



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

March 7, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Brookfield
Charter Number 14993**

**9136 Washington Avenue
Brookfield, Illinois 60513**

**Office of the Comptroller of the Currency
ADC - Chicago South Field Office
7600 County Line Road, Suite 3
Burr Ridge, Illinois 60527**

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.

GENERAL INFORMATION.....	1
INSTITUTION'S CRA RATING.....	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREA'S.....	2
CONCLUSIONS ABOUT PERFORMANCE CRITERIA.....	3

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **First National Bank of Brookfield (FNBB)** prepared by **The Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of March 7, 2005. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

This evaluation covers the period since May 24, 1999, the date of the last CRA examination when the bank was rated "**Satisfactory Record of Meeting Community Credit Needs.**"

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

First National Bank of Brookfield demonstrates a willingness to assess the credit needs of the community and is committed to meeting those needs.

- The bank's loan to deposit ratio is more than reasonable.
- The bank's lending activity in the Assessment Area (AA) is reasonable.
- The bank's record of extending credit to individuals of different income levels and businesses of different sizes in the AA is reasonable.
- The bank did not receive any written complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

DESCRIPTION OF INSTITUTION

FNBB is located in the Village of Brookfield, Illinois, approximately 13 miles southwest of the city of Chicago. The Bank operates two locations, the main office, and one branch in Naperville, Illinois, known as The First National Bank of Naperville. The Naperville branch opened in July of 2004. The bank also operates three automated teller machines (ATM). Both of the bank's offices are full-service facilities and offer a full range of traditional banking products.

The bank has total assets of \$263 million as of December 31, 2004 and is a wholly owned subsidiary of First Brookfield, Inc., a one-bank holding company. The loan portfolio represents 72 percent of total assets. The table below illustrates the composition of the loan portfolio.

Loan Category	\$(000)	Percent
Residential Real Estate Loans	\$ 101,710	53.57%

Commercial and Commercial Real Estate Loans	\$ 54,851	28.89%
Construction and Development Loans	\$31,350	16.52%
Individual Loans	\$ 1,916	1.01%
Other	\$35	0.01%
Total	\$189,862	100%

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in the bank’s assessment areas. There has been no change in the bank’s corporate structure since the last CRA evaluation. The bank’s last CRA rating was “Satisfactory Record of Meeting Community Credit Needs” as detailed in the performance evaluation dated May 24, 1999.

DESCRIPTION OF ASSESSMENT AREA’S

FNBB’s assessment area (AA) includes geographies in Cook, DuPage, and Will County, which is part of the Chicago Metropolitan Statistical Area (MSA 16974). During 2005, management changed the bank’s AA from 29 geographies to 52 geographies to reflect the growth of their market. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Census 2000 changed the boundaries and income levels of many existing geographies, and created some new geographies. These changes were effective January 1, 2003. The MSA (Metropolitan Statistical Area) revisions, resulting from the 2000 census changes did not have a significant impact on the bank’s performance context, therefore a separate analysis for each year would not be meaningful. The evaluation period included loans originated from January 1, 2003 through December 31, 2004, using 2000 census data.

The total population of the AA is 203,968 based on 2000 census data. The current AA, based on 2000 census data, consists of 52 geographies. The AA is comprised of 1 (1.72%) moderate-income, 28 (48.28 percent) middle-income and 29 (50 percent) upper-income geographies. There are no low-income geographies within the bank’s AA during the census period.

The median annual family income in the bank’s AA, based on 2000 census data, is \$61,182. Eighty one percent of the housing in the AA is 1-4 family units with 75 percent owner-occupied. The median home value, based on 2000 census data, is \$192,584. The local economy is stable. Major employers in the AA include Brookfield Zoo, LaGrange Community Hospital, Loyola University Hospital, and Edwards Hospital. The 2004 unadjusted seasonal unemployment rate for the AA was 3.2 percent. This is below the 2003 State of Illinois unemployment rate of 6.1 percent and the 2003 national unemployment rate average of 6.0 percent.

Community Contacts

We contacted a local community official. The contact indicated that the performance of local financial institutions has ranged from good to excellent with FNBB standing out as a local leader. The credit and financial service needs are very diverse with the local community and range from the simplest to the most sophisticated needs for services and products.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

The evaluation period covers activity from January 2003 through December 2004. Overall, First National Bank of Brookfield meets the community credit needs in a manner commensurate with its size, resources, and capabilities. All home purchase loans, home improvement loans, and refinancing of mortgage loans were analyzed using data from the bank's submitted Home Mortgage Disclosure Act (HMDA) statements from 2003 and 2004. Mortgage loans were chosen for the evaluation because they are a large majority of the bank's loan portfolio.

Loan-to-Deposit Ratio

The bank's loan to deposit (LTD) ratio is more than reasonable. FNBB's LTD has been positive and trending upward since our last evaluation. The bank's LTD ratio as of December 31, 2004 is 79 percent. FNBB's quarterly average LTD ratio for the period from December 31, 1999 through December 31, 2004 is 76 percent. This is an increase from the 73 percent quarterly average LTD ratio during the previous evaluation period. Banks of similar asset size in the AA range from an average of 71 percent to 84 percent LTD ratio.

Lending in Assessment Area

FNBB's primary loan types are home mortgage (home purchase, refinance, and home improvement), commercial and commercial real estate. These loan types constitute a significant volume of the bank's lending mix. Residential loans comprise 54 percent of the bank's portfolio, and commercial and commercial real estate comprise 29 percent.

Lending in the AA is reasonable. A majority (52 percent) of home mortgage loans originated or purchased by FNBB over the evaluation period are within the bank's AA. The following table details the bank's lending within the AA by number of loan originations and dollar volume since its last CRA evaluation.

Lending in Assessment Area 2003- 2004										
Loan Type	Number of Loans					Dollars of Loans (000 omitted)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase*	32	38%	53	62%	100%	5695	31%	12,387	69%	18,082

Home Refinance*	134	55%	109	45%	100%	20,193	49%	21,059	51%	41,252
Home Improve*	13	68%	6	32%	100%	886	55%	715	45%	1,601
Multi Family*	13	59%	9	41%	100%	3,916	55%	3,153	45%	7,069
Total Residential Real Estate*	192	52%	177	48%	100%	30,690	45%	37,314	55%	68,004
Small Business **	17	85%	3	15%	100%	2,117	65%	1,118	35%	3,237
TOTAL Loans	209	54%	180	46%	100%	32,807	46%	38,432	54%	71,239

* Represents loans originated between January 1, 2003 and December 31, 2004 as reported under the Home Mortgage Disclosure Act.

**FNBB is not a small business reporter, therefore; the analysis is based solely on the sample size of 20.

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

Overall, the bank's lending to borrowers of different income levels is reasonable. In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level of 9.67% percent using 2000 census data. We also considered the median housing cost from the 2000 census is \$192,584. The poverty level and the increased cost of housing are barriers that may have a negative affect on home ownership.

Significant competition exists in the bank's market area. Many of the bank's competitors are large regional and national institutions; thus, competition for lending opportunities is strong. There are 422 lenders in Cook, DuPage, and Will County area where the bank's AA is located.

Residential Real Estate Loan Originations (January 1, 2003 – December 31, 2004)

The borrower distribution of home purchase loans is reasonable. The bank did not make any home purchase loans to low-income borrowers during the assessment period. Opportunity to make home purchase loans to low-income borrowers is limited due to the poverty level and the average median housing cost, therefore limiting opportunities for low income- borrowers to obtain home ownership.

Home purchase loans made to moderate-income borrowers greatly exceed the percentage of moderate income-families within the AA.

The borrower distribution of home improvement loans is reasonable. The bank did not make any home improvement loans to low-income borrowers during the assessment period. As stated above, opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level and the average median housing cost. Home improvement loans made to moderate-income borrowers greatly exceed the percentage of moderate-income families within the AA.

The borrower distribution of home refinance loans is more than reasonable. Home refinance loans made to low-income borrowers exceed the percentage of low-income families within the AA. Home refinance loans made to moderate-income borrowers greatly exceeds the percentage of moderate-income families within the AA.

Borrower Distribution of Residential Real Estate Loans 2003-2004				
Borrower Income Level	Low	Moderate	Middle	Upper

Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase*	8.76%	0.00%	11.90%	30.00%	21.98%	10.00%	57.35%	60.00%
Home Improvement*	8.76%	0.00%	11.90%	33.33%	21.98%	50.00%	57.35%	16.67%
Home Refinance*	8.76%	10.71%	11.90%	20.24%	21.98%	22.62%	57.35%	46.43%

*Represents loans originated between January 1, 2003 and December 31, 2004 as reported under the Home Mortgage Disclosure Act.

Small Loans to Businesses

The bank's lending to small businesses with revenues of \$1 million or less is more than reasonable. Our review included a sample of 20 loans inside the bank's AA between January 1, 2003 and December 31, 2004.

FNBB's small loans to businesses with revenues of \$1 million or less, (85 percent) exceeds the percentage of small businesses (62 percent which represents 11,939 businesses) in the AA. Competition for small business loans in the bank's AA is strong. Using 2003 peer small business data, there are 352 lenders originating small business loans in the bank's AA, the majority of which are large credit card and regional banks.

Borrower Distribution of Loans to Businesses 2003-2004		
Business Revenues (or Sales)	<\$1,000,000	>\$1,000,000
% of AA Businesses*	63%	37%
% of Bank Loans in AA by #	85%	15%
% of Bank Loans in AA by \$	86%	14%

*2003 Peer Small Business Data

**The bank is not a small business reporter; therefore, our conclusions are based on a sample size of 20 loans.

Geographic Distribution of Loans

The bank has no low and only one moderate-income geography in the AA; therefore, a geographic analysis would not be meaningful.

Responses to Complaints

The bank did not receive any consumer complaints since our last evaluation.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.