

# **PUBLIC DISCLOSURE**

**June 10, 2013**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First Bank and Trust Company of Illinois  
Certificate #18641**

**300 East Northwest Highway  
Palatine, Illinois 60067**

**Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606**

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

## INSTITUTION RATING

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

First Bank and Trust Company of Illinois has a satisfactory record of helping to meet the community development needs of its assessment area in a manner consistent with its resources and capabilities. The rating is supported by the following factors.

- The institution has an adequate level of community development lending with a strong concentration in low- and moderate-income areas.
- The institution's community development investments and grants represent an adequate volume of qualified activity within the assessment area.
- The institution has a poor level of community development services.
- Although the qualified community development activity is not particularly complex or innovative, the institution has exhibited an adequate responsiveness to the credit and community economic development needs of the assessment area.

## DESCRIPTION OF INSTITUTION

First Bank and Trust Company of Illinois (First Bank) is a \$306 million state-chartered commercial bank, and a wholly-owned subsidiary of Northwest Bancorporation, Inc., a one-bank holding company. The bank operates from its sole facility in Palatine, Illinois, which is located in an upper-income census tract.

The bank is primarily a commercial real estate lender with a particular focus on commercial pre-development, development, acquisition/transition, and bridge financing. As small business, small farm, home mortgage, and consumer financing are not generally offered (with the exception of a rare accommodation), the institution does not engage in the types of lending that are evaluated in the context of a traditional CRA evaluation. Consistent with this strategy, on July 1, 2003, the bank received a "wholesale bank" designation, which it continues to maintain. Although the institution offers a traditional array of business and consumer deposit product offerings, the bank's deposit gathering efforts have been primarily focused on certificates of deposits, representing approximately 84 percent of its deposit base.

Consistent with the institution's focus, 64 percent of the bank's lending is concentrated in commercial lending, primarily in commercial real estate, as well as construction and land development financing. Virtually all of the remaining loans are residential real estate transactions secured by non-owner occupied properties. It should be noted that the bank's overall loan portfolio has decreased 44 percent and total assets have decreased approximately 15 percent since the previous evaluation conducted as of February 28, 2011. This is due in part to

The bank’s performance under each component of the Community Development Test is presented below.

## COMMUNITY DEVELOPMENT TEST

### Community Development Loans

Since the previous evaluation, the institution engaged in an adequate level of community development loans relative to its strategic focus and opportunities in the assessment area. During the previous 27 months, the institution originated, renewed, or participated in nine loans totaling \$15,004,113. Of this total, \$541,032 represented qualified community development lending from the bank’s pro-rata share of its participation in the Accion, Chicago Inc. (Accion) micro-loan fund. Accion is a qualified CDFI that has made over 400 small business micro-loans for community development purposes within the assessment area. In addition, the bank participated with the Community Investment Corporation, a Chicago area multifamily rehab lender. This participation resulted in a pro-rata share of new qualified community development lending representing \$127,675 for new affordable housing located in various low- and moderate-income census tracts in the assessment area.

The bank also funded three loan participations totaling \$3,675,000 in the Solomon Hess SBA Loan Fund, which granted new SBA loans for 15 various small businesses located in the assessment area. In addition, the bank renewed a community development loan for \$4,000,406 of a previously originated loan with the primary purpose of facilitating affording housing for a single-room occupancy (SRO) hotel in the City of Chicago with affordable rents between \$475 and \$600.

The bank recently originated a new \$2,660,000 qualified community development loan for redevelopment of a retail building located in a moderate-income census tract that will provide job creation for low- and moderate-income individuals and a Women’s Health Clinic that will serve the local area. Lastly, the bank originated a community development loan for \$3,500,000 in a moderate-income neighborhood with affordable rental rates and a community development loan for \$500,000 for a senior citizens center. Table D provides a summary of the community development loans by purpose.

Table D-Community Development Lending Summary		
Community Development Purpose	Number of Loans	Total Funded (000’s)
Community Services	2	\$3,160
Economic Development	4	\$4,216
Affordable Housing	3	\$7,628
<b>Total</b>	<b>9</b>	<b>\$15,004</b>