



PUBLIC DISCLOSURE

October 27, 2025

ILLINOIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank Chicago
Illinois Institution Identification Number: 17814

1835 First Street
Highland Park, Illinois 60035

Illinois Department of Professional Regulation
555 West Monroe Street, 5th Floor Chicago, IL 60661

THIS ILLINOIS COMMUNITY REINVESTMENT ACT (ILCRA) EVALUATION IS AVAILABLE FOR PUBLIC REVIEW AND COMMENT.

This evaluation reflects the Secretary's assessment pursuant to Section 35-10(b) of the Illinois Community Reinvestment Act [205 ILCS 735/35-10(b)] of the performance of this bank in helping to meet the financial services needs of its local communities, including low- and moderate-income neighborhoods, consistent with the 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 herein does not represent an analysis, conclusion, or opinion of the Illinois Department of Financial and Professional Regulation, Division of Banking, concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

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

PERFORMANCE TESTS

PERFORMANCE LEVELS	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory			
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

** The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

The Lending Test is rated Low Satisfactory.

- Lending levels reflect adequate responsiveness to credit needs in the AA.
- A small percentage of loans are made in the bank's AA.
- The geographic distribution of loans reflects adequate penetration throughout the AA.
- The distribution of borrowers reflects, given the product lines offered by the bank, poor penetration among customers of different income levels and businesses of different sizes within the AA.
- The bank is a leader in making community development (CD) loans in the AA.
- The bank makes use of innovative and/or flexible lending practices in order to serve credit needs in the AA.

The Investment Test is rated Low Satisfactory.

- The institution has an adequate level of qualified community development investments and grants, particularly those that are not routinely provided by private investors, rarely in a leadership position.
- The institution occasionally uses innovative or complex investments to support community development initiatives.
- The institution exhibits adequate responsiveness to credit and community development needs in the AA.

The Service Test is rated Outstanding.

- Delivery systems are reasonably accessible to essentially all portions of the institution's AA.
- During the review period, the bank did not open or close any branches. As a result, there were no changes that impacted the accessibility of banking services to LMI income geographies or individuals
- Services (including where appropriate, business hours) are tailored to the convenience and needs of its AA, particularly LMI geographies and/or LMI individuals.
- The institution is a leader in providing community development services.

Discriminatory or Other Illegal Credit Practices

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, these factors did not affect the institution's ILCRA rating.

Assessment Factors

ILCRA examiners reviewed the bank's activities in its AA to the performance standards outlined in 38 Ill. Admin. Code 345.200 and did not find evidence that the bank is not meeting the financial services needs of its local communities. Therefore, the bank's ILCRA rating was not affected.

DESCRIPTION OF INSTITUTION

Background

First Bank Chicago (FBC) is a \$2.0 billion full-service Illinois state-chartered, commercial bank and is a wholly owned subsidiary of First Bank Chicago Corp., a one-bank holding company. Both the bank and the holding company are headquartered in Highland Park, Illinois. The bank has no affiliates that offer lending products. The institution received a “Satisfactory” rating at its previous Federal Deposit Insurance Corporation (FDIC) Community Reinvestment Act (CRA) Performance Evaluation, dated February 21, 2023, based on Federal Financial Institutions Examination Council (FFIEC) Interagency Large Bank CRA Examination Procedures. There has been no merger or acquisition activity since the previous FDIC evaluation.

Operations

FBC operates three full-service locations, including the main office and one Loan Production Office (LPO) in northeastern Illinois. The main branch in Lake County (Highland Park) is in a middle-income census tract. The remaining branches are in Cook County. The Northbrook, Illinois branch is in an upper-income census tract, and the Skokie, Illinois branch is in a moderate-income census tract. The LPO is in Westchester, Illinois, which is in an upper-income census tract. Since the previous FDIC evaluation, the bank has not opened or closed any branches.

FBC’s branches remain accessible to its assessment area communities. Banking hours are typically from 8:30 a.m. to 5:00 p.m., Monday through Friday, including drive-through hours. Only the main branch has Saturday hours, including its drive-through service. The Skokie branch does not offer drive-through services.

The institution continues to emphasize commercial banking services, including commercial real estate loans, commercial and industrial loans, and equipment leasing. Commercial lease financing remains a significant line of business. The bank provides financial services to established national equipment lessors, including partnerships with the largest private and public leasing companies in the U.S.

In addition to commercial lending, FBC offers a range of consumer and mortgage products, including home equity lines of credits (HELOC) and residential mortgage loans, primarily secured by multi-family and non-owner-occupied 1-to-4 family investment properties. Deposit products include checking, savings, money market, and certificate of deposit accounts. Alternative banking services include internet and mobile banking, electronic bill pay, direct deposit, Zelle, and automated teller machines (ATMs).

Ability and Capacity

According to the June 30, 2025, Consolidated Reports of Condition and Income (Call Report), FBC reported total assets of \$2.0 billion, total loans of \$1.4 billion, net securities of \$480.7 million, and

total deposits of \$1.6 billion, yielding a net loan-to-deposit ratio of 84.1 percent, a net loan-to-total asset ratio of 67.2, and a net securities-to-total asset ratio of 23.7 percent. FBC experienced a small decline in both assets and loans since the previous CRA evaluation. Total assets decreased by \$30.2 million or 1.5 percent, while total loans decreased \$46.3 million, or 3.3 percent. Commercial lending continues to represent the largest portion of the loan portfolio with multi-family residential properties comprising most of the real estate loans. The following table shows the loan portfolio details.

Loan Portfolio Distribution as of 6/30/2025

Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	114,218	8.3
Secured by 1-4 Family Residential Properties	54,205	4.0
Secured by Farmland	0	0.0
Secured by Multi-family (5 or more) Residential Properties	348,285	25.4
Secured by Nonfarm Nonresidential Properties	220,660	16.1
Total Real Estate Loans	737,368	53.7
Commercial and Industrial Loans	633,212	46.2
Agricultural Production and Other Loans to Farms	0	0.0
Consumer Loans	1,334	.1
Obligations of States and Political subdivisions in the U.S.	0	0.0
Other Loans	36	0.0
Less: Unearned Income	0	0
Total Loans	1,371,950	100.0

Source: Reports of Condition and Income; Due to rounding, totals may not equal 100.0%.

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

DESCRIPTION OF ASSESSMENT AREA

The ILCRA requires each financial institution to define one or more AAs within which its ILCRA performance will be evaluated. FBC has designated a single AA that includes all of Cook County, Illinois, which is part of the Chicago-Naperville-Schaumburg, Illinois Metropolitan Division and all of Lake County, Illinois, which is part of the Lake County, Illinois Metropolitan Division. Both Metropolitan Divisions are part of the Chicago-Naperville-Elgin, IL-IN Metropolitan Statistical Area (Chicago MSA). This AA consists of 1,492 census tracts. The AA includes contiguous census tracts, conforms to ILCRA regulatory requirements, and does not arbitrarily exclude any LMI geography.

Economic and Demographic Data

Examiners used demographic data from the 2020 American Community Survey (ACS) and 2024 Dun & Bradstreet (D&B) data to analyze the bank’s ILCRA performance. According to these data sources, the AA’s census tracts reflect the following income designations:

- 238 low-income census tracts (16.0 percent)
- 384 moderate-income census tracts (25.7 percent)
- 418 middle-income census tracts (28.0 percent)
- 432 upper-income census tracts (29.0 percent)
- 20 census tracts where income data was not available (NA) (1.3 percent)

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,492	16.0	25.7	28.0	29.0	1.3
Population by Geography	5,989,883	12.6	26.4	30.5	29.8	0.6
Housing Units by Geography	2,463,170	12.7	25.1	30.1	31.5	0.6
Owner-Occupied Units by Geography	1,322,830	6.8	22.4	34.5	36.1	0.3
Occupied Rental Units by Geography	917,328	18.8	28.7	25.6	26.0	1.0
Vacant Units by Geography	223,012	23.1	26.7	22.4	26.9	0.8
Businesses by Geography	756,558	7.4	19.6	28.7	43.8	0.6
Farms by Geography	7,966	7.3	22.6	31.9	37.8	0.3
Family Distribution by Income Level	1,363,758	26.5	17.0	18.4	38.1	0.0
Household Distribution by Income Level	2,240,158	28.1	15.6	16.5	39.8	0.0

Demographic Characteristics	Low % of #	MSA Characteristics	Value
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL	\$92,622	Median Housing Value	\$288,841
Median Family Income MSA - 29404 Lake County, IL	\$112,326	Median Gross Rent	\$1,233
Families Below Poverty Level			9.5%

Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.

The table reflects lower levels of owner-occupied housing units in LMI geographies within the AA and higher concentrations of rental units. This data highlights opportunities for financial institutions to originate 1-4 family residential loans in the AA. The AA has 2,463,170 housing units, including 1,322,830 owner-occupied units (53.7 percent), 917,328 occupied-rental units (37.2 percent), and 223,012 vacant units (9.1 percent). In assessing the bank's performance with home mortgage loans, the geographic distribution test compares the Home Mortgage loans to the percentage of occupied-rental units within the geographies by income. These characteristics provide insight into the overall affordable housing credit needs and demands in LMI geographies, which are considered when

evaluating FBC’s geographic lending patterns.

The 2023 and 2024 FFIEC-updated median family income (MFI) levels are used to analyze home mortgage and HELOC loans under the Borrower Profile criterion. The table below contains information on the MFIs by category.

Median Family Income Ranges

Chicago-Naperville-Evanston, IL Median Family Income (16984)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760

Chicago-Naperville-Schaumburg, IL Median Family Income (16984)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760

Lake County-Kenosha County, IL-WI Median Family Income (29404)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$124,600)	<\$62,300	\$62,300 to <\$99,680	\$99,680 to <\$149,520	≥\$149,520

Lake County, IL Median Family Income (29404)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$129,600)	<\$64,800	\$64,800 to <\$103,680	\$103,680 to <\$155,520	≥\$155,520

Source: FFIEC

According to the 2024 D&B data, 756,558 businesses operated in the AA. Of these, 7.4 percent are located in low-income census tracts, and 19.6 percent are in moderate-income census tracts. This distribution reflects a relatively limited presence of businesses in LMI areas compared with middle- and upper-income areas (72.5 percent combined), suggesting challenges for lenders in originating small business lending opportunities in LMI geographies.

The Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR). The GARs of businesses operating in the AA in 2024 were as follows:

- 91.0 percent report \$1.0 million or less,
- 3.3 percent report greater than \$1 million, and
- 7.8 percent did not report revenues to D&B.

Service industries represent the largest portion of businesses in the AA at 33.1 percent; followed by nonclassifiable establishments (29.8 percent); finance, insurance, and real estate (10.7 percent); and

retail trade (9.0 percent). In addition, 57.0 percent of businesses have four or fewer employees, and 93.5 percent operate from a single location.

According to Crain’s Chicago Business’s *The Book: 2025*, the top five employers in the broader Chicagoland area and their number of employees, are as follows:

- the United States government (52,315)
- the Chicago Public Schools (43,286)
- the City of Chicago (30,918)
- Amazon.com Inc. (30,110)
- Advocate Health (28,070)

According to the article, “Weak Summer Labor Market Flashes Warning Signs for the Economy,” published on September 5, 2025,¹ by The Washington Post, the U.S. labor market appears to be losing some of the momentum it regained after the COVID-19 pandemic. The report indicated employers nationally added only 22,000 jobs in August and that the national unemployment rate rose to 4.3 percent, which is the highest since late 2021. Although this unemployment figure remains well below the peaks seen during the pandemic-era, the slowdown signals a cooling in hiring. The AA and the state of Illinois have continued to defy this trend, even though the local unemployment rates are higher than the national unemployment rate. The following table presents the most recent unemployment rates for the county, state, and nation, providing the context within which the bank operates.

Unemployment Rates

	2023 Average	2024 Average	August 2025
Area	%	%	%
Cook County, Illinois	4.4	5.4	4.9
Lake County, Illinois	5.1	5.0	4.6
State of Illinois	4.5	5.1	4.4
National Average	3.6	4.0	4.3

Source: Bureau of Labor Statistics (State and National are seasonally adjusted, and Counties are not seasonally adjusted.)

Competition

FBC’s AA is highly competitive in the market for financial services. According to the 2024 Wolters Kluwer Deposit Market Share Report, the AA includes 192 financial institutions with 1,464 offices. By dollar volume of deposits, FBC is in the 84th percentile and ranked at 31st among these institutions at \$1.6 billion, maintaining a 0.32 percent of the deposit market share in the AA. Large national and regional financial institutions, such as BMO Bank, J.P. Morgan Chase Bank, and Bank of America, operate offices within the AA and hold the majority of the market share. The top five financial institutions control 62.0 percent of the deposit market share.

¹ Bhattaral, Abha and Lauren Kaori Gurley (2025, September 5). Weak Summer Labor Market Flashes Warning Signs for the Economy. Washington Post. <https://www.washingtonpost.com/business/2025/09/05/jobs-report-economy-unemployment/>.

Aggregate small business lending data provides insight into the level of demand for small business loans within the AA. Aggregate lending data for 2023 shows 226 lenders reported 166,240 small business loan originations or purchases, indicating a high degree of demand for this loan product. FBC was 71st percentile and ranked 65th by number, capturing 0.03 percent of the market share with 48 loans in the AA. The top five lenders, including American Express National Bank and J.P. Morgan Chase Bank, control 74.1 percent of the market share.

Additionally, a high level of demand in the AA exists for home mortgage loans among banks, credit unions, and non-depositor mortgage lenders. Given that nearly all home mortgage loans originated by FBC are non-owner occupied, examiners compared FBC investment properties to aggregate data with investment properties only. According to the 2024 aggregate data, a total of 410 lenders reported 9,072 non-owner-occupied home mortgage originations and purchases in the AA. FBC was 58th percentile and ranked 171st, capturing 0.09 percent of the market share by number at eight loans; however, by dollar volume, FBC was 80th percentile and ranked 83rd with a 0.21 percent market share at \$14.1 million. The top five lenders, including Loan Funder LLC and J.P. Morgan Chase Bank, control 24.8 percent of the market share by number of loans.

Community Contacts

As part of the examination, examiners contact third parties active in the AA to assist in identifying the community credit needs. The information helps examiners determine whether local financial institutions are responsive to these needs.

Examiners reviewed two recent community contacts with organizations specializing in affordable housing and small business development to better understand the credit and community development needs within the AA. The first contact was conducted with an affordable housing organization serving Lake County and northern Cook County. The organization provides rental assistance, housing counseling, down payment assistance, rehabilitation loans, and manages a community land trust program. The organization noted that higher interest rates and limited access to affordable financing are making it difficult for LMI households to purchase homes and for nonprofit developers to build and sustain affordable rental housing. This contact identified ongoing opportunities for bank participation through construction and permanent financing, lines of credit for rehabilitation projects, investments in Low-Income Housing Tax Credits (LIHTC), and partnerships in down payment assistance programs

The second contact was with a regional nonprofit supporting women- and minority-owned small businesses across Illinois and the Midwest. This contact emphasized a continued need for financial institutions to provide flexible small business credit options, especially for service-based businesses that lack traditional collateral. The contact also noted that local banks could expand their support through bridge loans and working capital lines to help entrepreneurs cover upfront expenses while awaiting contract payments.

Credit and Community Development Needs and Opportunities

Considering the information from community contacts, discussions with management, and demographic data, examiners determined there were ongoing community development needs in the areas of affordable housing, small business lending, and financial education within the bank's AA. The rising cost of capital and shortage of affordable units continue to pressure LMI households and nonprofit housing developers, while women- and minority-owned small businesses face persistent barriers to obtaining start-up and working capital financing.

There are substantial opportunities for community development throughout the AA. Affordable housing development and preservation efforts present opportunities for banks to provide construction, rehabilitation, and permanent financing, as well as to invest in LIHTCs and state affordable housing tax credits. Partnerships with local organizations can also facilitate participation in down payment assistance programs and community land trust initiatives. Similarly, small business development remains a priority across the Chicagoland area, with opportunities to partner with community organizations to expand access to microloans, bridge loans, and financial literacy programs for entrepreneurs. Additionally, the Chicago metropolitan area continues to include designated empowerment zones, enterprise zones, and tax increment financing (TIF) districts, which promote revitalization, stabilization, and economic growth in LMI neighborhoods. These designations, along with state and municipal small business and housing initiatives, provide avenues for banks to meet identified community credit needs while supporting inclusive economic development throughout the region.

SCOPE OF EVALUATION

General Information

The evaluation encompasses the period from the previous FDIC performance evaluation dated February 21, 2023, to the current ILCRA evaluation conducted by the Illinois Department of Financial and Professional Regulation (IDFPR), Division of Banking, dated October 27, 2025. Examiners completed a full scope review of the bank's only Illinois AA. Examiners used FFIEC Interagency Large Bank CRA Examination Procedures to evaluate FBC's ILCRA performance. These procedures include three tests: the Lending Test, Investment Test, and Service Test, as detailed in the Appendices. IDFPR also provides comments regarding the institution's fair lending policies and procedures pursuant to 205 ILCS 735/35-15. Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures. In addition, under Section 345.200 of the implementing rules of ILCRA, assessment factors were considered in the evaluation of FBC's record of ILCRA performance.

Banks must achieve at least a "Low Satisfactory" rating under the Lending Test to obtain an overall "Satisfactory" rating. However, evidence of discrimination and/or a negative evaluation of assessment factors can lower the overall ILCRA rating.

Activities Reviewed

Examiners reviewed FBC's business strategy, loan portfolio composition, and the number and dollar volume of loan originations during the review period and determined the bank's major loan products to be small business and home mortgage loans. HELOCs were also analyzed to provide a better representation of the bank's reach. Small farm lending was not evaluated as FBC does not originate such loans. Given the volume of small business loans originated and the bank's business focus, small business loans received the most weight when drawing conclusions. HELOCs were second in weight, and home mortgage loans received the least weight. Further, while both number and dollar volume of loans were considered, discussion of the bank's performance is limited to loans by number as this metric is a better indicator of borrowers served.

The universe of small business loans reported by the bank pursuant to the CRA data collection reporting requirements during the review period in 2023 and 2024 was reviewed. FBC originated 296 small business loans totaling \$19.8 million in 2023, and 179 loans totaling \$17.5 million in 2024. Home mortgage loans subject to Home Mortgage Disclosure Act (HMDA) reporting requirements were reviewed for 2023 and 2024. During the review period, FBC originated five home mortgage loans totaling \$10.5 million in 2023 and nine loans totaling \$20.1 million in 2024. However, the vast majority of home mortgage loans were for multi-family or non-owner occupied 1-4 family investment properties. Only one loan at \$327,000 in 2023 was owner-occupied. Consequently, only non-owner-occupied loans are presented in the geographic distribution analysis. HELOC lending in 2023, 2024, and 2025 (Year-to-Date) were reviewed. During the review period, FBC made 30 loans, totaling \$6.4 million in 2023. In 2024, the bank made 19 loans, totaling \$6.0 million. In 2025, FBC made 18 loans, totaling, \$4.6 million.

The evaluation includes community development loans, qualified investments, and services, initiated or maintained since the previous FDIC CRA evaluation. Investments that were made before the prior evaluation and that remain outstanding are included at the current book values as prior period investments. Examiners evaluated the quantitative levels of community development loans, investments, and services based on the financial capacity of FBC, as well as the qualitative impact on the AA.

Finally, examiners reviewed delivery systems for providing retail banking services and retail banking products and services targeted toward low- and moderate -income individuals or small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test rating is "Low Satisfactory." FBC's lending performance evidences adequate responsiveness to the credit needs in the AA. This rating is derived after considering the following factors: adequate overall lending levels; a small percentage of loans in the AA; adequate geographic distribution of loans; poor loan distribution by borrower profile; the use of innovative or flexible lending practices; and a leader in making community development loans.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs. The number and dollar volume of loans originated during the review period were reviewed. Examiners also reviewed market share reports, aggregate lending data, and demographic data for primary loan products to determine the bank's level of lending. Market share reports provide greater context regarding competitive factors and the effects of the interest rate environment. Deposit market share data was reviewed to gain perspective on the bank's size and presence in the AA.

According to the 2024 Wolters Kluwer Deposit Market Share data, FBC maintains a deposit market share that ranks 31st out of 182 financial institutions. This places FBC in the 84th percentile. Based on 2024 aggregate HMDA (for non-owner-occupied loans) and 2023 CRA small business data, FBC home mortgage market share by number of loans is in the 58th percentile and its small business lending in the 71st percentile. Both figures minimally trail the bank's deposit market share, which indicates that the bank's lending levels are adequate.

FBC has maintained an average net loan-to-deposit (LTD) ratio of 84.0 percent for the previous 11 quarters since the previous evaluation, which is indicative of an adequate level of loans in relation to the available deposits to fund loans. FBC's LTD was compared to four similarly situated institutions, which were selected based on similar asset size, loan concentrations, and complexity of operations. The average LTD ratios of these institutions during the same 11-quarter period were 85.8 percent and ranged from 57.9 percent to 99.1 percent. The bank's ratio is consistent with the similarly situated banks.

Assessment Area Concentration

A small percentage of loans are made in the AA. This conclusion is reflected, by number and dollar volume, in its small business loans. The bank's focus is commercial lending, especially leasing across the country. This is demonstrated by comparison to the other loans below. The bank made a substantial majority of its HELOCs, by number and dollar volume, in the AA. The HMDA loans, by number and dollar volume, represent a substantial majority of loans in the AA. However, the bank made only 14 HMDA loans over a two-year period. The following table reflects the distribution of the bank's loans inside and outside the AA.

Lending Inside and Outside of the Assessment Area (AA)

Home Mortgage

Year	Inside # of Loans	Inside % of Loans	Outside # of Loans	Outside % of Loans	Total #	Inside Dollar Amount \$(000s)	Inside Dollar Amount %	Outside Dollar Amount \$(000s)	Outside Dollar Amount %	Total
2023	5	100.0	0	0.0	5	10,481	100.0	0	0.0	10,481
2024	8	88.9	1	11.1	9	14,066	70.1	6,000	29.9	20,066
Subtotal	13	92.9	1	7.1	14	24,547	80.4	6,000	19.6	30,547

Small Business

Year	Inside # of Loans	Inside % of Loans	Outside # of Loans	Outside % of Loans	Total #	Inside Dollar Amount \$(000s)	Inside Dollar Amount %	Outside Dollar Amount \$(000s)	Outside Dollar Amount %	Total
2023	48	16.2	248	83.8	296	19,770	23.6	63,825	76.4	83,595
2024	39	21.8	140	78.2	179	17,543	28.3	44,368	71.7	61,911
Subtotal	87	18.2	388	81.7	475	37,313	25.6	108,193	74.4	145,506

HELOCs

Year	Inside # of Loans	Inside % of Loans	Outside # of Loans	Outside % of Loans	Total #	Inside Dollar Amount \$(000s)	Inside Dollar Amount %	Outside Dollar Amount \$(000s)	Outside Dollar Amount %	Total
2023	30	85.7	5	14.3	35	6,434	92.5	523	7.5	6,957
2024	19	95.0	1	5.0	20	5,961	92.2	500	7.7	6,461
Year-to-date 2025	18	100.0	0	0.0	18	4,620	100.0	0	0.0	4,620
Subtotal	67	91.8	6	8.2	73	17,015	94.5	1,023	5.5	18,038
Total	165	30.2	394	72.2	546	77,393	40.1	115,221	59.8	192,794

Source: Bank Data Due to rounding, totals may not equal 100.0

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the AA. Examiners concentrated on lending penetration in LMI census tracts and focused on performance by the number of loans as it is a better indicator of the number of borrowers served. Only lending in the AA was considered in the geographic distribution analysis. Performance under small business and home mortgage loans supports this conclusion.

Small Business Lending

The geographic distribution of small business loans reflects adequate penetration throughout the AA. FBC's performance in low-income tracts is consistent with both the aggregate and demographic in 2023. In 2024, FBC's performance exceeds the 2024 demographic and 2023 aggregate. In moderate-income tracts, the bank trails the aggregate and demographic in 2023 and trails the demographic in

2024. While the bank’s AA includes all of Cook County, the bank’s branches are located in northern Cook and southern Lake County. The geographies surrounding the branches are more middle- or upper-income. Given the bank’s improvement in low-income tracts in 2024 and the locations of the branches, performance is adequate.

Geographic Distribution of Small Business Loans

Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	7.7	6.0	4	8.3	2,500	12.7
2024	7.4	--	4	10.3	1,998	11.4
Moderate						
2023	19.4	18.9	2	4.2	700	3.5
2024	19.6	--	3	7.7	1,644	9.4
Middle						
2023	28.5	31.8	11	22.9	5,413	27.4
2024	28.7	--	8	20.5	4,126	23.5
Upper						
2023	43.7	42.8	31	64.6	11,157	56.4
2024	43.8	--	24	61.5	9,775	55.7
Not Available						
2023	0.6	0.5	0	0.0	0	0.0
2024	0.6	--	0	0.0	0	0.0
Total						
2023	100.0	100.0	48	100.0	19,770	100.0
2024	100.0	--	39	100.0	17,543	100.0

*Source: 2023 & 2024 D&B Data; Bank Data, 2023 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Home Mortgage Lending

The geographic distribution of home mortgage loans reflects adequate penetration throughout the AA. As noted in the following table, performance in low-income tracts in 2023 exceeds the aggregate and demographic while performance in 2024 trails both the aggregate and demographic. In moderate-income tracts, the bank trails the aggregate and demographic. However, the bank does not originate many home mortgages, meaning it is a small sample size. Moreover, many of the bank’s loans are to multi-family properties that serve LMI residents. These considerations make the bank’s performance adequate.

Geographic Distribution of Home Mortgage Loans (All Investment Properties)

Tract Income Level	% of Occupied Rental Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	18.2	17.9	1	25.0	1,838	18.1
2024	18.8	17.2	0	0.0	0	0.0
Moderate						
2023	28.7	31.1	0	0.0	0	0.0
2024	28.7	29.4	1	12.5	73	0.5
Middle						
2023	26.0	27.0	0	0.0	0	0.0
2024	25.6	27.9	1	12.5	584	4.2
Upper						
2023	26.1	23.4	3	75.0	8,316	81.9
2024	26.0	25.1	6	75.0	13,409	95.3
Not Available						
2023	1.0	0.5	0	0.0	0	0.0
2024	1.0	0.5	0	0.0	0	0.0
Total						
2023	100.0	100.0	4	100.0	10,154	100.0
2024	100.0	100.0	8	100.0	14,066	100.0

Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

HELOC Lending

The geographic distribution of HELOC loans reflects poor penetration throughout the AA. The bank’s performance in low-income tracts trails the demographic in 2023, 2024, and 2025 (Year-to-Date). The bank did not make any loans in low-income tracts. The bank’s performance in moderate-income tracts trails the demographic in all years.

While the bank is not required to report its HELOC HMDA data, examiners looked at the aggregate lenders performance to gauge the level of demand within the assessment area. Examiners noted that the aggregate trailed the demographic in both low- and moderate-income tracts in 2023 and 2024, indicating a lower level of demand. Specifically, the aggregate in low-income tracts was 2.9 percent in 2023 and 3.8 percent in 2024. The aggregate in moderate-income tracts was 14.9 percent in 2023 and 17.3 percent in 2024.

As mentioned above, the bank’s branches are located in northern Cook and southern Lake County. The geographies surrounding the branches have more middle- or upper-income tracts, and the LMI tracts are greater distances from the branches. This distance affects the bank’s opportunities. These considerations somewhat mitigate performance, leading to a poor conclusion.

Geographic Distribution of HELOCs

Tract Income Level	% of Households	#	%	\$ (0000s)	%
Low					
2023	11.4	0	20	0	0
2024	11.7	0	20	0	0
2025 (Year-to-date)	11.7	0	20	0	0
Moderate					
2023	24.5	1	3.3	175	2.7
2024	24.9	0	0	0	0
2025 (Year-to-date)	24.9	0	0	0	0
Middle					
2023	31.3	1	3.3	150	2.3
2024	30.8	2	10.5	300	5.0
2025 (Year-to-date)	30.8	1	5.6	100	2.2
Upper					
2023	32.3	28	93.3	6,109	94.9
2024	32.0	17	89.5	5,661	95.0
2025 (Year-to-date)	32.0	17	94.4	4,520	97.8
Not Available					
2023	0.5	0	0	0	0
2024	0.5	0	0	0	0
2025 (Year-to-date)	0.5	0	0	0	0
Total					
2023	100.0	30	100.0	6,434	100.0
2024	100.0	19	100.0	5,961	100.0
2025 (Year-to-date)	100.0	18	100.0	4,620	100.0

Source: 2020 ACS; "--" data not available. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among customers of different income levels and businesses of different sizes. Performance under small business and HELOC lending support this conclusion. No conclusions were drawn regarding home mortgage lending, given that a significant majority of the loans originated were to those with an income designation of not applicable (NA), which is typical for investment purpose and multi-family home mortgage loans.

Small Business Lending

The distribution of loans to borrowers reflects poor penetration among businesses of different sizes. Performance is compared to the percentage of businesses with GARs of \$1.0 million or less (demographic) and aggregate data. Examiners applied more weight to the comparison of lending to aggregate data, as it is a better indicator of lending opportunities and demand in an AA. The distribution of small business loans to businesses with GARs of \$1.0 million or less significantly trailed both the aggregate and demographic in 2023 and the demographic in 2024. FBC does significant business with large leasing companies that operate in the AA, which affects the data below. 19 of the 34 small business loans in 2023 to businesses with GARs greater than \$1.0 million consisted of leasing loans. In 2024, 14 of the 24 small business loans to businesses with GARs of greater than \$1.0 million were leases. The following table details the distribution of small business loans by GAR of the businesses in the AA.

Distribution of Small Business Loans by Gross Annual Revenue Category

Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2023	91.0	57.0	8	16.7	2,269	11.5
2024	91.0	--	8	20.5	2,173	12.4
>\$1,000,000						
2023	3.3	--	34	70.8	13,330	67.4
2024	3.3	--	24	61.5	11,882	67.7
Revenue Not Available						
2023	5.7	--	6	12.5	4,171	21.1
2024	5.8	--	7	18.0	3,488	19.9
Total						
2023	100.0	100.0	48	100.0	19,770	100.0
2024	100.0	--	39	100.0	17,543	100.0

Source: 2023 & 2024 D&B Data; Bank Data, 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% (Includes leases)

HELOCs

The distribution of loans reflects poor penetration among customers of different income levels. The data below shows that lending to low-income borrowers trailed the demographic data in 2023, 2024, and 2025 (Year-to-date). In moderate-income tracts in 2023 and 2024, the bank trails the demographic. The bank improved in 2025 (Year-to-date) in moderate-income tracts.

While the bank is not required to report its HELOC HMDA data, examiners looked at the aggregate lenders performance to gauge the level of demand within the assessment area. Examiners noted that the aggregate at 9.9 percent and 9.6 percent in 2023 and 2024, respectively, trailed the demographic in low-income tracts. In moderate-income tracts the aggregate at 17.7 percent and 18.5 percent in 2023

and 2024, respectively, exceeded the demographic. This indicates that there was demand. However, the bank’s branches are located near many middle- and upper-income tracts, and as such, there are limited opportunities to originate HELOCs to lower-income borrowers. These considerations reflect that the overall performance is poor. The following table details the distribution HELOCs in the AA

Distribution of HELOCs by Borrower Income Level

Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2023	28.1	1	3.3	25	0.4
2024	28.1	2	10.5	1,478	24.8
2025 (Year-to-date)	28.1	0	0.0	0.0	0.0
Moderate					
2023	15.6	3	10.0	185	2.9
2024	15.6	2	10.5	200	3.4
2025 (Year-to-date)	15.6	3	16.7	650	14.1
Middle					
2023	16.5	5	16.7	825	12.8
2024	16.5	4	21.1	393	6.6
2025 (Year-to-date)	16.5	4	22.2	1,400	30.3
Upper					
2023	39.8	21	70.0	5,399	83.9
2024	39.8	11	57.9	3,890	65.3
2025	39.8	11	61.1	2,570	55.6
Not Available					
2023	0.0	0	0.0	0	0.0
2024	0.0	0	0.0	0	0.0
2025 (Year-to-date)	0.0	0	0.0	0	0.0
Total					
2023	100.0	30	100.0	6,434	100.0
2024	100.0	19	100.0	5,961	100.0
2025 (Year-to-date)	100.0	18	100.0	4,620	100.0

Source: 2020 ACS; "--" data not available. Due to rounding, totals may not equal 100.0%

Innovative or Flexible Lending Practices

FBC uses innovative and/or flexible lending practices to serve its AA’s credit needs. The bank partnered with the Community Partners for Affordable Housing for the Critical Home Repair

Program. Not only does the bank provide needed repairs for LMI residents' homes, but participants also receive financial literacy training. FBC has also partnered and arranged for Small Business Administration (SBA) loans. FBC has also participated with Allies for Community Business and The Capital Good in Equity Equivalent Investments (EQ2). According to the article, "*Equity Equivalent Investments*." by Beth Lipson, published in the March 2002 issue² of Community Investments, EQ2 is an innovative way to leverage funds for microlending. Lipson wrote, "It is a financial tool that allows Community Development Financial Institutions (CDFI)s to strengthen their capital structures, leverage additional debt capital, and, as a result, increase lending and invest in economically disadvantaged communities."

Community Development Loans

The institution was a leader in making community development loans in the AA. During the evaluation period, the bank made 44 community development loans, totaling approximately \$95.5 million in the AA over 32 months. FBC's community development lending initiatives include affordable housing, economic development, and community services. The bank's loans are responsive to area credit and community development needs. In addition, the bank originated two community development loans, totaling approximately \$27.2 million that benefited the regional or statewide area.

The bank's levels of community development loans to average net loans and average total assets were 7.1 percent of average net loans and 4.8 percent of average total assets or 0.22 percent and 0.15 percent per month, respectively. In the bank's prior examination, there were 55 loans totaling \$99.5 million over 35 months. This was 5.1 percent of average total assets or 0.15 percent per month and 7.3 percent of average net loans or 0.21 percent per month. The bank's performance on a monthly basis is higher than the prior examination's performance.

FBC's community development lending performance was compared to SSIs recently evaluated by the FDIC, the Office of the Comptroller of the Currency, and the Federal Reserve Bank of Chicago. Three of the four comparable institutions were considered to be leaders in community development lending. The fourth made an adequate level of community development loans. The four SSIs operating in the AA averaged 3.9 percent of average net loans or 0.11 percent per month and ranged from 1.4 percent to 5.3 percent or 0.038 to 0.15 percent per month. In addition, the four SSIs averaged 2.8 percent of average total assets or 0.08 percent per month and ranged from 1.1 percent to 3.9 percent or 0.03 percent to 0.11 percent per month. The following table provides additional information regarding community development lending.

² Lipson, Beth (2002, March). Equity Equivalent Investment, Community Investments.
<https://www.cdfifund.gov/system/files/documents/eq2-overview-by-opportunity-finance-network.pdf>.

Community Development Lending

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2/21/2023 – 12/31/2023	5	28,113	3	4,108	1	75	0	0	9	32,296
2024	9	6,615	4	1,275	2	133	0	0	15	8,023
Year to Date 2025	14	50,636	4	1,425	2	3,116	0	0	20	55,177
Total	28	85,364	11	6,808	5	3,324	0	0	44	95,496

Source: Bank Records.

Examples of FBC’s community development loans include:

- A \$25.0 million revolving line of credit, which was an increase from \$15.0 million, to fund mobile-home park improvements and new home installations at Chicago’s only in-city manufactured housing community.
- A \$3.9 million acquisition loan for a 27-unit apartment complex where 25 of 27 units are below U.S. Department of Housing and Urban Development (HUD) fair-market rents, strengthening affordable rental supply in the community.
- A \$5.2 million (pro-rated) portion of a \$13.0 million investment supporting construction of a 270-unit development, with 108 units (40%) to rent at or below HUD fair market rent levels
- A \$1.1 million renewal loan for a 29-unit apartment building in a low-income census tract, preserving affordable rental housing stock.
- A \$2.0 million construction loan to build eight affordable townhomes in Highland Park, with units reserved for households under 80% and 120% of MFI through the community land trust model
- A \$8.1 million renewal investment in a CDFI note-purchased pool that finances the acquisition, rehab, and preservation of affordable multi-family housing across multiple Chicago-area census tracts.

INVESTMENT TEST

FBC’s investment performance is “Low Satisfactory.” The institution has demonstrated an adequate level of investment and grant activity and responsiveness to the AA’s CD investment needs.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, although rarely in a leadership position. FBC made 458 qualified donations and grants totaling \$1.1 million and funded 62 qualified investments totaling \$17.0 million during the review period. The bank’s levels of qualified investments to average total assets and average total investments were 0.90 percent of average assets or 0.028 percent per month and 3.1 percent of average total investments or 0.10 percent per month. In the bank’s prior examination, there were 417 qualified investments and donations, totaling \$17.7 million over 35 months. This translates to 0.91 percent of average total assets or 0.026 percent per month and 3.4 percent of average total investments or 0.10 percent per month. FBC’s current investment volume is similar to its prior performance.

FBC’s community development investments performance was compared to five SSIs recently evaluated by the FDIC, the Office of the Comptroller of the Currency, and the Federal Reserve Bank of Chicago. The five SSIs averaged 5.8 percent of average total investments or 0.17 percent per month and ranged from 3.0 percent to 9.9 percent or 0.10 percent per month to 0.28 percent per month. The five SSIs averaged 1.0 percent of average total assets or 0.031 percent per month and ranged from 0.7 percent to 1.6 percent or 0.024 percent per month to 0.048 percent per month. The bank’s level of investments is less than these institutions that were mostly rated at the significant level of qualified investments and grants. The following table details qualified investments by year and type.

Qualified Investments

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	27	5,761	18	5,658	2	1,050	0	0	47	12,469
2/21/2023 – 12/31/2023	0	0	0	0	1	1,000	5	1,245	6	2,245
2024	0	0	0	0	0	0	6	1,495	6	1,495
Year to Date 2025	0	0	0	0	0	0	3	745	3	745
Subtotal	27	5,761	18	5,658	3	2,050	14	3,485	62	16,954
Qualified Grants & Donations	53	12	405	1,053	0	0	0	0	458	1,065
Total	80	5,773	423	6,711	3	2,050	14	3,485	520	18,019

Source: Bank Data

Examples of FBC’s investments include:

- \$1.0 million in economic development investments that provides loans to small businesses.
- Six certificate of deposit investments in minority depository institutions and CDFIs. Each certificate of deposit is approximately \$250,000.

Community Development Initiatives

FBC made occasional use of innovative or complex investments to support community development initiatives. FBC partnered with a local affordable housing organization to establish an Individual Development Account (IDA) Home Repair Savings program in which participant dollars are matched by the bank, up to \$500 per year, for use on repairs to homes purchased through assistance by the organization. FBC provided \$7,490 in matching to eight accounts in 2023 and 2024.

Responsiveness to Credit and Community Development Needs

FBC exhibits adequate responsiveness to the credit and community development needs of the AA. FBC’s investments are notable, as many are affordable housing, or small business-related, which are responsive to the community development needs.

SERVICE TEST

An “Outstanding” rating is assigned under the Service Test. The bank’s retail delivery systems and CD service initiatives demonstrate excellent responsiveness to the AA.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank’s geographies and individuals of different income levels in its AA. As detailed in the table below, FBC operates three branches; one is located in upper-income census tract, one is located in middle-income census tract, and one is located in a moderate-income census tract. The limited-service LPO is located in an upper-income census tract. FBC provides banking services through online banking and bill pay, mobile banking and deposit, and 24-hour ATMs at all locations. This includes Zelle (peer-to-peer) and external account-to-account transfer.

Branch Distribution by Geography Income Level in the AA

Tract Income Level	Census Tracts		Population		All Branches		FBC Branches	
	#	%	#	%	#	%	#	%
Low	238	16.0	756,034	12.6	96	6.6	0	0.0
Moderate	384	25.7	1,580,586	26.4	284	19.4	1	33.3
Middle	418	28.0	1,829,459	30.5	491	33.5	1	33.3
Upper	432	29.0	1,785,366	29.8	579	39.5	1	33.3
Not Available	20	1.3	38,438	0.6	14	1.0	0	0.0
Total	1,492	100.0	5,989,883	100.0	1464	100.0	3	100.0

*Source: 2020 ACS, 2024 FFIEC, 2024 Peer Branch and Deposit Data
Due to rounding, totals may not equal 100.0%*

Changes in Branch Locations

During the review period, the bank did not open or close any branches. As a result, there were no changes that impacted the accessibility of banking services to LMI geographies or individuals. The bank’s branch distribution remained consistent and continued to reasonably serve the needs of its assessment area.

Reasonableness of Business Hours and Services

Services and business hours are tailored to the convenience and needs of its AA, particularly LMI geographies and LMI individuals. All branches’ lobbies are open from 9:00 a.m. to 5:00 p.m. Monday through Friday, and some branches have drive-up services and Saturday hours. In addition, the bank has introduced All Star e-Banking, which is a Bank On certified banking account. Bank On is a not-for-profit that is committed to helping consumers identify and enroll in safe, low-cost transactional checking and savings accounts. The bank also highlights and links on its website to Capital Good Fund, which provides personal loans and coaching on budgeting, lending, and credit score management.

Community Development Services

FBC is a leader in providing community development services and conducted 6,270 hours of community development services over 32 months. The services qualify for consideration as they use the individuals’ financial expertise in serving on Boards of Directors, finance committees, fundraising committees, and planning committees for many organizations that serve LMI community members. FBC’s community development services performance was compared to four SSIs recently evaluated by the FDIC, the Office of the Comptroller of the Currency, and the Federal Reserve Bank of Chicago. FBC’s volume of services significantly exceeded the level of services provided by similarly situated institutions in the AA. These banks averaged 3,836 hours, and three of the four were

considered leaders in providing community development services. The following table illustrates the bank’s performance.

Community Development Services (Hours of Service)

	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
Activity Year	#	#	#	#	#
2/21/2023 – 12/31/2023	154	1,986	57	30	2,227
2024	133	2,064	36	30	2,263
Year to Date 2025	109	1,645	3	23	1,780
Total	396	5,695	96	83	6,270

Source: Bank Data

Examples of FBC’s community development services include:

- A bank Board member committed 2,640 hours over the review period to a social service organization that primarily benefits LMI people by using his financial expertise to further the organization as a Board member.
- A bank Senior Vice President serves on the advisory board of a social service organization and committed 155 hours to helping LMI residents prepare taxes.
- A bank Vice President volunteers on the board of an organization that provides shelter to the homeless.
- A bank Senior Vice President serves on the board of an organization that assists victims of domestic abuse who have no resources.
- A Senior Vice President serves on the board of an affordable housing organization.

FAIR LENDING, DISCRIMINATORY, OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The IDFPR Division of Banking provides comments regarding the institution’s fair lending policies and procedures pursuant to 205 ILCS 735/35-15. Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures. Based on an application of these procedures, examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, the results did not affect the institution’s overall ILCRA rating.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

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

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

Investment Test

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

- 1) The dollar amount of qualified investments;

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

Service Test

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

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

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

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

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

ASSESSMENT FACTORS
(38 Ill. Admin. Code 345.200)

As used in this Part, "assessment factors" means the assessment of the following factors to determine whether a bank is meeting the financial services needs of local communities:

- a) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;
- b) extent of marketing to make members of the community aware of the financial services offered;
- c) origination of mortgage loans including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income residents to be able to remain in affordable housing in their neighborhoods;
- d) for small business lenders, the origination of loans to businesses with gross annual revenues of \$1,000,000.00 or less, particularly those in low-income and moderate-income neighborhoods;
- e) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually owned financial institutions;
- f) efforts working with delinquent customers to facilitate a resolution of the delinquency;
- g) origination of loans that show an under concentration and a systemic pattern of lending resulting in the loss of affordable housing units;
- h) evidence of discriminatory and prohibited practices; and
- i) offering retail banking services to unbanked and underbanked persons.

GLOSSARY

Affiliate: This means any company that controls, is controlled by, or is under common control with another company. The term "control" has the meaning given to that term in 12 U.S.C. 1841(a)(2), and a company is under common control with another company if both companies are directly or indirectly controlled by the same company.

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

Alternative financial products or services: This means financial products or services offered by persons other than an insured depository institution at a higher cost than comparable services offered by an insured depository institution.

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

Area Median Income: This means the median family income for the Metropolitan Statistical Area (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 the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: This means a geographic area delineated in accordance with 38 Ill. Admin. Code 345.400.

Bank: This means a bank that has a charter issued under the Illinois Banking Act [205 ILCS 5], a savings bank that has a charter issued under the Savings Bank Act [205 ILCS 205], and an FDIC-insured banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645].

Branch: This means a staffed banking facility defined as a branch under Section 2 of the Illinois Banking Act [205 ILCS 5/2] or Section 1007.20 of the Illinois Savings Bank Act [205 ILCS 205/1007.20], and a branch of a banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645], 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: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

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

Community Development: This includes: affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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; activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency based on rates of poverty, unemployment, and population loss or based on population size, density, and dispersion. Activities that revitalize and stabilize geographies are designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or unbanked or underbanked geographies; and activities targeted to directly and tangibly increase climate resilience in low-income to moderate-income neighborhoods or mitigate environmental harm in LMI neighborhoods.

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

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

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

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

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited-purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan unless the loan is for a multifamily dwelling (as defined in 12 CFR 1003.2(n)); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under 38 Ill. Admin. Code 345.240(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loan, which is a consumer loan extended for the purchase of and secured by a motor vehicle; credit card loan, which is a line of credit for household, family, or other personal expenditures that is accessed by a borrower's use of a "credit card," as this term is defined in 12 CFR 1026.2; other secured consumer loan, which is a secured consumer loan that is not included in one of the other categories of consumer loans; and other unsecured consumer loan, which is an unsecured consumer loan that is not included in one of the other categories of consumer loans.

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

Department: This means the Illinois Department of Financial and Professional Regulation.

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

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives

living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FDIC: This means the Federal Deposit Insurance Corporation.

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

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

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

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

Home Mortgage Loan: This means a closed-end mortgage loan or an open-end line of credit as these terms are defined under Section 1003.2 and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (10) and (13).

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

Income level includes:

Low-income: This means 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 geography.

Moderate-income: This means 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 and less than 80 percent in the case of a geography.

Middle-income: This means 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 and less than 120 percent in the case of a geography.

Upper-income: This means an individual income that is 120 percent or more of the area median income or a median family income that is 120 percent or more in the case of a geography.

Limited purpose bank: This means 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 38 Ill. Admin. Code 345.250(b).

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

Loan Location: This means a loan is located as follows:

A consumer loan is located in the geography where the borrower resides;

A home mortgage loan is located in the geography where the property to which the loan relates is located; and

A small business or small farm loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.

Loan production office: This means a staffed facility of a bank, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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

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

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

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

Metropolitan Division (MD): This means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

Metropolitan Statistical Area (MSA): This means a metropolitan statistical area as defined by the United States Director of the Office of Management and Budget.

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

Nonmetropolitan Area (also known as non-MSA): This means any area that is not located in an MSA.

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

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Remote Service Facility (RSF): This means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, such as an automated teller machine, cash dispensing machine, point-of-sale terminal, or other remote electronic facility, at which deposits are received, cash dispersed, or money lent.

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

Small Bank: This means a bank that is a small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act and an intermediate small bank means a bank that is an intermediate small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms.

Small business loan: This means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Federal Financial Institution Examination Council (FFIEC) 031 and 041).

Small farm loan: This means a loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (FFIEC 031 and 041).

Special credit program: This means any credit program offered by a bank to meet special social needs which is in conformity with and explicitly authorized by the Equal Credit Opportunity Act (15 U.S.C. 1691(c)) and Regulation B (12 C.F.R. 1002.8).

Substantial majority: This means a portion of the bank's lending activity so significant by number and dollar volume of loans that the lending test evaluation would not meaningfully reflect its lending performance if consumer loans were excluded.

Unbanked person: This means an individual that does not have a checking or savings account with an insured depository institution.

Underbanked person: This means an individual that has a checking or saving account with an insured depository institution but that used financial products or services from a person other than an insured depository institution in the past 12 months.

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

Very Small Bank: This means a bank that is eligible for the Very Small Bank Examination Procedure set forth in 38 Ill. Admin. Code 345.450(b).

Wholesale bank: This means 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 38 Ill. Admin. Code 345.450(b).