PUBLIC DISCLOSURE

October 16, 2017

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First Bank & Trust
RSSD# 2333298

820 Church Street
Evanston, Illinois 60201

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 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 local competitors. A majority of the bank's loans are originated in the 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 community development needs of the 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

First Bank & Trust's performance was evaluated within the context of information about the bank and its assessment area such as asset size, financial condition, competition, and economic and demographic characteristics. The assessment area comprises all of DuPage County and the northern half of Cook County in the Chicago Naperville-Arlington Heights, Illinois (IL) Metropolitan Division (MD) #16974.

The samples for this evaluation included the bank's major products, which consisted of Home Mortgage Disclosure Act (HMDA) – reportable loans (purchases, refinance, home improvement, and multi-family), and small business loans (under 1 million dollars). Small business loans by number of originations and dollar volume is significantly higher than HMDA-reportable loans. Further, the bank faces significant HMDA-reportable lending competition within its assessment area along with a strategic focus away from growing residential real estate loans. As a result, small business lending held heavier weight in the lending test evaluation.

Performance in the assessment area was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 14-quarter average loan-to-deposit ratio, ending June 30, 2017, was calculated for the bank and compared to a sample of local competitors.

- *Lending in the Assessment Area* – The bank's HMDA-reportable loans originated from January 1, 2015 to December 31, 2016, and small business loans originated from July 1, 2016 to December 31, 2016 were reviewed to determine the percentage of loans originated within the assessment area.

- *Geographic Distribution of Lending in the Assessment Area* – The bank's HMDA-reportable loans originated within the assessment area from January 1, 2015 to December 31, 2016, and small business loans originated in the assessment area from July 1, 2016 to December 31, 2016, 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 HMDA-reportable loans originated within the assessment area from January 1, 2015 to December 31, 2016, and small business loans originated in the assessment area from July 1, 2016 to December 31, 2016, were reviewed to determine the distribution 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 prior evaluation.

- *Community Development Activities* – The bank's responsiveness to community development needs through community development loans, qualified investments, and community development services, from April 1, 2014 to October 16, 2017 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

DESCRIPTION OF INSTITUTION

First Bank & Trust is wholly owned by First Evanston Bancorp Inc., a one-bank holding company. The bank has no affiliates or subsidiaries. First Bank & Trust operates a main office and eight branches within the Chicago suburbs of Evanston, Winnetka, Skokie, Itasca, and Naperville, Illinois. To supplement its branch and ATM network, the bank offers 24-hour account access through its telephone and online banking systems. The bank also offers remote deposit capture and electronic bill payment accessible through mobile banking and its transactional website (www.firstbt.com).

As of the June 30, 2017 Uniform Bank Performance Report (UBPR), the bank had total assets of $1.1 billion, representing a significant increase of approximately $251.2 million (29.1 percent) since the previous evaluation dated March 31, 2014. Deposits serve as the bank's main funding source and offer stability and low risk. As of June 30, 2017, deposits totaled $1.0 billion, with demand deposit accounts comprising 39.8 percent of total deposits. The second largest deposit product is money market accounts at 23.7 percent of all deposits. Overall, total deposits grew 26.2 percent since the previous exam dated March 31, 2014, primarily due to consistent marketing efforts and increased technological aspects of deposit services such as person-to-person payments. Deposit products include standard, non-complex accounts including checking, savings, money market, and certificates of deposit. The bank also offers overdraft protection, non-reloadable gift cards, and remittance services such as wire transfers.

At the time of this evaluation, the bank's focus is on loan growth, primarily within the commercial banking business line. Loan products include standard, non-complex mortgage, consumer, and commercial credit products. The bank is mainly focused on lending to small and medium sized businesses. Commercial loans include non-farm, non-residential real estate secured; multi-family; construction; and commercial and industrial loans, and comprise 81.9 percent of the bank's loan portfolio as of June 30, 2017. At 12.8 percent, loans secured by 1-4 family 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 June 30, 2017.

Composition of Loan Portfolio as of June 30, 2017 (000's)			
Category	**Type**	**$**	**%**
1-4 Family Residential Real Estate	1-4 Family Revolving	69,415	8.0
	1-4 Family Residential Secured by First Liens	40,516	4.6
	1-4 Residential Secured by Junior Liens	1,926	0.2
	Total 1-4 Family Residential Real Estate Secured	**111,857**	**12.8**
Agricultural	Agricultural	145	-
	Farmland	300	-
	Total Agricultural	**445**	**.05**
Commercial	Commercial and Industrial	321,233	36.7
	Owner Occupied Secured by non-farm, non-residential	267,245	30.5
	Secured by Other non-farm, non-residential	83,225	9.5
	1-4 Family Residential Construction and Land Development & Other Land Loans	17,973	2.1
	Multi-Family	27,657	3.2
	Total Commercial Loans	**717,333**	**81.9**
Consumer	Loans to Individuals	**10,128**	**1.2**
Other	State & Political Subdivisions in the US	8,271	1.0
	All Other Loans - Including Loans to Non Depository Institutions	28,151	3.2
	Total Other	**36,422**	**4.2**
	Total Gross Loans	**876,185**	**100.0**
Note: Percentages may not total to 100.0 percent due to rounding.			
Source: Uniform Bank Performance Report, June 30, 2017			

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 Outstanding under the CRA at its previous evaluation conducted on March 31, 2014.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area comprises all of DuPage County and 532 contiguous census tracks within the northern half of Cook County in the Chicago Naperville-Arlington Heights, Illinois (IL) Metropolitan Division (MD) #16974 that consists of a total of 1,759 census tracts. In total, the bank's assessment area consists of 751 census tracts of which 2.7 percent are designated as low-income, 16.9 percent are moderate-income, 36.5 percent are middle-income, 43.8 percent are upper-income, and 0.1 percent is unknown income. The one census tract of unknown income includes Berger Park, part of the City of Chicago Park District. None of the census tracts comprising the assessment area are designated as middle-income distressed or underserved tracts. Since the previous evaluation, the bank's assessment area has remained the same. The bank operates a main office and eight branches within the Chicago suburbs of Evanston, Winnetka, Skokie, Itasca, and Naperville, Illinois. The main office is located in Evanston, Illinois. In 2016, seven of the nine locations were within upper-income census tracts while the two Skokie, IL branches were in middle-income census tracts. Updated 2017 U.S. Census data designated one of the middle-income Skokie, IL census tracts as a moderate-income tract, resulting in seven locations in upper-income census tracts, one location in a middle-income census tract, and one location in a moderate-income census tract. In November 2016, the Evanston Main Street branch office was relocated a few blocks away on the same street. The bank operates a total of 14 automated teller machines (ATMs), two of which are cash-only, and the remaining 12 are full service; no ATMs are located in DuPage County.

Low- and moderate- income families comprise 18.2 percent and 15.5 percent, respectively, of the total families within the assessment area, while moderate-and upper-income families comprise 18.8 percent and 47.5 percent respectively of the total families within the assessment area. Across the entire assessment area, 6.6 percent of families live below the poverty threshold. Within low-income census tracts, only 23.7 percent of housing is owner-occupied, compared to 65.5 percent of housing that are rental units, and 10.8 percent are vacant. Moderate-income census tracts have higher rates of owner-occupancy with 41.5 percent of housing units in such tracts and 48.3 percent being rental units. According to 2016 Dun & Bradstreet data, the assessment area contains 135,693 businesses, of which 87.2 percent have revenues of $1 million or less, placing them into the designation of a small business for CRA purposes.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report from June 30, 2017, there are 116 financial institutions in Cook County with a total of 1,414 offices. Competitors include both local and national financial institutions. First Bank & Trust holds 0.3

percent of the deposit share within Cook County, ranking 30th out of a total 116 institutions. The top three institutions in the market include JPMorgan Chase, National Association; Bank of America, National Association; and, BMO Harris, National Association who collectively hold nearly half (49.9 percent) of the deposit share in the market. First Bank & Trust only has seven branch offices located in Cook County compared to larger institutions that have as many as 218 offices within the market. Within DuPage County, First Bank & Trust holds 0.6 percent of the deposit market share, ranking 26th out of 55 total institutions. The top three institutions in this market include JPMorgan Chase, National Association; PNC Bank, National Association; and, BMO Harris, National Association who collectively hold 39.7 percent of the deposit share in the market. The bank has two branch offices located in DuPage County.

The following table shows the demographics of the assessment area by income categories, housing units, and total businesses by tract for the year 2016. Please refer to Appendix B for the Combined Demographics Report from 2015.

Assessment Area: 2016 Chicago-Naperville-Arlington Heights 16974 MD								
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	139,897	18.2
Moderate-income	127	16.9	125,318	16.3	18,827	15.0	118,724	15.5
Middle-income	274	36.5	295,941	38.6	19,148	6.5	144,277	18.8
Upper-income	329	43.8	332,818	43.4	9,001	2.7	364,150	47.5
Unknown-income	1	0.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	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	
		#	%	%	#	%	#	%
Low-income	30,835	7,318	0.9	23.7	20,184	65.5	3,333	10.8
Moderate-income	225,234	93,476	11.7	41.5	108,842	48.3	22,916	10.2
Middle-income	499,104	309,913	38.7	62.1	154,493	31.0	34,698	7.0
Upper-income	558,241	390,354	48.7	69.9	131,845	23.6	36,042	6.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	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 = $1 Million		Over $1 Million		Revenue Not Reported	
		%	#	%	#	%	#	%
Low-income	1,266	0.9	1,167	1.0	92	0.6	7	0.9
Moderate-income	17,239	12.7	14,448	12.2	2,717	16.4	74	9.7
Middle-income	47,829	35.2	41,146	34.8	6,432	38.7	251	32.8
Upper-income	69,143	51.0	61,421	51.9	7,289	43.9	433	56.5
Unknown-income	216	0.2	143	0.1	72	0.4	1	0.1
Total Assessment Area	135,693	100.0	118,325	100.0	16,602	100.0	766	100.0
	Percentage of Total Businesses:			87.2		12.2		0.6

2016 FFIEC Census Data & 2016 Dun & Bradstreet Information according to 2010 ACS
Note: Percentage may not add to 100.0 percent due to rounding.

Population Characteristics

As presented in the table below, the assessment area had a population of 3,178,267 persons, according to the 2010 U.S. Census Bureau data. Within the counties that comprise the assessment area, Cook County experienced a 3.4 percent population decline since the 2000 U.S. Census. One community representative noted a decreasing middle-class population that has been negatively impacted by housing costs, particularly in Evanston, Illinois. Lower housing costs in surrounding areas may result in some of the Cook County population loss, as this middle-class seeks more affordably priced housing. Both DuPage County and the Chicago-Naperville-Arlington Heights, IL MD (Chicago MD), populations have been relatively stable, experiencing only slight growth, while the State of Illinois has experienced a modest increase.

Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Assessment Area	-	3,178,267	N/A
Cook County	5,376,741	5,194,675	-3.4
DuPage County	904,161	916,924	1.4
Chicago-Naperville-Arlington Heights, IL MD	7,135,324	7,262,718	1.8
State of Illinois	12,419,293	12,830,632	3.3
Source: 2000—U.S. Census Bureau: Decennial Census *2010—U.S. Census Bureau: Annual Population Estimates OR 2010—U.S. Census Bureau: Decennial Census*			

Income Characteristics

The U.S. Census Bureau's American Community Survey is used to estimate the median family income (MFI) for a particular geography. As the following table illustrates, income growth since the 2000 U.S. Census is generally consistent with all geographies experiencing increases in the MFI, ranging from 16.5 percent for DuPage County to 22.8 percent for the State of Illinois. As detailed below, DuPage County continued to experience a higher MFI than Cook County, the Chicago MD, and the State of Illinois.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income	2010 Median Family Income	Percentage Change
Assessment Area	-	80,954	N/A
Cook County	53,784	65,039	20.9
DuPage County	79,314	92,423	16.5
Chicago-Naperville-Arlington Heights, IL MD	60,166	72,196	20.0
State of Illinois	55,545	68,236	22.8
Source: 2000—U.S. Census Bureau: Decennial Census *2010—U.S. Census Bureau: American Community Survey*			

Bankruptcy Characteristics

The Administrative Office of the U.S. Courts collects and reports data on the number of bankruptcy filing rates per thousand people. The chart below details the most recently available information, from 2011 through calendar year 2014, for the two counties comprising the bank's assessment area, the Chicago MD, and the State of Illinois. Across all geographies evaluated, the personal bankruptcy filing rates declined from calendar year 2013 to 2014. However, Cook County continued to experience higher filing rates in comparison to DuPage County, the Chicago MD, and the State of Illinois, while DuPage County has consistently reported lower filing rates when compared to the other areas.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	**2011**	**2012**	**2013**	**2014**
Cook County, IL	6.5	6.6	6.8	6.5
DuPage County, IL	5.0	4.7	4.0	3.6
Chicago-Naperville-Arlington Heights, IL MD	6.4	6.3	6.2	5.9
State of Illinois	5.5	5.2	5.1	4.7
Source: Administrative Office of the U.S. Courts				

Housing Characteristics and Affordability

The table below presents housing cost trends within Cook and DuPage Counties, the Chicago-Naperville-Arlington Heights, IL MD (Chicago MD), and the State of Illinois. From year 2000 to 2010, the median housing values for both Cook and DuPage Counties have increased significantly, by 72.3 and 68.9 percent, respectively. Median gross rents have experienced more moderate growth in both counties, the Chicago MD, and the State of Illinois. The most significant increase in median gross rent was present in Cook County which increased 38.9 percent from 2000 to 2010. While DuPage County continued to report higher housing costs compared to Cook County, the Chicago MD, and the State of Illinois, DuPage County had a higher MFI relative to the other areas, making the higher housing costs more tenable.

Although the assessment area displayed increases in both median family income and housing costs, some areas appeared more affordable compared to others. A common method to compare the relative affordability of housing across geographic areas is to use the affordability ratio. A review of housing affordability ratios were used to measure the population's ability to afford to purchase a home, indexed to the population's income. The ratio is calculated by dividing the median household income by the median housing value. An area with a high ratio generally has more affordable housing than an area with a low ratio. As shown in the table below, Cook County has an affordability ratio of 0.20, indicating that housing is less affordable when compared to DuPage County, the Chicago MD, and the State of Illinois. While not included in the table below, housing across the region is less affordable than in 2000 when affordability ratios for the same areas ranged from 0.30 to 0.36. As noted by a community representative, there is a significant scarcity of affordable housing in many of the northern Cook County communities served by the representative's organization. As stated by the contact, the cities of Niles, Des Plaines, and Evanston have the greatest supply of affordable rental housing, typically in large apartment developments, but could continue to require additional supply to meet the ongoing demand.

Trends in Housing Costs 2000 and 2010					
Location	2000 Median Housing Value	2010 Median Housing Value	2000 Median Gross Rent	2010 Median Gross Rent	2006-2010 Affordability
Assessment Area	-	328,557	-	958	N/A
Cook County	154,300	265,800	648	900	0.20
DuPage County	187,600	316,900	837	1,008	0.24
Chicago-Naperville-Arlington Heights, IL MD	159,773	267,990	665	914	0.22
State of Illinois	127,800	202,500	605	834	0.28
Source: 2000—U.S. Census Bureau: Decennial Census *2010—U.S. Census Bureau: American Community Survey*					

Based on 2010 U.S. Census data, the assessment area had a total of 1,313,414 housing units, of which 61.0 percent were owner-occupied, 31.6 percent were rental units, and 7.4 were vacant units. A majority of the owner-occupied housing units in the assessment area are within middle- and upper-income census tracts. Of the 801,061 owner-occupied units, 38.7 percent are in middle-income census tracts, and 48.7 percent are in upper-income census tracts. The assessment area's low- and moderate- income census tracts are primarily made up of rental units. Within the assessment area's low-income tracts, 20,184 of the total 30,835 housing units (65.5 percent) are rental units. Similarly, 48.3 percent of the total 225,234 housing units in the moderate-income census tracts are rental properties. For more detailed information on the assessment area's housing unit composition, refer to the 2016 Assessment Area table located in the Description of Assessment Area section of this report.

The foreclosure inventory rates have consistently declined in the counties that comprise the bank's assessment area and the State of Illinois. The foreclosure inventory rate, which is determined by a study conducted by the Federal Reserve Bank of Chicago, measures the number of residential properties in some phase of foreclosure and excludes properties that have completed the foreclosure cycle. As of October 2016, Cook County and the State of Illinois had foreclosure rates of 1.6 and 1.5 percent, respectively. DuPage County has consistently maintained a lower foreclosure inventory rate than Cook County and the State, which reported at 0.8 percent during the same time period.

Employment Conditions

The table below presents the unemployment statistics for the counties comprising the bank's assessment area, the Chicago MD, and the State of Illinois from 2011 to 2014. The unemployment rates have consistently declined, indicating improving employment conditions occurring across all regions. DuPage County continued to have the lowest unemployment rate, while Cook County had the highest unemployment rate from 2011 to 2014. One community representative noted that DuPage County residents benefit from diverse industries offering employment opportunities, and in particular they benefit from a stable manufacturing industry and technology jobs.

Unemployment Rates				
Region	**2011**	**2012**	**2013**	**2014**
Cook County	10.4	9.3	9.6	7.4
DuPage County	8.0	7.3	7.5	5.6
Chicago-Naperville-Arlington Heights, IL MD	10.0	8.9	9.2	7.1
State of Illinois	9.8	8.9	9.2	7.1
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

According to 2016 Dun & Bradstreet data, the bank's assessment area contained 135,693 businesses, of which 87.2 percent had revenues of $1 million or less, meeting the definition of a small business for CRA purposes. The number of small businesses across the assessment area experienced a moderate decline from 2015 to 2016, with the area losing 14,144 (9.4 percent) businesses.

Detailed in the table below are the largest employers within the bank's assessment area. The assessment area contains a diverse employment base and is heavily impacted by hospitals and medical centers, universities, financial services such as insurance and investment companies, and retail stores. The largest single employer in the area is the University of Illinois-Chicago Office of Public & Government affairs with approximately 20,000 employees.

Largest Employers in the Assessment Area		
Company	**Number of Employees**	**Industry**
University of Illinois-Chicago Office of Public & Government Affairs	20,000	Schools-Universities & Colleges Academic
Allstate Insurance Company	13,000	Insurance
University Of Illinois-Chicago	11,515	Schools-Universities & Colleges Academic
CDW Government LLC	10,000	Electronic Retailing
University of Chicago Board of Trustees	8,534	Schools-Universities & Colleges Academic
Northwestern Memorial Hospital	8,375	Hospitals
Rush University Medical Center	8,337	Hospitals
Johnston R Bowman Health Center	8,000	Clinical/Medical
University Of Chicago Medicine	7,998	Hospitals
State Street Global Advisors	7,000	Investment Management
Source: InfoUSA		

Community Representatives

Three community representatives were contacted to better understand the credit and banking needs of the assessment area. The representatives provided information on housing and economic development in Cook and DuPage Counties. One contact noted that there is a significant scarcity of affordable housing in many of the communities served by the contact's organization. According to the community representative, the cities of Niles, Des Plaines, and Evanston have the greatest supply of affordable rental housing, typically in large apartment developments, but an even greater number of affordable housing units are needed to meet the demand for it. Most of the cities within the bank's assessment area have predominately high-end housing. Contacts noted that the City of Evanston has a shrinking middle-class that has been adversely impacted by rising housing costs.

As noted by one community representative, First Bank & Trust is one of the local financial institutions that provides funding to support the organization's efforts to maintain affordable housing and develop foreclosure prevention programs. In addition, another contact noted that the bank has been instrumental in assisting in its fundraising efforts geared toward providing affordable housing in the City of Evanston.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Bank & Trust's performance relative to the lending test is rated Satisfactory. Overall, the bank is meeting the credit needs of its community based on an analysis of its lending activities. The loan-to-deposit ratio is reasonable considering the characteristics of the bank, performance of local competitors, current economic conditions, and the credit needs of its assessment area. A majority of the bank's loans were originated in the assessment area. HMDA-reportable and small business lending reflects reasonable geographic distribution throughout the assessment area. Lastly, lending reflects reasonable distribution among individuals of different income levels, and businesses of different sizes and revenues.

Loan-to-Deposit Ratio

First Bank & Trust's loan-to-deposit (LTD) ratio is reasonable given the bank's asset size, financial condition, and assessment area credit needs. As of June 30, 2017, the bank's 14-quarter average LTD ratio was 81.3 percent; the ratio was in the middle of its local competitors with MB Financial, Wintrust Bank, The Private Bank, and First Midwest Bank having higher LTD ratios.

The following table compares the bank's LTD ratio to its local competitors:

Comparative Loan-to-Deposit Ratios	
Institution	**Loan-to-Deposit Ratio (%) 14 – Quarter Average**
First Bank & Trust	81.3
Local Competitors	
MB Financial	88.0
Wintrust Bank	92.0
The Private Bank	90.8
Cornerstone Bank	73.0
Glenview State Bank	46.5
First Midwest Bank	86.1
Signature Bank	79.9
Byline Bank	65.9

Assessment Area Concentration

A majority of the bank's loans were originated in the assessment area, indicating the bank is actively serving the credit needs of the community. Of the 72 total HMDA-reportable loans originated during the evaluation period of January 1, 2015 to December 31, 2016, 80.9 percent by number and 85.2 percent by dollar amount were originated inside the assessment area. In regard to small business lending, the bank had a larger concentration of lending both by number and dollar outside of its assessment area when compared to HMDA-reportable lending activity. From July 1, 2016 to December 31, 2016, the bank originated 50.5 percent by number and 47.2 percent by dollar volume of small business loans inside its assessment area. Of the total 184 loans originated during the evaluation period, 65.2 percent by number of originations and 68.6 percent by dollar volume were made within the assessment area. Management attributes the higher level of lending activity outside of its assessment area to be the result of small business owners who live within, or in close proximity to, its assessment area funding business activities occurring outside the assessment area. The majority of loans made outside of the assessment area were located in areas bordering the current CRA assessment area. The bank's overall lending activity indicates the bank is responding to the credit needs of the individuals and businesses in the assessment area. The following table provides a breakdown, by product, of the loans originated inside and outside the assessment area.

Lending Inside and Outside the Assessment Area (000s)								
Loan Type	Inside				Outside			
	#	%	$	%	#	%	$	%
Home Purchase- Conventional	37	75.5	11,247	73.6	12	24.5	4,027	26.4
Home Improvement	3	75.0	380	62.5	1	25.0	228	37.5
Refinanced Loans	18	85.7	8,290	91.7	3	14.3	751	8.3
Multi-Family Loans	14	93.3	14,681	93.5	1	6.7	1,020	6.5
Total HMDA-Reportable	**72**	**80.9**	**34,598**	**85.2**	**17**	**19.1**	**6,026**	**14.8**
Total Small Business Loans	**48**	**50.5**	**14,820**	**47.2**	**47**	**49.5**	**16,551**	**52.8**
Total Loans	**120**	**65.2**	**49,418**	**68.6**	**64**	**34.8**	**22,577**	**31.4**
Note: Percentages may not add to 100.0 percent due to rounding.								

Geographic Distribution of Loans

The bank's geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The analysis includes both HMDA-reportable and small business loans and takes into consideration the demographics and economic conditions of the assessment area. It also takes into account the composition of the bank's census tracts by income designation, which includes 20 low-income, 127 moderate-income, 274 middle-income, 329 upper-income, and one unknown income census tracts. Greater weight was placed on small business lending for this evaluation given that this is the bank's primary lending focus. Small business loans by number of originations and dollar volume is significantly higher than HMDA-reportable loans. The bank made a strategic focus on small business lending as it faced significant HMDA-reportable lending competition within the assessment area.

HMDA-Reportable Lending

Of the total 751 census tracts that make up the bank's assessment area, HMDA-reportable loans were originated in 21 census tracts in 2015 and 33 census tracts in 2016. This dispersion analysis is not truly indicative of the bank's lending activity given the small volume of HMDA-reportable lending in which the bank engages. The bank continues to be primarily focused on small business lending.

During the review period, from January 1, 2015 through December 31, 2016, the bank originated a total of 72 HMDA-reportable loans within its assessment area, of which 30 were originated in 2015 and 42 in 2016. The bank's HMDA-reportable loans include home purchase, refinance, home improvement, and multi-family loans. In 2015, home purchase loans represented 50.0 percent (15 loans) of the bank's total HMDA-reportable loans, refinanced loans represented 26.7 percent (8 loans) of the bank's total HMDA-reportable loans, home improvement loans represented 6.7 percent (2 loans) of total HMDA-reportable loans, and loans for multi-family properties represented 16.7 (5 loans) percent of total HMDA-reportable loans. In 2016, home purchase loans represented 52.4 percent (22 loans) of the bank's total HMDA-reportable loans, refinance loans represented 23.8 percent (10 loans) of the bank's total HMDA-reportable loans, home improvement represented 2.4 percent (1 loan) of total HMDA-reportable loans, and loans on multi-family projects represented 21.4 percent (9 loans) of total HMDA-reportable loans. Based on these percentages and lending volumes, a meaningful analysis could only be performed on home purchase loans. Home improvement, multi-family, and refinanced loans were not selected to be separately analyzed due to the low volume of loans originated during the review period.

Home Purchase Loans

In 2015, home purchase loans represented 50.0 percent of the bank's HMDA-reportable loans. The bank did not originate any home purchase loans in low-income census tracts; however, lending opportunity and loan demand is not high, as demonstrated by the percentage of owner-occupied housing units and percentage of aggregate lender originations. Aggregate lenders made 1.3 percent of home purchase loans in low-income census tracts and only 0.9 percent of the assessment area's owner-occupied housing units are located in low-income census tracts. The bank originated one home purchase loan in a moderate-income census tract which represented 6.7 percent of all home purchase loans originated. Lending at this level was less than the percentage of owner-occupied housing units in moderate-income census tracts (11.7 percent), and was less than the percentage of loans made by aggregate lenders in these tracts (11.0 percent). The bank also originated one home purchase loan in a middle-income census tract, again representing 6.7 percent of all home purchase loans originated in 2015. This was also less than the percentage of owner-occupied housing units in middle-income census tracts (38.7 percent) and less than the percentage of loans made by aggregate lenders in these tracts (37.3 percent). Lastly, the bank originated 13 home purchase loans in upper-income census tracts, representing 86.7 percent of all home purchase loans. This volume of lending significantly exceeded the percentage of owner-occupied housing units in upper-income census tracts (48.7 percent) and the percent of loans made by aggregate lenders in upper-income census tracts (50.4 percent).

In 2016, loan dispersion across income levels was similar to 2015 lending and also demonstrates reasonable activity.

The following table displays the bank's HMDA-reportable loans for 2015 based on geographic location of the property, and includes aggregate lender percentages and the demographics of the assessment area. The bank's geographic distribution of HMDA-reportable lending relies on 2015 aggregate lending comparisons as aggregate lending data for 2016 was not available at the time of this evaluation. The table containing the bank's 2016 geographic distribution of loans is provided in Appendix C.

Geographic Distribution of HMDA Reportable Loans

Assessment Area: 2015 Chicago-Naperville-Arlington Heights 16974 MD

Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison 2015						Owner Occupied
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$ (000s)	$ %	$ %	% of Units
Home Purchase	Low	0	0.0	1.3	0	0.0	1.1	0.9
	Moderate	1	6.7	11.0	270	4.9	8.3	11.7
	Middle	1	6.7	37.3	200	3.6	28.3	38.7
	Upper	13	86.7	50.4	5,086	91.5	62.3	48.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**15**	**100.0**	**100.0**	**5,556**	**100.0**	**100.0**	**100.0**
Refinance	Low	0	0.0	1.0	0	0.0	0.8	0.9
	Moderate	0	0.0	8.8	0	0.0	6.2	11.7
	Middle	2	25.0	33.2	449	14.3	24.8	38.7
	Upper	6	75.0	57.0	2,682	85.7	68.2	48.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**8**	**100.0**	**100.0**	**3,131**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	1.2	0	0.0	0.7	0.9
	Moderate	0	0.0	9.4	0	0.0	5.8	11.7
	Middle	2	100.0	33.1	135	100.0	21.9	38.7
	Upper	0	0.0	56.2	0	0.0	71.6	48.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**2**	**100.0**	**100.0**	**135**	**100.0**	**100.0**	**100.0**
Multi-Family								**Multi-Family**
	Low	0	0.0	4.1	0	0.0	3.6	4.8
	Moderate	2	40.0	30.4	1,714	51.7	18.3	22.6
	Middle	0	0.0	34.0	0	0.0	26.8	37.3
	Upper	3	60.0	31.5	1,600	48.3	51.2	35.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**5**	**100.0**	**100.0**	**3,314**	**100.0**	**100.0**	**100.0**
HMDA Totals	Low	0	0.0	1.2	0	0.0	1.1	0.9
	Moderate	3	10.0	10.1	1,984	16.3	7.9	11.7
	Middle	5	16.7	35.1	784	6.5	26.4	38.7
	Upper	22	73.3	53.6	9,368	77.2	64.6	48.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**30**	**100.0**	**100.0**	**12,136**	**100.0**	**100.0**	**100.0**

Originations & Purchases

2015 FFIEC Census Data

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

Small Business Lending

The dispersion of small business loans throughout the assessment area is reasonable. During the review period from July 1, 2016 through December 31, 2016, the bank did not make any small business loans in low-income census tracts. Demographic information shows that 0.9 percent of the businesses comprising the bank's assessment area are located in low-income census tracts, which indicated that there were limited opportunities to lend there. However, the bank made 22.9 percent of its small business loans to businesses located in moderate-income census tracts which exceeded the percentage of businesses located in moderate-income census tracts (12.7 percent). The bank made 29.2 percent of its small business loans to businesses located in middle-income census tracts, which was less than the percentage of businesses located in middle-income census tracts (35.2 percent). Lastly, the bank made 47.9 percent of its small business loans to businesses located in upper-income census tracts which was slightly less than the percentage of businesses located in upper-income census tracts (51.0 percent).

The following table displays the bank's geographic distribution of small business loans for the time period of July 1, 2016 through December 31, 2016.

Geographic Distribution of Small Business Loans
Assessment Area: 2016 Chicago-Naperville-Arlington Heights 16974 MD

	Tract Income Levels	Bank & Demographic Comparison 2016				
		Count Bank		Dollar Bank		Total Businesses
		#	%	$ 000s	$ %	%
Small Business	Low	0	0.0	0	0.0	0.9
	Moderate	11	22.9	3,186	21.5	12.7
	Middle	14	29.2	5,506	37.2	35.2
	Upper	23	47.9	6,127	41.3	51.0
	Unknown	0	0.0	0	0.0	0.2
	Total	**48**	**100.0**	**14,820**	**100.0**	**100.0**

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

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

The overall distribution of loans, based on borrower income and revenue characteristics, reflects reasonable penetration among individuals of different income levels and reasonable penetration among businesses of different revenue sizes. Greater weight was placed on small business lending for this evaluation given that this is the bank's primary lending focus. Small business loans by number of originations and dollar volume is significantly higher than HMDA-reportable loans. Further, the bank faces significant HMDA-reportable lending competition along with an emphasized strategic focus on small business lending rather than residential real estate lending.

HMDA-Reportable Lending

The distribution of home mortgage lending among low- and moderate-income borrowers is reasonable. During the review period from January 1, 2015 through December 31, 2016, the bank originated 1.4 percent of total HMDA-reportable loans to low-income borrowers, and 2.8 percent to moderate-income borrowers. By family income, low- and moderate-income borrowers comprise 18.2 percent and 15.5 percent, respectively, of the bank's assessment area. The fact that 6.6 percent of families were living below the poverty level was also considered in the evaluation, as that impacts the percentage of low-income borrowers who can afford a mortgage. The bank originated 13.9 percent of its HMDA-reportable loans to middle-income borrowers, which is less than the percentage of families designated as middle-income (18.8 percent). The bank originated 37.5 percent of its HMDA-reportable loans to upper-income borrowers which is less than the percentage of families designated as upper-income (47.5 percent). Lastly, the bank originated 32 loans, which comprised 44.4 percent of its total HMDA-reportable loans, to borrowers whose income was unknown.

In 2015, home purchase loans represented 50.0 percent of the bank's total HMDA-reportable loans, refinance loans represented 26.7 percent of the bank's total HMDA-reportable loans, home improvement loans represented 6.7 percent of total HMDA-reportable loans, and loans for multi-family properties represented 16.7 percent of total HMDA-reportable loans. In 2016, home purchase loans represented 52.4 percent of the bank's total HMDA-reportable loans, refinance loans represented 23.8 percent of the bank's total HMDA-reportable loans, home improvement represented 2.4 percent of total HMDA-reportable loans, and loans on multi-family projects represented 21.4 percent of total HMDA-reportable loans. Based on these percentages and lending volumes, a meaningful analysis could only be performed on home purchase loans. Refinance, home improvement, and multi-family loans will not be separately evaluated.

Home Purchase

Home purchase loans represented 50.0 percent of the bank's total HMDA-reportable loans in 2015. The bank did not originate any home purchase loans to low-income borrowers even though aggregate lenders originated 5.2 percent of their loans to low-income borrowers, and 18.2 percent of families located in the assessment area are designated as low-income. The bank originated two home purchase loans (13.3 percent) to moderate-income borrowers which was slightly less than the percentage of loans originated by aggregate lenders to moderate-income borrowers (16.2 percent), as well as the percentage of families designated as moderate-income (15.5 percent). The bank originated one home purchase loan to a middle-income borrower (6.7 percent) which was less than the percentage of loans originated by aggregate lenders to middle-income borrowers (19.3 percent) as well as the percentage of families designated as middle-income (18.8 percent). The bank originated eight home purchase loans to upper-income borrowers (53.3 percent) which exceeded the percentage of loans originated by aggregate lenders (42.5 percent) to upper-income borrowers as well as the percentage of families designated as upper-income (47.5 percent). The bank also originated four home purchase loans (26.7 percent) to borrowers whose income was unknown.

In 2016, loan penetration among individuals of different income levels was similar to 2015 lending and also demonstrates reasonable activity.

The following table displays the bank's HMDA-reportable lending for 2015 based on borrower income characteristics, and includes aggregate lender percentages and the demographics of the assessment area. The bank's borrower distribution of HMDA-reportable loans relies upon 2015 aggregate lending comparisons as aggregate lending data for 2016 was not available at the time of this evaluation. The table containing the bank's 2016 borrower distribution of loans is provided in Appendix C.

Borrower Distribution of HMDA Reportable Loans
Assessment Area: 2015 Chicago-Naperville-Arlington Heights 16974 MD

Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison 2015						Families by Family Income
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$(000s)	$ %	$ %	%
Home Purchase	Low	0	0.0	5.2	0	0.0	2.0	18.2
	Moderate	2	13.3	16.2	394	7.1	9.4	15.5
	Middle	1	6.7	19.3	199	3.6	15.0	18.8
	Upper	8	53.3	42.5	3,170	57.1	57.9	47.5
	Unknown	4	26.7	16.8	1,793	32.3	15.6	0.0
	Total	**15**	**100.0**	**100.0**	**5,556**	**100.0**	**100.0**	**100.0**
Refinance	Low	0	0.0	3.5	0	0.0	1.4	18.2
	Moderate	0	0.0	10.1	0	0.0	5.3	15.5
	Middle	0	0.0	17.4	0	0.0	11.9	18.8
	Upper	3	37.5	51.6	482	15.4	64.7	47.5
	Unknown	5	62.5	17.5	2,649	84.6	16.6	0.0
	Total	**8**	**100.0**	**100.0**	**3,131**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	4.1	0	0.0	1.1	18.2
	Moderate	0	0.0	11.7	0	0.0	5.0	15.5
	Middle	2	100.0	20.1	135	100.0	11.1	18.8
	Upper	0	0.0	57.2	0	0.0	73.7	47.5
	Unknown	0	0.0	6.8	0	0.0	9.1	0.0
	Total	**2**	**100.0**	**100.0**	**135**	**100.0**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.2
	Moderate	0	0.0	0.0	0	0.0	0.0	15.5
	Middle	0	0.0	0.0	0	0.0	0.0	18.8
	Upper	0	0.0	0.0	0	0.0	0.0	47.5
	Unknown	5	100.0	100.0	3,314	100.0	100.0	0.0
	Total	**5**	**100.0**	**100.0**	**3,314**	**100.0**	**100.0**	**100.0**
HMDA Totals	Low	0	0.0	4.3	0	0.0	1.6	18.2
	Moderate	2	6.7	13.0	394	3.2	6.7	15.5
	Middle	3	10.0	18.2	334	2.8	12.5	18.8
	Upper	11	36.7	46.9	3,652	30.1	57.5	47.5
	Unknown	14	46.7	17.7	7,756	63.9	21.7	0.0
	Total	**30**	**100.0**	**100.0**	**12,136**	**100.0**	**100.0**	**100.0**

Originations & Purchases
2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending

The borrower distribution of the bank's small business lending is reasonable. During the review period, from July 1, 2016 through December 31, 2016, the bank originated 100.0 percent of its small business loans to businesses with revenues equal to or less than $1 million. This exceeds demographic information showing that 87.2 percent of the businesses located in the bank's assessment area have revenues equal to or less than $1 million. Of the loans originated to businesses with revenues equal to or less than $1 million, 25.0 percent were made in amounts of $100,000 or less, which are the types of loans that are most beneficial to small businesses, demonstrating the bank's willingness to meet the credit needs of small businesses in the assessment area.

The following table displays the bank's distribution of small business loans by revenue and loan size.

Small Business Lending By Revenue & Loan Size
Assessment Area: 2016 Chicago-Naperville-Arlington Heights 16974 MD

Product Type			Bank & Demographic Comparison 2016				
			Count Bank		Dollar Bank		Total Businesses
			#	%	$ 000s	$ %	%
Small Business	Revenue	$1 Million or Less	48	100.0	14,819	100.0	87.2
		Over $1 Million or Unknown	0	0.0	1	0.0	12.8
		Total	48	100.0	14,820	100.0	100.0
	Loan Size	$100,000 or Less	12	25.0	678	4.6	
		$100,001 - $250,000	15	31.3	2,715	18.3	
		$250,001 - $1 Million	21	43.8	11,426	77.1	
		Total	48	100.0	14,819	100.0	
	Loan Size & Rev $1 Mill or Less	$100,000 or Less	12	25.0	678	4.6	
		$100,001 - $250,000	15	31.3	2,715	18.3	
		$250,001 - $1 Million	21	43.8	11,426	77.1	
		Total	48	100.0	14,819	100.0	

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Outstanding. 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, as appropriate, considering the bank's capacity and the availability of such opportunities for community development in the bank's assessment area.

Lending

During the review period of April 1, 2014 to October 16, 2017, the bank originated and/or renewed 47 community development loans totaling $41.7 million within its assessment area. Of those, 19 new community development loans totaling $22.2 million were originated, and 28 community development loans totaling $19.5 million were renewed. Loans were made to 26 different organizations engaged in community development activities. The total represents a decrease in number and dollar volume compared to the previous evaluation period where the bank made 80 loans totaling $47.9 million to 30 different organizations. In addition to the community development loans made within the assessment area, the bank made an additional 23 loans totaling $16.1 million outside of its assessment area that benefited the broader region.

Overall, 68.1 percent (32 loans) of community development loans were made to entities engaged in community services, including working capital loans for domestic crisis centers and services targeted to low- and moderate-income individuals. The bank made one loan (2.1 percent) to an organization that creates or maintains affordable housing developments. For this particular loan, the bank proactively developed a relationship with the organization and worked with them to provide an innovative and flexible loan option. Lastly, 10.6 percent (five loans) were made to entities engaged in revitalization and stabilization of the assessment area through the construction and improvement of new and existing businesses, and 19.1 percent (nine loans) were made to organizations providing economic development services, including assistance with financing of small businesses.

Discussions with community representatives contacted for this evaluation indicated that First Bank & Trust is among the financial institutions that are active in helping to meet the credit needs of the community. Further, the bank is active in Small Business Administration (SBA) lending given its high concentration for lending to small to medium sized businesses within its assessment area. A number of loans were made through the SBA's 504 loan program, which is designed for growing small businesses that need a long-term fixed rate loan to acquire commercial real estate or equipment for expansion or updating.

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

Qualified Community Development Loans April 1, 2014 through October 16, 2017											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	% of Total $
New Activity											
Chicago-Naperville-Arlington Heights, IL MD #16974	1	50	8	13,560	2	225	8	8,363	19	22,198	53.2
Renewed Activity											
Chicago-Naperville-Arlington Heights, IL MD #16974	0	0	1	1,163	3	560	24	17,794	28	19,517	46.8
Total New and Renewed	**1**	**50**	**9**	**14,723**	**5**	**785**	**32**	**26,157**	**47**	**41,715**	**100.0**

Investments

During the evaluation period, First Bank & Trust made 11 qualified investments totaling $3.9 million within its assessment area. The total represents a decrease in number and dollar volume compared to the previous evaluation period where the bank made 23 investments totaling $6.9 million. An additional five investments with a community service focus were made outside of the bank's assessment area that benefited the broader regional area. The bank's investments meet a variety of community development needs throughout the assessment area including education programs, economic development, and affordable housing.

The bank made two notable investments as part of the Community Development Financial Institutions Fund (CDFI). The investments promote economic development within the assessment area by injecting new sources of capital into neighborhoods that lack access to financing. The CDFI plays an important role in generating economic growth and opportunity in some of the most distressed communities. By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities. In addition, another investment was made as part of a local micro-loan program through Northwestern University which focused on small business creation. Lastly, two investments were made to organizations that focused on affordable housing for low- and moderate-income families.

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

Qualified Community Development Investments April 1, 2014 through October 16, 2017							
Purpose	Previous Period Investments		Current Period Investments		Total Investments		
	#	$ (000s)	#	$ (000s)	#	$ (000s)	% of Total
Affordable Housing	2	1,000	2	1,006	4	2,006	50.4
Economic Development	1	245	2	465	3	710	17.9
Revitalization and Stabilization	0	0	0	0	0	0	0.0
Community Services	0	0	4	1,260	4	1,260	31.7
Total	**3**	**1,245**	**8**	**2,731**	**11**	**3,976**	**100.0**

First Bank & Trust also made 136 grants and donations totaling $584,600 to 60 not-for-profit organizations. This is an increase from the previous evaluation where the bank made donations totaling $43,975. Funding was focused on entities promoting affordable housing, economic development, and community services in the bank's assessment area. A notable donation was made to a non-profit entity with a specific purpose to fund the organization's scholarship awards program for low-income and moderate-income students within the bank's assessment area. An additional 15 grants and donations totaling $23,250 were made outside of the bank's assessment area but benefited the broader regional area. As noted by a community representative, First Bank & Trust has been very supportive to the organization's efforts to provide affordable housing, as they have made numerous donations to support the organization's mission.

Services

During the review period of April 1, 2014 to October 16, 2017, First Bank & Trust's staff completed 5,033 community development service hours amongst 65 organizations within its assessment area. The total service hours completed represents a significant increase from the previous evaluation where a total of 902 community development service hours was completed. An additional 28 community development service hours were completed outside the bank's assessment area that benefited the broader regional area. Bank staff served in leadership capacities for the majority of the organizations as presidents, board members, committee members, and advisors. As board and committee members, the bank's staff participated mainly in assistance with financial planning and budgeting roles for the organizations. Employees and officers participated in activities that were directly related to banking and financial services, including foreclosure prevention and providing financial expertise. As noted by one community representative, First Bank & Trust is one of the local financial institutions that provide support for the organization's foreclosure prevention program. In addition, another contact noted that the bank has been instrumental in assisting in its fundraising efforts directed toward providing affordable housing in the City of Evanston.

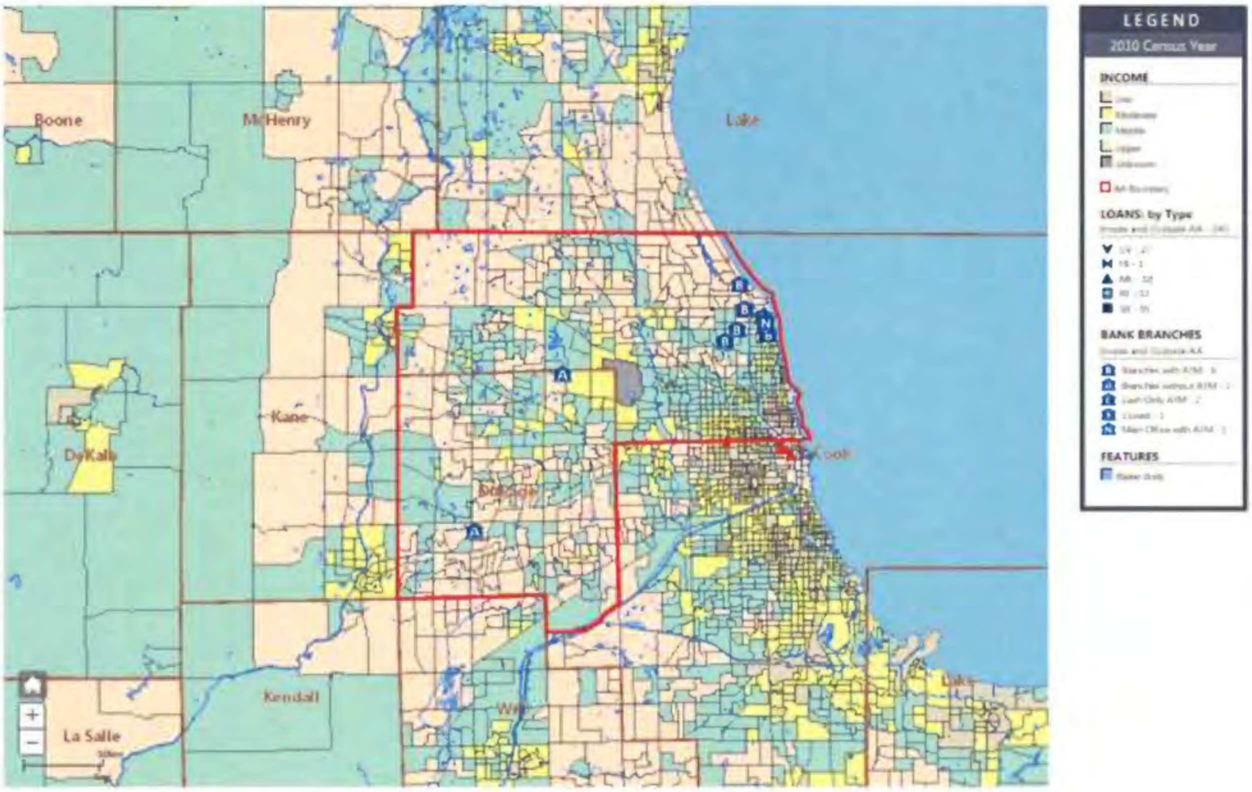
The table below summarizes the bank's qualified community development service hours by purpose.

Qualified Community Development Services April 1, 2014 through October 16, 2017										
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Services Performed	3	487	13	1,189	1	4	48	3,353	65	5,033

Fair Lending or Other Illegal Credit Practices Review

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

APPENDIX A – Map of Assessment Area



APPENDIX B – Combined Demographic Report (2015)

Assessment Area: 2015 Chicago-Naperville-Arlington Heights 16974 MD								
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	139,897	18.2
Moderate-income	127	16.9	125,318	16.3	18,827	15.0	118,724	15.5
Middle-income	274	36.5	295,941	38.6	19,148	6.5	144,277	18.8
Upper-income	329	43.8	332,818	43.4	9,001	2.7	364,150	47.5
Unknown-income	1	0.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	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	
		#	%	%	#	%	#	%
Low-income	30,835	7,318	0.9	23.7	20,184	65.5	3,333	10.8
Moderate-income	225,234	93,476	11.7	41.5	108,842	48.3	22,916	10.2
Middle-income	499,104	309,913	38.7	62.1	154,493	31.0	34,698	7.0
Upper-income	558,241	390,354	48.7	69.9	131,845	23.6	36,042	6.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	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 = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%		%	#	%	#	%
Low-income	1,396	0.9	1,315	1.0	78	0.5	3	1.0
Moderate-income	19,112	12.8	16,505	12.3	2,571	16.5	36	11.7
Middle-income	52,935	35.3	46,767	34.9	6,039	38.8	129	42.0
Upper-income	76,163	50.8	69,200	51.7	6,824	43.8	139	45.3
Unknown-income	231	0.2	173	0.1	58	0.4	0	0.0
Total Assessment Area	149,837	100.0	133,960	100.0	15,570	100.0	307	100.0
	Percentage of Total Businesses:			89.4		10.4		0.2

2015 FFIEC Census Data & 2015 Dun & Bradstreet Information according to 2010 ACS
Note: Percentage may not add to 100.0 percent due to rounding.

APPENDIX C – Lending Tables (2016)

Geographic Distribution of HMDA Reportable Loans

Assessment Area: 2016 Chicago-Naperville-Arlington Heights 16974 MD

Product Type	Tract Income Levels	Bank & Demographic Comparison 2016				
		Count Bank		Dollar Bank		Owner Occupied
		#	%	$ (000s)	$ %	% of Units
Home Purchase	Low	0	0.0	0	0.0	0.9
	Moderate	2	9.1	323	5.7	11.7
	Middle	2	9.1	494	8.7	38.7
	Upper	18	81.8	4,874	85.6	48.7
	Unknown	0	0.0	0	0.0	0.0
	Total	**22**	**100.0**	**5,691**	**100.0**	**100.0**
Refinance	Low	0	0.0	0	0.0	0.9
	Moderate	1	10.0	150	2.9	11.7
	Middle	2	20.0	583	11.3	38.7
	Upper	7	70.0	4,426	85.8	48.7
	Unknown	0	0.0	0	0.0	0.0
	Total	**10**	**100.0**	**5,159**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	0	0.0	0.9
	Moderate	0	0.0	0	0.0	11.7
	Middle	0	0.0	0	0.0	38.7
	Upper	1	100.0	245	100.0	48.7
	Unknown	0	0.0	0	0.0	0.0
	Total	**1**	**100.0**	**245**	**100.0**	**100.0**
Multi-Family						**Multi-Family**
	Low	0	0.0	0	0.0	4.8
	Moderate	2	22.2	3,661	32.2	22.6
	Middle	6	66.7	7,172	63.1	37.3
	Upper	1	11.1	534	4.7	35.3
	Unknown	0	0.0	0	0.0	0.0
	Total	**9**	**100.0**	**11,367**	**100.0**	**100.0**
HMDA Totals	Low	0	0.0	0	0.0	0.9
	Moderate	5	11.9	4,134	18.4	11.7
	Middle	10	23.8	8,249	36.7	38.7
	Upper	27	64.3	10,079	44.9	48.7
	Unknown	0	0.0	0	0.0	0.0
	Total	**42**	**100.0**	**22,462**	**100.0**	**100.0**

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Borrower Distribution of HMDA Reportable Loans Assessment Area: 2016 Chicago-Naperville-Arlington Heights 16974 MD						
Product Type	Borrower Income Levels	Bank & Demographic Comparison 2016 Count #	%	Dollar $ (000s)	$ %	Families by Family Income %
Home Purchase	Low	1	4.5	55	1.0	18.2
	Moderate	0	0.0	0	0.0	15.5
	Middle	6	27.3	1,317	23.1	18.8
	Upper	9	40.9	2,132	37.5	47.5
	Unknown	6	27.3	2,187	38.4	0.0
	Total	**22**	**100.0**	**5,691**	**100.0**	**100.0**
Refinance	Low	0	0.0	0	0.0	18.2
	Moderate	0	0.0	0	0.0	15.5
	Middle	1	10.0	234	4.5	18.8
	Upper	6	60.0	2,835	55.0	47.5
	Unknown	3	30.0	2,090	40.5	0.0
	Total	**10**	**100.0**	**5,159**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	0	0.0	18.2
	Moderate	0	0.0	0	0.0	15.5
	Middle	0	0.0	0	0.0	18.8
	Upper	1	100.0	245	100.0	47.5
	Unknown	0	0.0	0	0.0	0.0
	Total	**1**	**100.0**	**245**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	0	0.0	18.2
	Moderate	0	0.0	0	0.0	15.5
	Middle	0	0.0	0	0.0	18.8
	Upper	0	0.0	0	0.0	47.5
	Unknown	9	100.0	11,367	100.0	0.0
	Total	**9**	**100.0**	**11,367**	**100.0**	**100.0**
HMDA Totals	Low	1	2.4	55	0.2	18.2
	Moderate	0	0.0	0	0.0	15.5
	Middle	7	16.7	1,551	6.9	18.8
	Upper	16	38.1	5,212	23.2	47.5
	Unknown	18	42.9	15,644	69.6	0.0
	Total	**42**	**100.0**	**22,462**	**100.0**	**100.0**

Originations and Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

APPENDIX D – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	*There are different time periods for lending and community development activities. January 1, 2015 to December 31, 2016 (HMDA-reportable) July 1, 2016 to December 31, 2016 (Small Business) Community development (CD) activity from April 1, 2014 to October 16, 2017		
FINANCIAL INSTITUTION First Bank & Trust			PRODUCTS REVIEWED HMDA-Reportable Loans Small Business Loans
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
Chicago Naperville-Arlington Heights, Illinois (IL) Metropolitan Division (MD) #16974	Full scope review	None	None

APPENDIX E – 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.

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

   Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;
   2) Designated disaster areas; or
   3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
      a. Rates of poverty, unemployment or population loss; or
      b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

5. Loans, investments, and services that –
    i. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
    ii. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees, and
    iii. Benefit low-, moderate-, middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
    a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
    b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

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

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more units) 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.

Income Level: Income level means:

1) Low-income – an 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 census tract;
2) Moderate-income – an 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 census tract;
3) Middle-income – an 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 census tract; and
4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is located in the census tract where the borrower resides;
2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every 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 single core 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.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than $1.226 billion. Intermediate small bank means a small bank with assets of at least $307 million as of December 31 of both of the prior two calendar years and less than $1.226 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. 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.

Wholesale bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).