaluating Byline's geographic lending patterns.

At the prior evaluation, the name of the Chicago-Naperville-Schaumburg, IL MD was listed as the Chicago-Naperville-Evanston, IL MD. This name change occurred for 2024 due to the results of the 2020 U.S. Census results. No changes to the MD affected the counties in the banks AA. Conversely, the Lake County, IL MD was previously known as the Lake County – Kenosha County IL-WI MD and included both Lake County, IL and Kenosha County, WI. After the 2020 U.S. Census, Kenosha County was removed from the MD and became its own standalone MSA. Within the following table, the names of the MD's reflect the name during the applicable year.

The following table contains information on the 2022, 2023, and 2024 Federal Financial Institutions Examination Council (FFIEC) updated median family income levels and median family income ranges by category in each of the relevant areas in the Illinois AA.

<b>Median Family Income Ranges – Illinois AA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Chicago-Naperville-Evanston, IL Median Family Income (16984)</b>				
2022 (\$105,700)	<\$52,850	\$52,850 to <\$84,560	\$84,560 to <\$126,840	≥\$126,840
2023 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
<b>Chicago-Naperville-Schaumburg, IL MD Median Family Income (16984)</b>				
2024 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
<b>Elgin, IL MD Median Family Income (20994)</b>				
2022 (\$111,900)	<\$55,950	\$55,950 to <\$89,520	\$89,520 to <\$134,280	≥\$134,280
2023 (\$113,500)	<\$56,750	\$56,750 to <\$90,800	\$90,800 to <\$136,200	≥\$136,200
2024 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
<b>Lake County-Kenosha County, IL-WI MD Median Family Income (29404)</b>				
2022 (\$118,200)	<\$59,100	\$59,100 to <\$94,560	\$94,560 to <\$141,840	≥\$141,840
2023 (\$124,600)	<\$62,300	\$62,300 to <\$99,680	\$99,680 to <\$149,520	≥\$149,520
<b>Lake County, IL MD Median Family Income (29404)</b>				
2024 (\$129,600)	<\$64,800	\$64,800 to <\$103,680	\$103,680 to <\$155,520	≥\$155,520
<i>Source: FFIEC</i>				

Unemployment rates in each county in the Illinois AA, the State of Illinois, and the national average have risen during the evaluation period, from 2022 to 2024. The following table illustrates the relevant unemployment rates by county, state, and nationally.

<b>Unemployment Rates</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Area</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cook	5.0	4.5	5.4
DuPage	3.7	3.5	4.3
Kane	4.5	5.0	5.0
Kendall	4.0	4.5	4.5
Lake	4.4	5.1	5.0
Will	4.5	4.2	5.1
State of Illinois	4.6	4.5	5.0
National Average	3.6	3.6	4.8
<i>Source: Bureau of Labor Statistics.</i>			

D&B data from 2024 reflects that the Illinois AA contains 1,019,019 non-farm businesses with the following gross annual revenues (GARs) characteristics: 90.4 percent reported \$1 million or less, 3.5 percent reported more than \$1 million, and 6.1 percent have unknown revenues. Service industries represent the largest portion of businesses in the AA at 33.1 percent; followed by non-classifiable establishments (28.9 percent); finance, insurance, and real estate (10.5 percent); retail trade (8.9 percent); transportation, communication (6.5 percent); and construction (5.4 percent). In addition, 93.1 percent of the AA businesses have nine or fewer employees, while 93.2 percent operate from a single location.

## **Competition**

The Illinois AA reflects a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, 133 financial institutions are operating 1,846 offices within the AA. Byline ranked 14<sup>th</sup>, maintaining a 1.3 percent deposit market share. Large national and regional financial institutions operating offices within the AA hold the majority of the market share, with JP Morgan Chase Bank, BMO Harris Bank, Bank of America, The Northern Trust Company, and CIBC USA Bank combining to hold more than 61.0 percent of the total deposit market share.

This AA is also a highly competitive market for small business loans. Aggregate small business lending data for 2023 (the latest market share data available) reflects 255 reporting lenders in the Illinois AA originating 233,497 small business loans totaling over \$8.3 billion. Byline ranked 25<sup>th</sup>, possessing 0.4 percent of the market share by number of loans and 3.1 percent by dollar amount.

## **Community Contact(s)**

Examiners reviewed recent community contact interviews with non-profit housing and economic development agencies to assist in identifying and understanding the CD and credit needs of the AA. The contacts identified needs for small business loans (including programs for smaller dollar amount business loans), loan pools, and affordable multifamily housing projects, as well as assistance for first time homebuyers including LMI borrowers. They also identified a need for small business assistance in applying for credit and financial literacy education.

## **Credit and Community Development Needs and Opportunities**

Considering the information from the community contacts and demographic data, examiners determined that credit and CD needs in the Illinois AA include small business lending, affordable multifamily housing, and financial literacy for small businesses and retail customers. The relatively high level of LMI families along with the elevated percentage of businesses with revenues of \$1 million or less supports these needs.

The Illinois AA provides numerous opportunities for involvement in CD activities. The Chicago metropolitan area contains numerous Empowerment Zones and tax increment financing districts that have been designated by local or state government entities for revitalization, stabilization, or economic development. These areas are established to stimulate economic activities that include job preservation, job creation, and business development. State and local governments, as well as non-profit organizations, maintain various programs to facilitate CD needs.

## **SCOPE OF EVALUATION – ILLINOIS**

The bank's AA in the State of Illinois consists of parts of the Chicago-Naperville-Schaumburg MD, Elgin MD, and Lake County IL MD, which are part of the broader Chicago-Naperville, IL-IN-WI Combined Statistical Area (CSA). Examiners conducted a full scope review of the Illinois AA.

The Illinois AA consists of six counties located within the Chicago-Naperville, IL-IN-WI CSA. Cook, DuPage, Kendall, and Will Counties are located within the Chicago-Naperville-Schaumburg, IL MD, Lake County is located in the Lake County, IL MD, and Kane County is located in the Elgin, IL MD. The AA meets the requirements of the CRA regulation.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS**

### **LENDING TEST**

The Lending test rating is High Satisfactory within the Illinois rated area. Lending activity, XX.

#### **Lending Activity**

Lending levels reflect good responsiveness to the Illinois AA credit needs, considering the level of small business lending and dollar volume of CD loans within the AA. In 2022, 2023 and 2024, Byline originated or purchased 2,486 small business loans totaling approximately \$811.9 million in this AA. Byline also originated 177 CD loans totaling \$337.8 million (89.2 percent of total CD loans) in this AA during the current review period.

Comparisons of the bank's market share in small business lending to its deposit market share facilitates an evaluation of the bank's lending relative to its capacity. Byline's small business lending by number of loans ranked 25<sup>th</sup> among 255 lenders, (90<sup>th</sup> percentile) based on 2023 small business market share data. Within the deposit market share, the bank was ranked 14<sup>th</sup> among 133 financial institutions (89<sup>th</sup> percentile). These volumes are consistent with the size of the bank's deposit operations in the market.

#### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the AA. Examiners focused on lending concentrations in LMI census tracts and emphasized performance by number of loans, as the number of loans is a better indicator of the number of borrowers served.

#### ***Small Business Lending***

The geographic dispersion of small business loans reflects adequate penetration throughout the AA. Performance is measured against aggregate lending and the percentage of businesses by census tract income (demographic) in the AA. Aggregate lending provides a better assessment of demand in the AA, as it represents all small business loans extended within the AA by all lenders subject to the CRA data collection requirements. The following table reflects the distribution of small business loans by census tract income level.

Geographic Distribution of Small Business Loans – Illinois AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	6.1	4.8	43	5.4	13,748	4.7
2023	6.0	4.4	57	6.3	13,468	5.2
2024	5.7	--	56	7.2	15,668	6.0
Moderate						
2022	17.1	16.4	127	15.9	51,803	17.7
2023	17.0	16.0	141	15.6	41,667	16.0
2024	17.1	--	138	17.7	44,385	17.1
Middle						
2022	30.8	33.9	311	38.9	122,423	41.8
2023	30.6	33.6	299	33.0	94,269	36.3
2024	30.8	--	268	34.3	99,237	38.3
Upper						
2022	45.6	44.6	316	39.5	104,671	35.7
2023	45.8	45.5	403	44.5	107,644	41.4
2024	45.9	--	316	40.5	98,258	37.9
Not Available						
2022	0.5	0.4	3	0.4	464	0.2
2023	0.5	0.4	5	0.6	2,731	1.1
2024	0.5	--	3	0.4	1,490	0.6
Totals						
2022	100.0	100.0	800	100.0	293,109	100.0
2023	100.0	100.0	905	100.0	259,779	100.0
2024	100.0	--	781	100.0	259,038	100.0
Source: 2022, 2023 & 2024 D&B Data; Bank Data; 2022 & 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

The bank's 2022 and 2023 performance in low-income tracts equaled the demographic and exceeded the aggregate lending levels. In 2024, performance improved slightly and was above the demographic in low-income tracts. The bank's 2022 and 2023 performance in moderate-income tracts was slightly below both the demographic and aggregate lending levels. In 2024, performance improved slightly and was above the demographic in moderate-income tracts. Aggregate lending data was not available for 2024. Overall, the bank's performance compares similarly to the available aggregate lending and demographic data, and as such it demonstrates an adequate penetration of small business loans throughout the Illinois AA.



## **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among business customers of different sizes. This conclusion is supported by consistent performance in all three years. Examiners focused on performance by the number of loans, as this is a better indicator of the borrowers served.

### ***Small Business Lending***

The distribution of small business loans reflects adequate penetration among businesses of different sizes. Byline's small business loans were evaluated based on aggregate lending and lending concentration to businesses with GARs of \$1 million or less (demographic) in the Illinois AA. Again, aggregate lending provides a better assessment of demand in the AA, as it represents all small business loans made within the AA by all lenders subject to CRA data collection requirements. The following table reflects the distribution of small business loans by business revenue level.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Illinois AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2022	89.6	53.1	286	35.8	61,254	20.9
2023	90.5	56.3	342	37.8	46,148	17.8
2024	90.4	--	280	35.9	52,188	20.1
<b>&gt;\$1,000,000</b>						
2022	3.9	--	459	57.4	212,374	72.5
2023	3.5	--	499	55.1	193,062	74.3
2024	3.5	--	432	55.3	184,010	71.0
<b>Revenue Not Available</b>						
2022	6.5	--	55	6.9	19,481	6.6
2023	6.0	--	64	7.1	20,569	7.9
2024	6.1	--	69	8.8	22,840	8.8
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>800</b>	<b>100.0</b>	<b>293,109</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>905</b>	<b>100.0</b>	<b>259,779</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>781</b>	<b>100.0</b>	<b>259,038</b>	<b>100.0</b>
Source: 2022, 2023 & 2024 D&B Data; Bank Data; 2022 & 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

The bank's performance in 2022 and 2023 trails the aggregate lending levels and significantly trailed the demographic. It is important to note that demographic data does not necessarily represent an accurate picture of demand, as many smaller business entities may not be looking for bank financing and may choose to use alternative forms of financing, such as credit cards, home

equity lines of credit, or non-bank sources to fund their businesses. As previously mentioned, 93.1 percent of businesses in the AA have less than 10 employees and 93.2 percent operate from a single location; implying these smaller business entities.

Examiners also compared Byline's 2022 performance to the performance of the four previously discussed SSBs and 2023 performance to the performance of two of the previously discussed SSBs (based on what years were included in the SSB's performance evaluations). The four SSBs had performance of 32.1 (poor), 41.3 (adequate), 50.8 (good), and 58.1 (good) percents in 2022. Two SSBs had performance of 30.0 and 37.7 percent in 2023. Byline's performance was relatively consistent with these banks. The bank's origination of 156 SBA loans totaling \$191.3 million during the review period, also demonstrates its willingness to serve small businesses. Byline's lending to businesses of different sizes is adequate when considering these factors and overall performance.

### **Innovative or Flexible Lending Practices**

Byline makes limited use of innovative and/or flexible lending practices to serve AA credit needs by offering small business loans through SBA lending products, state and federal loan program, as well as internally developed loan products. As previously mentioned, for SBA 7(a) loans in fiscal year 2024, Byline ranked 12<sup>th</sup> among active SBA lenders nationwide and was 1<sup>st</sup> in Illinois by dollar volume. The following summarizes the bank's SBA and internally developed Business Bank Express lending product volumes in this AA during the review period.

<b>Innovative or Flexible Loans – Illinois AA</b>		
<b>Product</b>	<b>#</b>	<b>\$(000)</b>
SBA 7(a) Loans	136	185,961
SBA Express Loans	20	5,355
Business Banking Express Overdraft Line of Credit	212	1,663
Byline Express Loans	474	54,000
<i>Source: Bank records</i>		

Additional lending responsive to the credit needs of the bank's AA and in support of innovative and flexible lending activities includes the Advantage Illinois program where Byline provided 14 loans totaling \$12.0 million at significantly low interest rates to support small business growth within this AA.

### **Community Development Loans**

Byline has made a relatively high level of CD loans in the Illinois AA. A significant majority of the bank's CD loans are in the Illinois AA, which contains a substantial majority of the bank's lending, deposits and branches, and the AA provides ample CD opportunities.

Within the AA, the bank originated a total of 177 CD loans, totaling \$337.8 million during the evaluation period. This activity represents a decrease in the number of CD loans (17.3 percent) but an increase in the dollar volume of CD loans (10.3 percent). At the previous evaluation dated August 15, 2022, Byline originated 214 CD loans totaling \$306.2 million within the AA. The overall volume of Byline's CD lending within Illinois AA is slightly less than the bank's

lending and deposit presence in the AA.

Community Development Lending – Illinois AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (after 8/15)	15	7,260	2	400	6	9,320	1	2,000	24	18,980
2023	30	20,122	9	9,325	13	44,884	3	79,500	55	153,831
2024	19	27,551	20	25,208	26	61,422	1	2,097	66	116,278
YTD 2025	18	14,358	8	13,688	6	20,675	-	-	32	48,721
<b>Total</b>	<b>82</b>	<b>69,291</b>	<b>39</b>	<b>48,621</b>	<b>51</b>	<b>136,301</b>	<b>5</b>	<b>83,597</b>	<b>177</b>	<b>337,810</b>
<i>Source: Bank Data</i>										

The following are several examples of qualified lending activities that were particularly responsive to the AA:

- Based on HUD FMRs for the areas, the bank made 76 loans for multi-family housing which provided 884 affordable housing units.
- Refinancing and increasing the loan commitment from \$19.0 million to \$37.0 million on a loan to develop an industrial property located in an LMI area. The project received a 6B tax classification. The Class 6B classification is an economic development incentive offered by the Cook County Assessor's Office that provides a real estate tax reduction incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and industrial reutilization of abandoned buildings. The development will bring needed jobs and new businesses to the area and support revitalization efforts.
- Refinancing and increasing a loan from \$31.5 million to \$39.0 million for the construction of a meat processing facility. The location is in a Chicago Enterprise Zone, on a vacant lot, located in a low-income area. The company will move its operations from an upper-income census tract to the low-income census tract, supporting revitalization efforts.
- A \$5 million line of credit to a nonprofit that provides child welfare, substance abuse treatment, and outpatient mental health services to patients. The majority (96.0 percent) of their clients are low-income.
- A \$3.2 million dollar loan for a start-up brewery/restaurant that will provide 77 jobs for LMI workers.
- A \$4.9 million loan to build a new grocery store that will create 50 jobs for LMI workers.

## INVESTMENT TEST

The Investment Test rating for the Illinois rated area is High Satisfactory. Byline demonstrated good level of qualified investments and good responsiveness to community development needs support this conclusion.

### Investment and Grant Activity

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position. Byline maintains \$69.4 million in qualified investments and \$906,000 in qualified donations in the Illinois AA, totaling \$70.3 million. This represents an increase of 17.8

percent since the last evaluation when the bank had \$58.8 million in qualified investments and \$810,000 in qualified donations, totaling \$59.7 million. However, this level of qualified investments is relatively smaller than the bank's presence in the Illinois AA, as it represents 67.5 percent of the bank's total qualified investments. This is due to some prior period investments being reclassified from the Illinois to Wisconsin AA.

The following table provides additional details regarding the bank's investment and donation activity.

<b>Community Development Qualified Investments – Illinois AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	29	30,137	20	11,067	8	6,597	2	1,612	<b>59</b>	<b>49,413</b>
2022 (after 8/15)	1	4,517	1	258	2	2,000	-	-	<b>4</b>	<b>6,775</b>
2023	-	-	4	1,467	1	2,000	-	-	<b>5</b>	<b>3,467</b>
2024	3	5,606	4	2,041	-	-	-	-	<b>7</b>	<b>7,647</b>
YTD 2025	-	-	2	1,057	1	1,000	-	-	<b>3</b>	<b>2,057</b>
<b>Subtotal</b>	<b>33</b>	<b>40,260</b>	<b>31</b>	<b>15,890</b>	<b>12</b>	<b>11,597</b>	<b>2</b>	<b>1,612</b>	<b>78</b>	<b>69,359</b>
Qualified Grants & Donations	28	112	219	686	27	104	3	4	<b>277</b>	<b>906</b>
<b>Total</b>	<b>61</b>	<b>40,372</b>	<b>250</b>	<b>16,576</b>	<b>39</b>	<b>11,701</b>	<b>5</b>	<b>1,616</b>	<b>355</b>	<b>70,265</b>

*Source: Bank Data*

### **Responsiveness to Credit and Community Development Needs**

Byline exhibits good responsiveness to credit and community economic development needs in the Illinois AA. The majority of investments support affordable housing, community service, and economic development activities within this AA. Examiners determined that small business and affordable housing loans are primary needs in the Illinois AA.

Management made 19 new investments totaling \$19.9 million and acquired 24 investments totaling \$19.8 million from a bank they acquired to support CD needs. The majority of new investments consist of municipal bonds which provide financial support for LMI school districts, Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) bonds that support affordable housing, and SBIC funds which provide financing for small businesses. These investments support LMI communities, affordable housing, and economic development and job creation. The following are examples of qualified investments in the AA:

- Seventeen municipal bonds totaling \$9.5 million for school districts where the student population is primarily LMI.
- Ten investments in FHLMC and FNMA bonds totaling \$18.3 million. The bonds support financing affordable housing in the AA.
- Five investments in SBIC bonds totaling \$5 million that support SBA financing for small businesses.

## **Community Development Initiatives**

Byline occasionally uses innovative and/or complex investments to support CD initiatives. Management's decision to invest in lending pools to finance economic development and affordable housing activities demonstrates the bank's willingness to use innovative and/or complex investments in support of CD initiatives.

## **SERVICE TEST**

Byline demonstrated good performance under the Service Test in the Illinois rated area.

## **Accessibility of Delivery Systems**

The bank's delivery systems are reasonably accessible to essentially all portions of the AA. Byline's main office is in Chicago, Illinois, and it operates 44 full-service and three limited-service branches within the Illinois AA. The following table provides the distribution of branch locations among the census tracts income levels.

<b>Branch Distribution by Tract Income Level - Illinois AA</b>							
<b>Tract Income Level</b>	<b>Census Tract</b>		<b>Population</b>		<b>Branches</b>		<b>Other Bank branches</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low	246	12.2	779,284	9.4	1	2.1	4.6
Moderate	470	23.4	1,929,353	23.3	7	14.9	17.1
Middle	614	30.6	2,700,245	32.7	14	29.8	34.9
Upper	654	32.6	2,812,523	34.0	25	53.2	42.9
NA	24	1.2	46,101	0.6	0	0.0	0.5
<b>Total</b>	<b>2,008</b>	<b>100.0</b>	<b>8,267,506</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, 2023 Peer Deposit Data</i>							

The distribution of the bank's branches trails the population demographics in LMI geographies; however, the distribution of other bank branches in the market is a better indicator of the opportunities for supporting retail branches within the various tract income segments. Byline's LMI branch distribution slightly trails the concentration of all bank branches in the Illinois AA.

As discussed previously, Byline continues to offer a variety of alternative delivery systems that increase the availability of its loan and deposit products. Most of these delivery systems utilize technology to provide customers with 24-hour access to customer accounts and product information. The bank offers internet and mobile banking services to open accounts, pay bills, transfer funds or communicate with the bank.

Bank data reflects that nine branches in middle-income and four branches in upper-income census tracts, have at least 20.0 percent of their deposit accounts from depositors who reside in LMI census tracts. These deposit accounts (13,443) represent 32.9 percent of all deposit accounts at these branches combined. Overall, deposit accounts (37,035) maintained by depositors residing in LMI census tracts comprise 27.0 percent of the bank's deposit accounts in the AA, which is comparable with the overall population residing in LMI census tracts. Considering the branch distribution,

deposit account data, and the availability of alternative delivery systems, Byline's delivery systems are reasonably accessible to essentially all portions of the Illinois AA.

### **Changes in Branch Locations**

The closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Since the previous CRA evaluation, the bank consolidated one branch with an existing Byline branch nearby and closed three branches in the Illinois AA (one branch in a moderate-income census tract, one in a middle-income census tract, and one in an upper-income census tract). As a result of mergers and branch closures, along with changes in census tract classifications since the previous CRA evaluation, the percentage of branches decreased from 5.0 to 2.1 percent in low-income geographies and from 17.5 to 14.9 percent in moderate-income geographies.

### **Reasonableness of Business Hours and Services**

Services, including business hours do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. The bank's operating hours and services do not vary significantly from branch to branch or hours and services offered by other banks operating within the bank's AA. Overall, branch hours are comparable with other local financial institutions operating in the areas in which Byline branches are located.

Byline offers a wide variety of loan and deposit products. As discussed in the overall service section, the bank has developed a suite of business loan products targeting small businesses and entrepreneurs. Byline has been successful in providing products to serve its community and low- and moderate-income individuals through its Opportunity Checking, Alternate Primary ID, and Not-For-Profit Checking products.

### **Community Development Services**

Byline is a leader in providing CD services. Bank employees, management, and Board members provided 1,252 instances of qualifying services, totaling 5,402 service hours, representing 98.5 and 98.6 percent respectively of overall qualified instances of services and hours for the review period. This represents a significant increase (368.9 and 49.4 percent, respectively) since the last CRA evaluation when the bank provided 267 instances of qualifying services totaling 3,615 service hours. Many of the services involve reoccurring activities, with bank employees, management, and Board members providing technical assistance to 110 different qualifying organizations. The number of organizations served has also seen a significant increase (86.4 percent) from the previous CRA evaluation, when bank employees provided technical assistance to 59 different qualifying organizations.

Community Development Services – Illinois AA						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals	Total Hours
	#	#	#	#	#	#
2022 (after 8/15)	4	117	36	0	157	1,471
2023	12	404	40	0	456	1,734
2024	12	481	38	0	531	1,861
YTD 2025	4	87	17	0	108	336
<b>Total</b>	<b>32</b>	<b>1,089</b>	<b>131</b>	<b>0</b>	<b>1,252</b>	<b>5,402</b>
<i>Source: Bank Data</i>						

Qualified services primarily included employees and officers participating with organizations to improve financial literacy. The following illustrates some prominent CD services provided during the evaluation period:

- Bank officers and employees participate with numerous community-based economic development organizations to offer guidance on entrepreneurship for LMI individuals and promote economic development in the Illinois AA.
- Officers and employees teach in the corporate work study program during the summer at a local high school to prepare incoming LMI freshmen with the skills needed to be successful during their work/study internship and provide them business knowledge to succeed in a corporate environment.
- An officer serves on the advisory committee for a non-profit which supports affordable housing and living-wage jobs benefiting LMI residents. In this role, the officer reviews the organization's existing loan portfolio and new loan requests.
- Employees and officers participate with a non-profit to provide financial literacy to formally incarcerated women.
- Employees work with a non-profit organization to provide banking, budgeting, and financial literacy workshops to LMI youth in the AA.
- Employees participate with a non-profit organization focused on workforce development. The non-profit provides training courses to unemployed and underemployed residents.

## WISCONSIN – Full-Scope Review

### CRA RATING FOR WISCONSIN:

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

The Investment Test is rated: **Low Satisfactory**

The Service Test is rated: **Low Satisfactory**

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

Byline operates one of its 48 branches (2.1 percent) in Wauwatosa, Wisconsin, and a small portion of its deposit (1.6 percent) and small business lending activity (1.4 percent) by dollar volume were conducted within this AA during the review period. Also, considering the bank's overall lending activity and limited staff within the Wisconsin AA, this rated area accounted for significantly less

weighting in the overall CRA rating. The following sections discuss demographic and economic information for the AA.

### **Economic and Demographic Data**

According to the 2020 U.S. Census demographic data, the AA's 302 census tracts reflect the following income designations:

- 81 low-income tracts
- 75 moderate-income tracts
- 91 middle-income tracts
- 46 upper-income tracts
- 9 census tracts have no income designation

The following table illustrates select 2020 U.S. Census demographic characteristics of the Wisconsin AA.

Demographic Information of the Assessment Area – Wisconsin AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	302	26.8	24.8	30.1	15.2	3.0
Population by Geography	939,489	21.5	24.8	34.3	17.7	1.8
Housing Units by Geography	419,310	20.6	24.5	35.6	17.8	1.5
Owner-Occupied Units by Geography	188,430	11.0	22.8	43.5	22.3	0.4
Occupied Rental Units by Geography	195,273	27.0	26.5	29.9	14.4	2.3
Vacant Units by Geography	35,607	36.9	22.2	24.8	12.4	3.6
Businesses by Geography	97,934	18.5	24.7	31.8	23.9	1.2
Farms by Geography	1,320	19.5	23.0	34.8	22.3	0.4
Family Distribution by Income Level	210,959	31.0	19.1	20.0	30.0	0.0
Household Distribution by Income Level	383,703	31.2	17.5	18.0	33.2	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha, WI MSA		\$84,829	Median Housing Value			\$162,948
			Median Gross Rent			\$918
			Families Below Poverty Level			13.4%
Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

According to D&B data from 2024, the AA contains 97,934 non-farm businesses with the following GARs characteristics: 89.2 percent reported \$1 million or less, 3.4 percent reported more than \$1 million, and 7.4 percent have unknown revenues. Service industries represent the largest portion of businesses in the AA at 35.6 percent; followed by non-classifiable establishments (26.3 percent); retail trade (10.5 percent); finance, insurance, and real estate (9.9 percent); transportation, communication (6.4 percent); and construction (4.6 percent). In addition, 92.2 percent of AA businesses have nine or fewer employees, and 92.7 percent operate from a single location.



The following table contains information on the 2022, 2023, and 2024 FFIEC updated median family income levels and median family income ranges by category in the relevant area in the Wisconsin AA.

<b>Median Family Income Ranges – Wisconsin AA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Milwaukee-Waukesha, WI MSA Median Family Income (33340)</b>				
2022 (\$96,100)	<\$48,050	\$48,050 to <\$76,880	\$76,880 to <\$115,320	≥\$115,320
2023 (\$100,600)	<\$50,300	\$50,300 to <\$80,480	\$80,480 to <\$120,720	≥\$120,720
2024 (\$102,100)	<\$51,050	\$51,050 to <\$81,680	\$81,680 to <\$122,520	≥\$122,520
<i>Source: FFIEC</i>				

Unemployment rates in Milwaukee County, the state of Wisconsin, and the nation have risen during the evaluation period. The following table illustrates the relevant unemployment rates by county, state, and nationally.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Milwaukee County	3.5	3.5	3.7
State of Wisconsin	2.8	2.8	3.0
National Average	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics.</i>			

## **Competition**

The Wisconsin AA reflects a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, 28 financial institutions are operating 213 offices within the AA. Byline ranked 20<sup>th</sup>, maintaining a 0.2 percent deposit market share. Large national and regional financial institutions operating offices within the Wisconsin AA hold the majority of the market share, with US Bank, BMO Bank, JP Morgan Chase Bank, and Associated Bank holding over 79.0 percent of the total deposit market share.

The Wisconsin AA is also a highly competitive market for small business loans among financial institutions. Aggregate small business lending data for 2023 (the latest market share data available) reflects 108 reporting lenders originating 16,584 small business loans. Byline Bank ranked 43<sup>rd</sup> with less than 0.1 percent of the market share.

## **Community Contacts**

Examiners reviewed community contact information from representatives of an economic development organization and a chamber of commerce organization to help identify and understand the credit and CD needs of the AA. The contacts identified a need for small business loans and the need to invest capital, grow businesses, and create jobs in the AA.

## **Credit and Community Development Needs and Opportunities**

The Wisconsin AA provides various opportunities for involvement in CD activities through non-profit organizations that promote economic development. The State of Wisconsin and various local area community organizations sponsor programs that support small business growth, economic development, and revitalization and stabilization.

### **SCOPE OF EVALUATION – WISCONSIN**

The bank operates one branch in the State of Wisconsin. Examiners conducted a full scope review of the Wisconsin AA which consists of Milwaukee County within the Milwaukee-Waukesha, WI MSA.

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN**

#### **LENDING TEST**

Byline demonstrated adequate performance under the Lending Test in the Wisconsin rated area, yielding a Low Satisfactory rating.

#### **Lending Activity**

Lending levels reflect good responsiveness to the Wisconsin AA credit needs. Byline originated 28 small business loans totaling \$11.4 million in 2022, 2023, and 2024. This level of lending activity (1.1 percent by number and 1.4 percent by dollar) is relatively consistent with the concentration of the bank's deposit operations in this market (1.6 percent).

Comparing the bank's market share small business lending to its deposit market share facilitates an evaluation of the bank's lending relative to its capacity. Byline's small business lending ranking by number of loans is 43<sup>rd</sup> among 108 lenders (60<sup>th</sup> percentile). The bank's deposit market share ranking is 20<sup>th</sup> among 28 banks (29<sup>th</sup> percentile). These volumes demonstrate the bank's willingness to lend in the AA with greater volume percentage wise than their intake of deposits from this AA.

Byline originated five CD loans totaling approximately \$13.3 million (3.5 percent of total CD loans) in this AA during the current review period. This level of CD lending activity is significantly higher than the bank's overall concentration of the bank's deposit operations in this market (1.6 percent). The bank's lending activity is good considering the dollar volume of CD loans and the level of small business lending in this AA.

#### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the AA. Examiners focused on lending concentrations in LMI census tracts and emphasized performance by number of loans, as the number of loans is a better indicator of the number of borrowers served. Only loans originated in the AA were considered in the analyses.

### ***Small Business Lending***

The geographic dispersion of small business loans reflects adequate penetration throughout the AA. Performance is measured against aggregate lending and the percentage of businesses by census tract income (demographic) in the AA. Aggregate lending provides a better assessment of demand in the AA, as it represents all small business loans extended within the AA by all lenders subject to CRA data collection requirements. The following table reflects the distribution of small business loans by census tract income level.

<b>Geographic Distribution of Small Business Loans – Wisconsin AA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	18.2	14.0	3	37.5	1,704	37.1
2023	18.6	13.4	1	8.3	292	8.2
2024	18.5	--	2	25.0	1,054	32.1
Moderate						
2022	25.0	24.4	0	0.0	0	0.0
2023	24.6	25.4	3	25.0	880	24.6
2024	24.7	--	0	0.0	0	0.0
Middle						
2022	32.8	34.5	3	37.5	1,850	40.3
2023	32.0	33.6	8	66.7	2,409	67.3
2024	31.8	--	6	75.0	2,225	67.9
Upper						
2022	22.8	26.2	2	25.0	1,035	22.6
2023	23.6	26.7	0	0.0	0	0.0
2024	23.9	--	0	0.0	0	0.0
Not Available						
2022	1.2	1.0	0	0.0	0	0.0
2023	1.2	0.9	0	0.0	0	0.0
2024	1.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>4,589</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>3,581</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>8</b>	<b>100.0</b>	<b>3,279</b>	<b>100.0</b>
Source: 2022, 2023 & 2024 D&B Data; Bank Data; 2022 & 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

The bank's 2022 performance in low-income tracts exceeded the demographic and aggregate lending level, while the 2023 performance in low-income tracts was slightly below the aggregate

lending level and trailed behind demographic. In 2024, performance improved significantly and was above the demographic in low-income tracts.

The bank had no lending activity in moderate-income census tracts in 2022 and 2024, while the bank's 2023 performance in moderate-income census tracts was consistent with both the demographic data and aggregate lending levels.

Overall, the bank's performance is considered adequate considering the performance exceeding the demographic by a large margin in low-income census tracts in two of the three years reviewed.

### **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among businesses of different sizes. Examiners focused on performance by number of loans, as this is a better indicator of the borrowers served. Only loans originated in AA were considered.

### ***Small Business Lending***

The distribution of small business loans reflects poor penetration among businesses of different sizes. Byline's small business loans were evaluated based on aggregate lending and lending concentration to businesses with GARs of \$1 million or less (demographic) in the AA. The following table reflects the distribution of small business loans by business revenue level.

Distribution of Small Business Loans by Gross Annual Revenue Category – Wisconsin AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	87.2	53.6	2	25.0	1,280	27.9
2023	89.0	56.0	3	25.0	231	6.5
2024	89.2	--	3	37.5	1,279	39.0
>\$1,000,000						
2022	4.6	--	6	75.0	3,309	72.1
2023	3.5	--	9	75.0	3,350	93.5
2024	3.4	--	4	50.0	1,600	48.8
Revenue Not Available						
2022	8.2	--	0	0.0	0	0.0
2023	7.6	--	0	0.0	0	0.0
2024	7.4	--	1	12.5	400	12.2
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>4,589</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>3,581</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>8</b>	<b>100.0</b>	<b>3,279</b>	<b>100.0</b>
Source: 2022, 2023 & 2024 D&B Data; Bank Data; 2022 & 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Byline's lending to businesses with GARs of \$1 million or less trails the aggregate lending level and significantly trailed the demographic in 2022 and 2023. As mentioned previously, demographic data does not necessarily represent an accurate picture of demand, as many smaller business entities may not be looking for bank financing and may choose to use alternative forms of financing, such as credit cards, home equity lines of credit, or non-bank sources to fund their businesses. In this AA, 92.2 percent of businesses have less than 10 employees and 92.7 percent operate from a single location; implying these smaller business entities.

Examiners also compared Byline's 2022 performance to the performance of three SSBs and 2023 performance to the performance of two SSBs (based on what years were included in the SSB's CRA performance evaluations). The three SSBs had performance of 31.4 (poor), 40.0 (adequate), and 44.3 (adequate) percent in 2022 and two SSBs had performance of 21.8 (poor) and 44.2 (adequate) percent in 2023. Byline's performance was consistent with the performance of the poorly rated SSB. Considering the above factors, Byline's lending to businesses of different sizes is considered poor.

### **Innovative or Flexible Lending Practices**

Byline makes limited use of innovative and/or flexible lending practices to serve its AA credit needs. During the review period, the bank originated two SBA 504 loans totaling \$6.4 million, nine SBA 7(a) loans totaling approximately \$9.7 million and one SBA Express line of credit for

\$250,000 in this AA. Additionally in this AA, Byline originated two lines of credit and one term loan totaling \$103,500 under its Business Banking Express product line. As previously noted, for SBA 7 (a) loans in fiscal year 2024, Byline ranked 12<sup>th</sup> among active SBA lenders nationwide and was 2<sup>nd</sup> in Wisconsin by dollar volume.

### **Community Development Loans**

Byline is a leader in making CD loans in the Wisconsin AA, which provides numerous CD opportunities.

The bank originated a total of five CD loans, totaling \$13.3 million during the evaluation period. This level accounts for 3.5 percent of all CD lending, exceeding Byline's presence in the area, and relatively consistent with the previous CRA evaluation when Byline Bank originated seven CD loans totaling \$12.9 million.

<b>Community Development Lending – Wisconsin AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2022 (after 8/15)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	3	6,872	-	-	3	6,872
2024	-	-	2	6,448	-	-	-	-	2	6,448
YTD 2025	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2</b>	<b>6,448</b>	<b>3</b>	<b>6,872</b>	-	-	<b>5</b>	<b>13,320</b>
<i>Source: Bank Data</i>										

Examples of Byline's CD lending in the AA include:

- \$5.5 million in loans in conjunction with the SBA 504 program to construct a 50,000 square foot warehouse for a new location of a wholesale and retail distributor of premium outdoor power equipment.
- \$6.4 million in loans to construct a new location for a daycare franchise that will employ approximately 40 staff members with average wages considered to be low-income in the MSA.
- A \$1.4 million loan for a start-up restaurant that will employ 17 workers with salaries considered to be low-income in the MSA.

### **INVESTMENT TEST**

Byline demonstrated adequate performance under the Investment Test in the Wisconsin rated area, yielding a Low Satisfactory rating.

### **Investment and Grant Activity**

Byline has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. Byline maintains 17 qualified investments totaling \$17.7 million and \$35,000 in qualified donations. This represents an increase since the last evaluation, when the bank had \$1.0 million in qualified investments and \$56,000 in qualified donations. This increase includes the re-classification of 15 prior period investments from the Illinois AA at the previous CRA evaluation to the Wisconsin AA at this

evaluation, as the investments serve both areas. While the current level of investment and grant activity in this AA (4.2 percent by number and 16.4 percent by dollar volume) is higher than the bank's deposit (1.6 percent) and lending (1.4 percent) presence in the AA, performance is adequate, considering the reclassification of prior period investments and one new investment made.

The following table provides additional details regarding the bank's investment and donation activity.

<b>Community Development Qualified Investments - Wisconsin</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	2	1,666	1	986	13	14,000	-	-	<b>16</b>	<b>16,652</b>
2022 (after 8/15)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	1	1,000	-	-	<b>1</b>	<b>1,000</b>
YTD 2025	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>2</b>	<b>1,666</b>	<b>1</b>	<b>986</b>	<b>14</b>	<b>15,000</b>	-	-	<b>17</b>	<b>17,652</b>
Qualified Grants & Donations	4	16	6	19	-	-	-	-	<b>10</b>	<b>35</b>
<b>Total</b>	<b>6</b>	<b>1,682</b>	<b>7</b>	<b>1,005</b>	<b>14</b>	<b>15,000</b>	-	-	<b>27</b>	<b>17,687</b>
<i>Source: Bank Data</i>										

### **Responsiveness to Credit and Community Development Needs**

Byline exhibits adequate responsiveness to credit and community economic development needs, considering its performance in the Wisconsin AA. Fourteen of the 17 investments support economic development activities in the AA. Examiners determined that loans to small businesses are a primary need in the bank's AA.

### **Community Development Initiatives**

Byline occasionally uses innovative and/or complex investments to support CD initiatives. A majority of the bank's investments are in SBIC funds to support economic development.

### **SERVICE TEST**

Byline demonstrated adequate performance under the Service Test in the Wisconsin rated area, yielding a Low Satisfactory rating.

### **Accessibility of Delivery Systems**

The bank's delivery systems are reasonably accessible to essentially all portions of the AA. Byline operates one full-service branch in a middle-income census tract, which is within two miles of LMI geographies in the AA. The bank's lack of branch presence in LMI areas has not impacted its ability to reach these areas, as demonstrated in the geographic distribution of small business loans. Byline also continues to offer a variety of alternative delivery systems that increase the availability of its loan and deposit products in the market. Most of these delivery systems utilize technology to provide customers with 24-hour access to customer accounts and product information. The bank also offers internet and mobile banking to open accounts, pay bills, transfer funds, and communicate with the bank.

### **Changes in Branch Locations**

The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. Byline relocated its sole branch in an upper-income census tract in Waukesha, Wisconsin to a new location in a middle-income census tract in Wauwatosa, Wisconsin within the bank's AA.

### **Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. The bank's operating hours are comparable with other local financial institutions operating within the bank's AA.

### **Community Development Services**

Byline provides an adequate level of CD services. Bank employees provided two instances of qualifying services, totaling 16 service hours, representing less than one-half percent of overall qualified instances of services and hours for the review period. This represents a decrease since the last CRA evaluation when the bank provided 15 instances of qualifying services totaling 74 service hours. During the review period, bank personnel participated in two financial literacy events targeted at teaching LMI youth how to develop good financial habits.

As of December 31, 2024, 55 (5.4 percent) of the 1,018 bank employees worked in Wisconsin. While the current level of services is below the bank's deposit (1.6 percent) and lending (1.4 percent) presence in the AA, it is an adequate volume relative to the size of its Wisconsin AA operations and limited staff



## **APPENDICES**

### **LARGE BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and CD lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's assessment area(s);
  - ii. The dispersion of lending in the bank's assessment areas(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's CD lending, including the number and amount of CD loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

#### **Investment Test**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## **Service Test**

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its CD services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's CD services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides CD services; and
- 2) The innovativeness and responsiveness of CD services.

## SCOPE OF EVALUATION

SCOPE OF EVALUATION			
<b>TIME PERIOD REVIEWED</b>	August 15, 2022; to May 27, 2025		
<b>FINANCIAL INSTITUTION</b>			<b>PRODUCTS REVIEWED</b>
Byline Bank			Small Business, CD
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None Reviewed			

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED</b>	<b>OTHER INFORMATION</b>
Illinois	Full Scope	None	None
Wisconsin	Full Scope	None	None

## SUMMARY OF RATINGS FOR RATED AREAS

### SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS

<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall State Rating</b>
Illinois AA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Wisconsin AA	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

## GLOSSARY

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

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**CD:** For loans, investments, and services to qualify as CD activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**CD Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in CD projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**CD Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with CD as their primary mission. A CDFI facilitates the flow of lending and investment

capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include CD banks, CD loan funds, CD credit unions, micro enterprise funds, and CD venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting CD;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**CD Loan:** A loan that:

- (1) Has as its primary purpose CD; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**CD Service:** A service that:

- (1) Has as its primary purpose CD;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or

- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

**Multi-family:** Refers to a residential structure that contains five or more units.



**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan areas is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose is CD.

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

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.