

PUBLIC DISCLOSURE

March 31, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank & Trust
RSSD# 2333298

820 Church Street
Evanston, IL 60201

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

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

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BANK'S CRA RATING

First Bank & Trust is rated: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

First Bank & Trust provides credit consistent with its size, location, and the local economic conditions within the assessment area. The bank's loan-to-deposit ratio is reasonable when compared to its national peer group and local competitors. A majority of the bank's loans are originated in its delineated assessment area. The geographic distribution of loans reflects a reasonable dispersion among geographies of different income levels, and the penetration of loans among borrowers of different income levels and businesses of different sizes is also reasonable.

The bank's Community Development (CD) performance demonstrates excellent responsiveness to the CD needs of its assessment area through community development loans, investments, and services, as appropriate, considering the bank's capacity and the availability of such opportunities for community development in the bank's assessment area.

There were no Community Reinvestment Act (CRA) related complaints received by the bank or this Reserve Bank since the previous evaluation.

SCOPE OF EXAMINATION

A review of lending activities, using the Federal Financial Institutions Examinations Council's Intermediate-Small Bank Examination Procedures, was conducted to evaluate the bank's level of performance under the CRA. The bank's lending performance was based on a review of Home Mortgage Disclosure Act (HMDA) reportable loans and small business loans originated during the period of January 1, 2011 through December 31, 2012. Though included in the overall totals for HMDA-reportable loans, multifamily loans were not selected to be separately analyzed in the geographic or borrower distribution tests due to the low volume of loans compared to other HMDA-reportable loan types. HMDA-reportable loans will be referred to as "home mortgage loans" throughout this public disclosure. Analysis of loan data from 2011 was based on the 2000 U.S. Census demographic characteristics, and analysis of loan data from 2012 was based on the 2010 U.S. Census demographic characteristics. The bank's level of community development activities from October 18, 2011 through March 31, 2014 was also evaluated.

The bank is primarily a commercial lender; thus, community development is one of the most direct ways for First Bank & Trust to impact low- and moderate-income individuals and geographies. Further, management places a significant focus and emphasis on community development activities in the bank's strategy to meet assessment area credit needs. Therefore, more weight was placed on the Community Development Test than the Lending Test in the overall evaluation.

Performance in the assessment area was evaluated on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A nine quarter average loan-to-deposit ratio was calculated for the bank and compared to its national peer and a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s home mortgage and small business loans originated from January 1, 2011 to December 31, 2012 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s home mortgage and small business loans originated within the assessment area from January 1, 2011 to December 31, 2012 were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank’s home mortgage and small business loans originated within the assessment area from January 1, 2011 to December 31, 2012 were reviewed to determine the penetration among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither First Bank & Trust nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from October 18, 2011 to March 31, 2014, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

DESCRIPTION OF INSTITUTION

First Bank & Trust, with assets of \$850.4 million as of December 31, 2013, is a wholly owned subsidiary of First Evanston Bancorp, Inc., a one-bank holding company headquartered in Evanston, Illinois. First Bank & Trust operates a main office, eight branch offices, and 13 automated teller machines (ATMs) throughout northern Cook and DuPage counties in Illinois. Eleven full-service ATMs are located at branch offices, and two cash-dispensing only ATMs are located in the Evanston Police Station and Evanston Civic Center. Banking offices are situated in Evanston, Itasca, Skokie, Naperville, and Winnetka, Illinois. Since the previous evaluation, the bank opened two new branch locations; one in Skokie, Illinois, in December 2011 and one in Naperville, Illinois, in June 2012. To supplement its branch and ATM network, the bank offers 24-hour account access through its telephone and internet banking systems. It also offers remote deposit capture and electronic bill payment.

The bank offers a variety of deposit and credit products to meet the financial needs of consumers, businesses, and other entities operating in its assessment area. Deposit products include: checking, savings, NOW, money market accounts, and certificates of deposit. Credit products include: secured and unsecured consumer loans and lines of credit, first mortgage home purchase and refinance loans, home equity loans and lines of credit, construction loans, commercial loans and lines of credit, and loans secured by commercial real estate.

The bank is primarily focused on lending to small and medium sized businesses. Non-farm, non-residential real estate and commercial and industrial loans comprised 69.4 percent of the bank's loan portfolio as of December 31, 2013. At 19.0 percent, loans secured by residential real estate represent the second largest portion of the bank's portfolio. In addition to residential real estate loans originated and held in the portfolio, the bank refers applications for conforming, fixed-rate residential real estate loans to third parties. The following table provides a detailed distribution of the bank's loan portfolio as of December 31, 2013.

Composition of Loan Portfolio as of 12/31/2013 (000's)			
Category	Type	\$	%
Real Estate Secured	1-4 Family and Multi-Family Residential	121,536	19.0
	Farmland	359	0.1
	Non-farm, Non-residential	224,383	35.1
	Total Real Estate Secured	346,278	54.1
Agricultural	Agricultural	643	0.1
Commercial	Commercial and Industrial	219,630	34.3
Consumer	Loans to Individuals	40,469	6.3
Other		32,570	5.1
	Total	639,590	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>			

According to the June 30, 2013 FDIC Deposit Market Share Report, First Bank & Trust ranks 40th out of 159 FDIC insured institutions in DuPage and Cook counties. The bank held \$745.2 million in deposits, representing approximately 0.3 percent of the total deposit market share in the two counties.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities. The bank was rated Satisfactory under the CRA at its previous evaluation conducted on October 17, 2011.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHICAGO-JOLIET-NAPERVILLE, IL METROPOLITAN DIVISION (MD# 16974)

The bank's assessment area is located within the Chicago-Joliet-Naperville, IL Metropolitan Division (MD) #16974, which is part of the Chicago-Joliet-Naperville, IL-IN-WI Metropolitan Statistical Area (MSA) #16980. The assessment area contains the northern portion of Cook County, Illinois and DuPage County, Illinois in its entirety. The assessment area consists of whole political subdivisions.

The bank's assessment area changed since the previous evaluation. The bank opened two full service branch offices, one of which (Naperville, IL) resulted in expanding the assessment area from a portion of DuPage County to taking the county in its entirety. In addition, internal analysis by management resulted in slightly contracting the southern portion of the bank's assessment area in Cook County. The southern boundary was moved north from Interstate 290 to North Avenue. Finally, the 2011 assessment area was based on the 2000 U.S. Census tract definitions, and the current assessment area is based on the 2010 U.S. Census tract definitions. As a result of the revisions, the bank's assessment area increased by 121 census tracts.

Communities located in the assessment area include, but are not limited to: Evanston, Skokie, Schaumburg, Hanover Park, Bartlett, Itasca, Winnetka, Lincolnwood, Mount Prospect, Elk Grove Village, Bensenville, Addison, Bloomingdale, Naperville, and the northern portions of the City of Chicago. The northern, eastern, and western boundaries of the assessment area align with Cook and DuPage County lines. The southern boundary mirrors North Avenue in Cook County.

The following table presents a comparison of the bank's office and ATM locations to relevant demographic characteristics in the assessment area, based on distribution under the 2010 Census.

2012 Distribution of Offices and ATMs in the Assessment Area (2010 U.S. Census)						
Tract Income Level	Number of Offices	Percentage of Branches	Number of ATMs	Percentage of ATMs	Percentage of Total Families	Percentage of Businesses
Low-Income	0	0.0	0	0.0	1.7	1.0
Moderate-Income	0	0.0	0	0.0	17.2	13.6
Middle-Income	2	22.2	3	23.1	37.9	35.4
Upper-Income	7	77.8	10	76.9	43.2	49.8
Unknown	0	0.0	0	0.0	0.0	0.2
Total	9	100.0	13	100.0	100.0	100.0

One of the newly opened branch offices (Skokie) is located in a middle-income census tract, and one (Naperville) is in an upper-income census tract. The distribution of the previous seven offices, by income level of census tract, was not affected by the 2010 U.S. Census.

Additional relevant Census demographic data is provided in the tables below and were compared to the applicable aforementioned loan periods.

Assessment Area Demographics ⁽¹⁾ Based on 2000 Census Data								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	2.7	10,807	1.4	3,399	31.5	123,742	15.7
Moderate-income	107	17.0	124,734	15.9	17,340	13.9	126,604	16.1
Middle-income	233	37.0	311,415	39.6	13,295	4.3	170,523	21.7
Upper-income	272	43.2	339,233	43.1	6,205	1.8	365,320	46.5
Unknown-income	1	0.2	0	0.0	0	0.0	0	0.0
Total	630	100.0	786,189	100.0	40,239	5.1	786,189	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	#	% ⁽²⁾	%	#	%	%
Low-income	21,390	3,474	0.5	16.2	16,136	75.4	1,780	8.3
Moderate-income	217,833	71,151	9.2	32.7	135,127	62.0	11,555	5.3
Middle-income	495,161	315,035	40.9	63.6	164,546	33.2	15,580	3.1
Upper-income	533,248	380,975	49.4	71.4	136,142	25.5	16,131	3.0
Unknown-income	7	7	0.0	100.0	0	0.0	0	0.0
Total	1,267,639	770,642	100.0	60.8	451,951	35.7	45,046	3.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less than or equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,686	0.9	1,514	0.9	93	0.6	79	1.2
Moderate-income	19,371	10.7	17,042	10.6	1,399	9.7	930	14.1
Middle-income	67,383	37.1	58,657	36.5	6,219	43.1	2,507	38.0
Upper-income	93,034	51.2	83,301	51.8	6,677	46.3	3,056	46.4
Unknown-income	305	0.2	239	0.1	48	0.3	18	0.3
Total	181,779	100.0	160,753	100.0	14,436	100.0	6,590	100.0
Percentage of Total Businesses:				88.4		7.9		3.6
⁽¹⁾ Information about businesses is from 2011 Dunn & Bradstreet demographic data; all other information is based on 2000 census data. ⁽²⁾ Percentage of total owner-occupied housing, by census tract income, in the assessment area. Note: Percentages may not total 100.0 percent due to rounding.								

Assessment Area Demographics ⁽¹⁾ Based on 2010 Census								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	20	2.7	12,971	1.7	3,665	28.3	141,414	18.4
Moderate-income	132	17.6	131,903	17.2	19,230	14.6	119,612	15.6
Middle-income	270	36.0	290,475	37.9	18,768	6.5	144,936	18.9
Upper-income	328	43.7	331,699	43.2	8,978	2.7	361,086	47.1
Unknown-income	1	0.1	0	0.0	0	0.0	0	0.0
Total	751	100.0	767,048	100.0	50,641	6.6	767,048	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
	#	#	% ⁽²⁾	%	#	%	#	%
Low-income	30,835	7,318	0.9	23.7	20,184	65.5	3,333	10.8
Moderate-income	235,635	100,748	12.6	42.8	111,231	47.2	23,656	10.0
Middle-income	490,794	304,045	38.0	61.9	152,579	31.1	34,170	7.0
Upper-income	556,150	388,950	48.6	69.9	131,370	23.6	35,830	6.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total	1,313,414	801,061	100.0	61.0	415,364	31.6	96,989	7.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less than or equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,607	1.0	1,442	1.0	73	0.6	92	1.5
Moderate-income	22,095	13.6	18,800	13.2	2,262	17.2	1,033	17.1
Middle-income	57,398	35.4	50,030	35.0	5,160	39.2	2,208	36.5
Upper-income	80,683	49.8	72,350	50.6	5,627	42.7	2,706	44.7
Unknown-income	287	0.2	226	0.2	46	0.3	15	0.2
Total	162,070	100.0	142,848	100.0	13,168	100.0	6,054	100.0
Percentage of Total Businesses:				88.1		8.1		3.7
⁽¹⁾ Information about businesses is from 2012 Dunn & Bradstreet demographic data; all other information is based on 2010 census data.								
⁽²⁾ Percentage of total owner-occupied housing, by census tract income, in the assessment area.								
Note: Percentages may not total 100.0 percent due to rounding.								

For 2012, the assessment area consists of 751 census tracts. Of those, 20 (2.7 percent) are designated as low-income, 132 (17.6 percent) as moderate-income, 270 (36.0 percent) as middle-income, 328 (43.7 percent) as upper-income, and one (0.1 percent) is designated as unknown-income. The census tract with the unknown income consists of O'Hare International Airport. For 2011, although there were 121 less census tracts, the percentage breakdown of the makeup of the census tracts was similar.

Overall, the percent of low- and moderate-income (LMI) census tracts in the assessment area increased by 0.6 percent. However, the percentage of low- and moderate-income families by tract level increased by 1.6 percent, and families considered low- or moderate-income by 2.2 percent. The percentage of owner-occupied units (OOUs), as well as businesses by tract level, increased by 3.8 percent and 3.0 percent, respectively, in the LMI census tracts. The increase in LMI OOUs and businesses in LMI census tracts was primarily due to middle-income census tracts being reclassified as moderate-income at the Census change. The percent of businesses considered “small businesses” remained constant at approximately 88.0 percent.

A discussion of both 2000 and 2010 Census demographic information follows. Both sections discuss relevant population information, income characteristics, and housing data. The relevant Census demographic data were compared to the applicable loan periods.

Population Characteristics

As presented in the following table, the population for Cook County and the assessment area itself declined slightly since 2000, according to 2010 U.S. Census Bureau data. However, total population increased in the state of Illinois (the State), DuPage County, and the MD throughout the same time period, which indicates the declining trend throughout the assessment area may be somewhat localized.

Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change (%)
Assessment Area	3,207,399	3,178,267	-0.9
Cook County	5,376,741	5,194,675	-3.4
DuPage County	904,161	916,924	1.4
MD #16974	7,628,412	7,883,147	3.3
State of Illinois	12,419,293	12,830,632	3.3
Source: 2000— U.S. Census Bureau: Decennial Census 2010—U.S. Census Bureau: Decennial Census			

Income Characteristics

The U.S. Census Bureau’s American Community Survey is used to estimate median family income (MFI) for a particular geography. As the following table illustrates, income growth since the 2000 Census is generally consistent with increases in MFI, ranging from 16.5 percent for DuPage County to 22.8 percent for the State.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income	2006-2010 Median Family Income	Percentage Change (%)
Assessment Area	67,241	80,954	20.4
Cook County	53,784	65,039	20.9
DuPage County	79,314	92,423	16.5
MD #16974	60,166	72,747	20.9
State of Illinois	55,545	68,236	22.8
Source: 2000— U.S. Census Bureau: Decennial Census 2006-2010— U.S. Census Bureau: American Community Survey			

As of the 2010 Census, 6.6 percent of assessment area families live below the poverty level compared with 11.9 percent in Cook County, 4.1 percent in DuPage County, 9.4 percent in MD #16974, and 9.2 percent in the State.

Bankruptcy Characteristics

Bankruptcy filing rates per thousand people are available through calendar year 2012 from the Administrative Office of the U.S. Courts. Bankruptcy filing rates for the two counties comprising the assessment area peaked in 2010 and began declining in 2011. This data may suggest improving individual financial conditions in the assessment area. Of the 102 counties in Illinois, Cook County had the fourth highest bankruptcy filing rate in 2012, while DuPage County was 16th highest. The 2012 bankruptcy filing rates per thousand people for the two counties are as follows: Cook County 6.7 and DuPage County 4.8. For comparison, the 2012 bankruptcy filing rates for the State and the United States are 5.2 and 3.8, respectively.

Housing Characteristics

The table below illustrates recent housing trends within the counties comprising the assessment area, the MD, and the State. The median housing values and gross rents for both counties are higher when compared to the State, which is attributed to the overall higher cost of living in these areas. However, the median housing values and gross rents for the counties and the State increased considerably from 2000 to 2010. Census data for 2000 and 2010 indicated approximately 61.0 percent of all housing units in the assessment area were owner-occupied. At 86.6 percent (2010 Census), a substantial majority of the assessment area's 801,061 owner-occupied housing units are located in middle- and upper-income census tracts, comparable with the bank's assessment area (79.7 percent middle- and upper-income census tracts).

A common method to measure housing affordability is to use the affordability ratio. The ratio is defined in Appendix B of this evaluation. Based on 2010 Census data, housing affordability in the assessment area (0.20) is lower than the State (0.28), MD #16974 (0.23), Cook County (0.20), and DuPage County (0.24). This is also consistent with the 2000 Census data where the affordability ratio in the assessment area was 0.29 compared to State (0.37), MD #16974 (0.32), Cook County

(0.30), and DuPage County (0.36). This indicates housing remains less affordable in the assessment area compared to the State and counties.

Housing Costs Change 2000 and 2010				
Location	2000 Median Housing Value (\$)	2006-2010 Median Housing Value (\$)	2000 Median Gross Rent (\$)	2006-2010 Median Gross Rent (\$)
Assessment Area	190,708	328,557	743	958
Cook County	154,300	265,800	648	900
DuPage County	187,600	316,900	837	1,008
MD #16974	159,733	264,900	665	913
State of Illinois	127,800	202,500	605	834
Source: 2000—U.S. Census Bureau: Decennial Census 2006-2010—U.S. Census Bureau: American Community Survey				

From 2010 to 2012, new housing permits for single-family homes increased in the two counties comprising the assessment area, suggesting growing availability of new homes in the assessment area. The following table displays the total number of single family housing permits for each area by calendar year.

Single Family Housing Permits 2010 through 2012			
Area	2010	2011	2012
United States	446,640	413,585	514,195
State of Illinois	7,862	7,117	8,870
Cook County	716	781	1,081
DuPage County	423	586	790
Source: Bureau of Census, National Association of Realtors			

Foreclosures

The Federal Reserve Bank of Chicago conducted a study on the change in the foreclosure inventory rate at the county level. The foreclosure inventory rate (FIR) measures the number of residential properties in some phase of foreclosure and excludes properties that have completed the foreclosure cycle. The rate of foreclosure filings, as detailed in the table below, declined significantly within the counties in the assessment area and throughout the State from 2011 to October 2013.

Foreclosure Filing Rates 2011 through 2013			
Region	2011	2012	Through 10/2013
Cook County	7.5	6.7	4.5
DuPage County	4.6	3.8	2.5
State of Illinois	6.3	5.6	3.7

Employment Conditions

Unemployment rates for the counties comprising the bank's assessment area, state of Illinois, and nation indicate a weak, but recovering job market. Unemployment rates generally increased in 2009 and 2010, with considerable job losses occurring these years. However, data available through 2012 indicates employment conditions are improving. At the county level, Cook County had the highest unemployment rate of the two counties comprising the assessment area.

Unemployment Rates (%)				
Region	2009	2010	2011	2012
Cook County	10.3	10.5	10.4	9.3
DuPage County	8.4	8.3	8.0	7.3
State of Illinois	10.0	10.3	9.8	8.9
United States	9.3	9.6	8.9	8.1
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

Dunn & Bradstreet data indicates there was 162,070 businesses in the assessment area in 2012, and 88.1 percent are considered small businesses. The table below provides a list of the largest employers, and types of industry present, in the two counties that comprise the assessment area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Allstate Insurance Company	13,000	Insurance Agencies & Brokerages
University of Illinois-Chicago	11,515	College or University
Allstate Corporation	10,000	Insurance Agencies & Brokerages
University of Chicago	8,534	College or University
Johnston R. Bowman Health Center	8,000	General Medical & Surgical Hospital
Loyola University Hospital	8,000	General Medical & Surgical Hospitals
Source: http://www.illinois.gov/dceo/WorkforceDevelopment/BusinessIndustry/warn/Pages/warn-reports.aspx		

Three community representatives were contacted to help determine the credit and banking needs of the assessment area. Two community representatives indicated a continued need for affordable housing, financial literacy, and education programs for low- and moderate-income individuals and households. The third representative indicated a need to ensure small business loans remain available.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Bank & Trust's performance relative to the lending test is rated satisfactory based on a reasonable loan-to-deposit ratio, a majority of loans originated in its assessment area, reasonable dispersion of loans throughout its assessment area, and a reasonable penetration of loans to borrowers of different income levels and businesses of different sizes. Greater weight was placed on small business lending, as this is the bank's primary focus.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) Ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's average LTD ratio is 75.1 percent, which is generally comparable to its national peer group and local competitors. The table below includes the nine-quarter average LTD ratio for the bank, its national peer, and a sample of local competitors.

Comparative Loan-to-Deposit Ratios	
Institution or Group	LTD Ratio (%) 9-Quarter Average
First Bank & Trust	75.1
National Peer Group 3	74.4
Competitors	
American Chartered Bank	77.4
Glenview State Bank	41.9
North Shore Community Bank & Trust	92.4

Assessment Area Concentration

First Bank & Trust originates a majority of loans in the assessment area. The bank originated 74.2 percent by volume and 71.9 percent by dollar inside the assessment area. The following table provides a breakdown, by product, of the loans originated inside the assessment area from January 1, 2011 through December 31, 2012. As the data reflects, small business loans comprise the majority of the bank's originations during the evaluation period, consistent with the bank's focus as a small and mid-sized business lender.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase Loans	39	92.9	10,784	88.1	3	7.1	1,458	11.9
Refinanced Loans	12	80.0	6,448	72.6	3	20.0	2,430	27.4
Home Improvement Loans	37	92.5	3,915	84.0	3	7.5	743	16.0
Multi-Family Loans	1	100.0	2,475	100.0	0	0.0	0	0.0
Total HMDA-Reportable Loans	89	90.8	23,622	83.6	9	9.2	4,631	16.4
Total Small Business Loans	280	70.2	83,194	69.1	119	29.8	37,163	30.9
Total Loans	369	74.2	106,816	71.9	128	25.8	41,794	28.1
<i>Note: Percentages may not add to 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

Small Business Lending

The following tables summarize the bank's small business lending for calendar years 2011 and 2012, by income level designation of the geography. The bank's small business lending activity reflects a reasonable dispersion throughout the assessment area.

Small Business Lending, 2011 Geographic Distribution (000s)					
Census Tract Income Level	Bank Loans				Businesses by Census Tract Income Level
	#	%	\$	%	%
Low	1	0.8	125	0.4	0.9
Moderate	14	10.6	3,410	9.6	10.7
Middle	53	40.2	13,436	37.7	37.1
Upper	62	47.0	18,542	52.0	51.2
Unknown	2	1.5	122	0.3	0.2
Total	132	100.0	35,635	100.0	100.0
<i>Note: Percentages may not add to 100.0 percent due to rounding. Based on 2000 Census data.</i>					

Small Business Lending, 2012 Geographic Distribution (000s)					
Census Tract Income Level	Bank Loans				Businesses by Census Tract Income Level
	#	%	\$	%	%
Low	0	0.0	0.0	0.0	1.0
Moderate	22	14.9	6,401	13.5	13.6
Middle	45	30.4	17,534	36.9	35.4
Upper	81	54.7	23,623	49.7	49.8
Unknown	0	0.0	0	0.0	0.2
Total	148	100.0	47,558	100.0	100.0
<i>Note: Percentages may not add to 100.0 percent due to rounding. Based on 2010 Census data.</i>					

The bank does not report CRA small business data. As a result, data for aggregate small business lenders is not included in the table; however, this data is still relevant for general comparison purposes. During 2011, aggregate small business lenders made 0.7 percent by number, and 0.5 percent by dollar volume, of loans to businesses located in low-income census tracts. The aggregate small business lenders also originated 9.6 percent of loans by number, and 10.4 percent by dollar volume, in moderate-income census tracts. In 2011, the bank's lending activity in low- and moderate-income census tracts exceeded aggregate lenders and was comparable to demographics, as 11.6 percent of assessment area businesses are located in low- or moderate-income census tracts.

During 2012, aggregate small business lenders originated 0.8 percent by number, and 0.6 percent by dollar volume, of loans to businesses located in low-income census tracts. The aggregated small business lenders also originated 12.9 percent of loans by number, and 14.7 percent by dollar volume, in moderate-income census tracts. The bank's lending activity in low- and moderate-income census tracts was comparable to both aggregate performance and demographics, as 14.6 percent of assessment area businesses are located in low- or moderate-income census tracts.

Through its small business lending efforts, the bank is meeting the credit needs of its assessment area.

Home Mortgage Lending

The first table below summarizes 2011 home mortgage lending by geography income level designation. The bank's home mortgage lending activity reflects a poor dispersion throughout the assessment area. As the table shows, the bank did not originate any home mortgage loans in low-income census tracts and only two loans in moderate-income census tracts. The bank's lending activity was largely concentrated in upper-income census tracts, which is consistent with the composition of its assessment area.

The 2000 Census data indicates the 124 low- and moderate-income census tracts contain only 9.7 percent of the assessment area's owner-occupied housing stock, suggesting reduced opportunity for mortgage lending in these areas. Nevertheless, lenders in the aggregate originated 1.0 percent of loans, by number, in low-income census tracts and 8.8 percent in moderate-income census tracts, which is consistent with the percentage of owner-occupied housing available in these census tracts.

The second table (2012 originations) shows similar results to 2011 data, as there were no 2012 mortgage originations in low-income census tracts and two in moderate-income census tracts. Aggregate lenders performance was also similar to 2011, with comparable percentages.

The bank's poor performance is mitigated by multiple factors. As previously noted, mortgage lending is not the primary focus of the bank. Furthermore, many of the assessment area census tracts, including low- and moderate-income census tracts, are a considerable distance from the bank's locations. These factors, combined with the large number of mortgage originators operating in the assessment area, make it more difficult for the bank to attract potential mortgage loan applicants from these areas.

Home Mortgage Lending, 2011 Geographic Distribution (000s)							
Census Tract Income Level	Bank Loans		Bank Loans		Aggregate of All Lenders (Peer)		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	1.2	1.1	0.5
Moderate	2	9.5	157	2.5	11.3	9.6	9.2
Middle	1	4.8	45	0.7	36.7	27.9	40.9
Upper	18	85.7	6,164	96.8	50.8	61.3	49.4
Unknown	0	0.0	0	0	0.0	0.0	0.0
Total	21	100.0	6,366	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.8	0.8	
Moderate	0	0.0	0	0.0	7.8	7.2	
Middle	0	0.0	0	0.0	29.3	23.5	
Upper	2	100.0	908	100.0	62.1	68.5	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	2	100.0	908	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	7.5	0.6	
Moderate	0	0.0	0	0.0	7.5	5.9	
Middle	4	16.7	175	5.7	30.0	24.8	
Upper	20	83.3	2,870	94.3	54.9	68.6	
Unknown	0	0.0	0	0.0	0.1	0.0	
Total	24	100.0	3,045	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	2.9	3.7	
Moderate	0	0.0	0	0.0	30.5	20.2	
Middle	0	0.0	0	0.0	37.3	35.2	
Upper	0	0.0	0	0.0	29.3	40.9	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0	1.0	1.0	
Moderate	2	4.3	157	1.5	8.8	8.3	
Middle	5	10.6	220	2.1	31.2	25.0	
Upper	40	85.1	9,942	96.3	59.0	65.7	
Unknown	0	0	0	0	0.0	0.0	
Total	47	100.0	10,319	100.0	100.0	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2000 Census data.							

Home Mortgage Lending, 2012 Geographic Distribution (000s)							
Census Tract Income Level	Bank Loans		Bank Loans		Aggregate of All Lenders (Peer)		Owner- Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	1.1	0.8	0.9
Moderate	1	5.6	27	0.6	10.4	6.7	12.6
Middle	4	22.2	524	11.9	35.6	26.5	38.0
Upper	13	72.2	3,867	87.5	53.0	66.0	48.6
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	18	100.0	4,418	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.7	0.6	
Moderate	0	0.0	0	0.0	7.8	5.7	
Middle	1	10.0	90	1.6	30.2	24.0	
Upper	9	90.0	5,450	98.4	61.2	69.7	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	10	100.0	5,540	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	0.8	0.8	
Moderate	0	0.0	0	0.0	9.8	6.6	
Middle	5	38.5	80	9.2	31.7	22.2	
Upper	8	61.5	790	90.8	57.7	70.4	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	13	100.0	870	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	5.1	4.2	
Moderate	1	100.0	2,475	100.0	29.3	22.0	
Middle	0	0.0	0	0.0	34.8	37.3	
Upper	0	0.0	0	0.0	30.8	36.5	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	1	100.0	2,475	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.8	0.7	
Moderate	2	4.8	2,502	18.8	8.6	6.5	
Middle	10	23.8	694	5.2	31.5	25.0	
Upper	30	71.4	10,107	76.0	59.1	67.8	
Unknown	0	0	0	0.0	0.0	0.0	
Total	42	100.0	13,303	100.0	100.0	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2010 Census data.							

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

The distribution of borrowers reflects reasonable penetration among borrowers of different income designations, including low- and moderate-income borrowers, and businesses of different sizes.

Small Business Lending

First Bank & Trust's small business lending performance is reasonable. The bank does not report CRA small business data. As a result, data for the aggregated small business lenders is not included in the table; however, this data is still relevant for general comparison purposes. During 2011, aggregate small business lenders originated 34.0 percent by number, and 28.1 percent by dollar volume, to businesses with revenues equal to or less than \$1 million. The bank originated 29.5 percent of its small business loans by number, and 21.3 percent by dollar volume, to businesses with revenues equal to or less than \$1 million during the same period. Performance of both the bank and lenders in the aggregate is below 2011 demographics, as 88.4 percent of the businesses in the assessment area are considered small businesses.

During 2012, aggregate small business lenders originated 31.9 percent by number, and 29.3 percent by dollar volume, to businesses with revenues equal to or less than \$1 million. The bank exceeded aggregate lenders as it originated 34.5 percent of its small business loans by number, and 30.1 percent by dollar volume, to businesses with revenues equal to or less than \$1 million during the same period. Demographics for 2012 indicated that 88.1 percent of businesses in the assessment area were considered small businesses.

Small Business Loan Distribution, 2011 By Revenue and Loan Size (000s)					
Category	Bank Loans				Businesses By Annual Revenues
	#	%	\$	%	# %
By Revenue					
\$1 Million or Less	39	29.5	7,578	21.3	88.4
Over \$1 Million	93	70.5	28,057	78.7	7.9
Not Known	0	0.0	0	0.0	3.6
Total	132	100.0	35,635	100.0	100.0
By Loan Size					
\$100,000 or less	52	39.4	3,168	8.9	
\$101,000 - \$250,000	30	22.7	5,517	15.5	
\$251,000 - \$1 Million	50	37.9	26,949	75.6	
Total	132	100.0	35,634	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	22	56.4	1,143	15.1	
\$101,000 - \$250,000	7	17.9	1,065	14.0	
\$251,000 - \$1 Million	10	25.6	5,370	70.9	
Total	39	100.0	7,578	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2000 Census data,					

Small Business Loan Distribution, 2012 By Revenue and Loan Size (000s)					
Category	Bank Loans				Businesses By Annual Revenues
	#	%	\$	%	# %
By Revenue					
\$1 Million or Less	51	34.5	14,332	30.1	88.1
Over \$1 Million	96	64.9	32,477	68.3	8.1
Not Known	1	0.7	750	1.6	3.7
Total	148	100.0	47,559	100.0	100.0
By Loan Size					
\$100,000 or less	41	27.7	2,482	5.2	
\$101,000 - \$250,000	34	23.0	6,380	13.4	
\$251,000 - \$1 Million	73	49.3	38,696	81.4	
Total	148	100.0	47,558	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	19	37.3	1,195	8.3	
\$101,000 - \$250,000	9	17.6	1,599	11.2	
\$251,000 - \$1 Million	23	45.1	11,538	80.5	
Total	51	100.0	14,332	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2010 Census data,					

During 2011, 56.4 percent of small business loans were originated in amounts equal to or less than \$100,000. Loan size is a reasonable indicator of the size of the business borrower. Emphasis is placed on loans in amounts of \$100,000 or less, because the category of lending is considered most likely to benefit smaller businesses. Smaller loans typically provide the working capital necessary to maintain a small business or expand its operations. Aggregate lenders exceeded the bank's percentage and originated 91.7 percent of loans in amounts of \$100,000 or less. For 2012, the bank originated 37.7 percent of small business loans in amounts equal to or less than \$100,000. Aggregate lenders originated 92.8 percent of small business loans in amounts of \$100,000 or less.

Through its small business lending efforts, the bank is meeting the credit needs of its assessment area.

Home Mortgage Lending

The bank's record of home mortgage lending demonstrates a poor penetration among individuals of different income levels. In 2011, the bank's performance in lending to borrowers of different income levels, particularly to low- and moderate-income borrowers, was significantly below aggregate lenders. In 2011, the bank originated 8.5 percent of its home mortgage loans by number, and 4.1 percent by dollar volume, to low- and moderate-income borrowers, compared to 16.9 percent originated by number, 9.0 percent by dollar volume, by the lenders in the aggregate. Demographic data from 2011 indicates 31.8 percent of families were low- or moderate-income.

In 2012, performance improved from 2011, with the bank originating 11.9 percent of its home mortgage loans by number, and 1.5 percent by dollar volume, to low- or moderate-income borrowers. However, this was still below aggregate lenders, who originated 17.4 percent by number, and 9.2 percent by dollar volume. Demographic data from 2012 indicates 34.0 percent of families are low- or moderate-income.

Home Mortgage Lending, 2011 Borrower Distribution (000s)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	7.6	3.0	15.7
Moderate	2	9.5	151	2.4	19.2	11.5	16.1
Middle	0	0	0	0.0	20.8	16.8	21.7
Upper	19	90.5	6,215	97.6	41.1	58.1	46.5
Unknown	0	0	0	0.0	11.3	10.6	0.0
Total	21	100.0	6,366	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	4.1	2.1	
Moderate	0	0.0	0	0.0	9.5	5.6	
Middle	0	0.0	0	0.0	17.3	13.0	
Upper	1	50.0	200	22.0	52.4	64.1	
Unknown	1	50.0	708	78.0	16.8	15.2	
Total	2	100.0	908	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0	0	0.0	7.7	2.0	
Moderate	2	8.3	275	9.0	16.5	9.2	
Middle	2	8.3	250	8.2	22.1	16.8	
Upper	20	83.3	2,520	82.8	44.5	59.5	
Unknown	0	0	0	0.0	9.2	12.5	
Total	24	100.0	3,045	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	5.0	2.2	
Moderate	4	8.5	426	4.1	11.9	6.8	
Middle	2	4.3	250	2.4	18.1	13.4	
Upper	40	85.1	8,935	86.6	49.2	60.1	
Unknown	1	2.1	708	6.9	15.9	17.5	
Total	47	100.0	10,319	100.0	100.0	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2000 Census data.							

Home Mortgage Lending, 2012 Borrower Distribution (000s)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	5.6	27	0.6	7.6	2.9	18.4
Moderate	2	11.1	142	3.2	19.3	11.2	15.6
Middle	2	11.1	454	10.3	21.0	16.5	18.9
Upper	12	66.7	3,455	78.2	43.6	61.7	47.1
Unknown	1	5.6	340	7.7	8.6	7.7	0.0
Total	18	100.0	4,418	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	4.2	2.1	
Moderate	0	0.0	0	0.0	10.4	6.1	
Middle	1	10.0	122	2.2	19.1	14.3	
Upper	2	20.0	652	11.8	55.4	67.0	
Unknown	7	70.0	4,766	86.0	10.8	10.4	
Total	10	100.0	5,540	100.0	100.0	100.0	
Home Improvement Loans							
Low	1	7.7	10	1.1	4.8	1.6	
Moderate	1	7.7	20	2.3	14.1	7.7	
Middle	3	23.1	390	44.8	22.1	16.4	
Upper	8	61.5	450	51.7	48.7	61.6	
Unknown	0	0.0	0	0.0	10.2	12.6	
Total	13	100.0	870	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	1	100.0	2,475	100.0	100.0	100.0	
Total	1	100.0	2,475	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	2	4.8	37	0.3	5.0	2.2	
Moderate	3	7.1	162	1.2	12.4	7.0	
Middle	6	14.3	966	7.3	19.5	14.3	
Upper	22	52.4	4,557	34.3	52.3	63.5	
Unknown	9	21.4	7,581	57.0	10.8	12.9	
Total	42	100.0	13,303	100.0	100.0	100.0	
Note: Percentages may not add to 100.0 percent due to rounding. Based on 2010 Census data.							

COMMUNITY DEVELOPMENT TEST

First Bank & Trust's community development activity performance demonstrates an excellent responsiveness to the needs of the assessment area through community development loans, investments, and services.

Community Development Lending

During the review period, the bank originated 80 community development loans totaling \$47.9 million within its assessment area. Of those, 31 new community development loans totaling \$23.3 million were originated, and 49 community development loans totaling \$24.6 million were renewed. Loans were made to 30 different organizations engaged in community development activities. The total represents a significant increase in number and dollar volume compared to the previous evaluation period. At the previous evaluation, 39 loans totaling \$13.3 million were made to 21 different organizations.

Overall, 43.8 percent (35 loans) of community development loans were made to entities engaged in community services, including working capital loans for crisis centers and services targeted to low- and moderate-income individuals. The bank made 30.0 percent (24 loans) of its community development loans to organizations that create or maintain affordable housing developments. In addition, 18.8 percent (15 loans) were made to entities engaged in revitalization and stabilization of the assessment area through the construction and improvements of new and existing businesses, and 7.5 percent (6 loans) were made to organizations providing economic development services, including assistance with financing of small businesses. An additional 15 loans, totaling \$7.6 million, were made to other organizations that serve the public interest. While these organizations do not have a defined charter to serve low- and moderate-income individuals, they do assist children and the elderly, many of whom are low- and moderate-income.

The table below summarizes the bank's qualified community development lending activity by purpose.

Qualified Community Development Loans October 18, 2011 through March 31, 2014											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total \$
New Activity											
Chicago-Naperville-Joliet IL MD #16974	11	11,362	6	7,887	10	2,463	4	1630	31	23,343	48.7
Renewed Activity											
Chicago-Naperville-Joliet IL MD #16974	13	8,498	0	0	5	4,000	31	12,063	49	24,561	51.3
Total New and Renewed	24	19,861	6	7,887	15	6,463	35	13,693	80	47,904	100.0

Community Development Investments

During the evaluation period, First Bank & Trust made 23 qualified investments totaling \$6.9 million. The bank's investments meet a variety of community development needs identified by community representatives throughout the assessment area, which includes education programs and affordable housing.

Examples of investment activity include renewal in the Community Capital Management's qualified CRA investment fund from the prior period. The fund, in turn, invested in a Government National Mortgage Association (GNMA) mortgage pool used to finance an affordable housing rental property for seniors located in the bank's assessment area. Additionally, two investments were maintained from the Illinois Facilities Fund (IFF). The IFF, a community development financial institution (CDFI), provides nonprofit organizations serving low-income and special needs populations with flexible, below market financing for capital projects and equipment. Entities receiving financing from the IFF operate in several sectors, including education, health care, affordable and supportive housing, and human services.

The table below summarizes the bank's qualified investments activity by purpose.

Qualified Community Development Investments by Type October 18, 2011 through March 31, 2014							
	Previous Period Investments		Current Period Investments		Total Investments		
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total
Affordable Housing	1	500	0	0	1	500	7.2
Economic Development	0	0	5	1,661	5	1,661	23.9
Revitalization and Stabilization	2	161	0	0	2	161	2.3
Community Services	0	0	15	4,620	15	4,620	66.6
Total	3	661	20	6,281	23	6,942	100.0

First Bank & Trust also invested \$43,975 as grants and donations to 36 not-for-profit organizations. Funding was focused on entities promoting affordable housing and community services in the bank's assessment area.

Community Development Services

Bank staff was involved with 19 different organizations in various community development service capacities; such as board directors, presidents, treasurers, and committee members. Employees and officers participated in activities that were directly related to banking and financial services, including foreclosure prevention and providing financial expertise. The table below summarizes the bank's qualified community development service hours by purpose.

Qualified Community Development Services October 18, 2011 through March 31, 2014										
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Services Performed	6	108	8	311	0	0	19	483	33	902

Additionally, the bank is active in the SBA loan program. The program's mission is to help develop small businesses, and it not only helps to supply credit to small businesses, but simultaneously assists banks with risk mitigation, liquidity management, and regulatory compliance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Home Mortgage and Small Business Loan Lending Activity: January 1, 2011 – December 31, 2012 Community Development Activities: October 18, 2011 – March 31, 2014	
FINANCIAL INSTITUTION First Bank & Trust			PRODUCTS REVIEWED HMDA-reportable Loans Small Business Loans Community Development Loans, Investments, and Services
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Portions of the Chicago-Naperville-Joliet, IL MD #16974	Full scope review	Naperville Branch 55 Shuman Blvd Naperville, IL	No other pertinent information

APPENDIX B – Glossary

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

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

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

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

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

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

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

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

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

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

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

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

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

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

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

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

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

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

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

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

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

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

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