



PUBLIC DISCLOSURE

April 29, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Forest Park National Bank and Trust Company
Charter Number 14566

7348 West Madison Street
Forest Park, IL 60130

ADC-Chicago (8308) Field Office
Office of the Comptroller of the Currency
2001 Butterfield Road, Suite 400
Downers Grove, IL 60515

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, and should not 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.

Table of Contents

OVERALL CRA RATING 3

DEFINITIONS AND COMMON ABBREVIATIONS 4

DESCRIPTION OF INSTITUTION 8

SCOPE OF THE EVALUATION..... 9

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 11

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 12

LENDING TEST12

APPENDIX A: SCOPE OF EXAMINATION..... A-1

APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS..... B-1

APPENDIX C: TABLES OF PERFORMANCE DATA C-1

Overall CRA Rating

The Lending Test is rated: **Satisfactory**

The major factors supporting the rating for Forest Park National Bank and Trust Company ("FPNBT" or "bank") are as follows:

- FPNBT's average loan-to-deposit (LTD) ratio is reasonable considering the bank's size, financial condition, and strong competition for loans and deposits within its assessment area (AA).
- A majority of the loans originated or purchased by the bank were inside the AA.
- Overall the bank's lending to borrowers of different incomes and to businesses of different sizes showed reasonable distribution in the AA, particularly regarding lending to small businesses.
- The distribution of small business and home mortgage loans in geographies of different income levels is reasonable.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation (PE), including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

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.

Census Tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable, or facilitate projects or activities under the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the Office of the Comptroller of the Currency (OCC) to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct 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 the income of applicants; the amount of loan requested; the disposition of the application (e.g., approved, denied, and withdrawn); loan pricing; the lien status of the collateral; any requests for preapproval; and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement, and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing, and one- to four-family dwellings other than manufactured housing.

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division (MD): As defined by Office of Management and Budget, a county or group of counties within a core based statistical area that contains an urbanized population of at least 2.5 million. A metropolitan division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (call report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the call report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings, and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

Forest Park National Bank and Trust Company (FPNBT) is an intrastate community bank located in Forest Park, Illinois. FPNBT is wholly owned by First Forest Park Corporation, a one-bank holding company, also located in Forest Park. The bank has two subsidiaries, First Forest Park Capital Trust II and First Park Capital Trust III.

As of March 31, 2019 FPNBT reported total assets of \$245.5 million, tier 1 capital of \$20.3 million, and the loan portfolio totaled \$188.9 million, representing 76.9 percent of total assets. The composition of the loan portfolio is 50.6 percent residential mortgage loans, 47.1 percent commercial loans, and the remaining 2.3 percent are consumer and other loans.

FPNBT has two full service banking offices and three full service ATMs located in Forest Park. There have been no mergers or bank acquisitions since the prior CRA PE. The bank has one designated assessment area (AA) comprised of all of Cook County, Illinois, located within the Chicago-Naperville-Arlington Heights MD, which is part of the Chicago-Arlington Heights-Elgin IL-IN-WI MSA. The AA meets regulatory requirements and it does not arbitrarily exclude low- or moderate-income census tracts, or reflect any illegal discrimination. According to the 2015 American Community Survey (ACS), the AA is composed of 19.3 percent low-income census tracts, 28.8 percent moderate-income census tracts, 24.2 percent middle-income census tracts, 26.7 percent upper-income census tracts, and 1 percent of the census tracts have no designated income level.

Competition within the AA is considerable, including local, regional, and nationwide financial institutions of all sizes that operate within Forest Park and Cook County. The Federal Deposit Insurance Corporation (FDIC) deposit market share report from June 30, 2018 included 113 financial institutions taking deposits within the AA. The bank ranked 67 out of the 113 financial institutions, with a deposit market share of 0.08 percent. The bank does not have any legal impediments that hinder their ability to meet the needs of the AA. The bank's prior CRA evaluation dated March 11, 2014 resulted in a performance rating of "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

FPNBT's CRA performance was evaluated under the Small Bank CRA examination procedures. This includes evaluation of the bank's record of meeting the credit needs of its AA based on the following five criteria:

- LTD Ratio;
- Lending inside the AA;
- Lending to borrowers of different incomes;
- Geographic distribution of lending; and
- Responsiveness to complaints

We completed this PE using full-scope examination procedures for the bank's one AA, which consists of all of Cook County. The evaluation period was January 1, 2016 through December 31, 2018. Evaluation under the lending test focused on the bank's primary loan products, identified as small business loans, residential multifamily, and one- to four-family investor mortgage loans. We did not consider any affiliate or subsidiary lending activity in this review. At the bank's request, we also reviewed other lending activity, which included loans for affordable housing originated by Community Investment Corporation (CIC) and other qualifying community development (CD) loans.

We evaluated data using two separate analysis periods due to changes in census data pursuant to the American Community Survey (ACS) Census, which occurred in 2015. We analyzed loans originated in 2016 based on 2010 census data and the bank's performance was compared to 2016 demographics and aggregate peer lending performance. We analyzed loans originated in 2017 and 2018, based on 2015 ACS data. The bank's performance was compared to 2018 demographics and 2017 aggregate peer lending performance. We placed more weight on bank performance during 2017/2018, as that time period represented a majority of the lending activity during the lending test evaluation period.

We also gave more weight to the bank's small business lending as that product represented the largest percentage of new loan originations during the analysis period. Our analysis of the bank's mortgage lending considered the fact that a large portion of the bank's residential mortgage loan originations during the analysis period was loans to investors in multifamily and one- to four-family properties that did not require reporting of borrower incomes, leaving only a small portion of lending reported on the bank's yearly HMDA loan application register (LAR) available for borrower income distribution analysis. However, these loans were used for other lending test analysis.

We used home mortgages reported on the HMDA LAR from January 1, 2016 through December 31, 2018 to analyze the bank's record of lending within its AA and to perform the borrower and geographic distribution analysis. Because the bank is not a CRA LAR

reporter, analysis of the bank's small business lending performance is based on a sample of 80 loans originated during the same timeframe.

To evaluate the bank's loan volume we calculated an average quarterly LTD ratio since the previous performance evaluation.

We used FDIC annual deposit information to determine the bank's deposit market share and deposit market ranking within its AA. The most recent deposit market share information was as of June 30, 2018. Additionally we conducted an interview with a representative from a local community organization in order to determine the needs of the AA.

Data Integrity

We conducted a data integrity examination in March 2019 to assess data used in this CRA examination. During the data integrity examination, we reviewed 30 loans reported on the bank's HMDA LARs from 2016, 2017, and 2018. No errors were noted and the data from all HMDA LARs was deemed accurate and reliable for use in the analysis performed for this CRA PE.

Since the bank is not required to report and does not optionally report small business lending on a CRA LAR, we selected a random sample of 80 small business loans for use in the CRA PE analysis.

Selection of Areas for Full-Scope Review

A full-scope review was performed for the bank's AA.

Ratings

The bank's overall rating is based on the area that received the full-scope review.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the lending test is rated Satisfactory. Based on our review of the bank's performance in the Chicago-Naperville-Arlington Heights MD, the bank's LTD ratio was reasonable, a majority of the bank's lending during the evaluation period was inside its AA, and the borrower and geographic distribution of lending throughout the AA was reasonable.

Loan-to-Deposit Ratio

FPNBT's average LTD ratio is reasonable considering the bank's size, financial condition, and strong competition for loans and deposits within its AA. The most recent FDIC market share report reflected that FPNBT ranked 67 out of 113 financial institutions taking deposits within Cook County. Bank competitors include large financial institutions, such as JP Morgan Chase, BMO Harris Bank, N.A., Bank of America, N.A., and MB Financial Bank, N.A, who collectively operate 473 branch locations within the bank's AA and hold 52.3 percent of the market share, as compared to FPNBT's two offices and market share of 0.08 percent. We calculated the LTD ratio on a bank-wide basis from March 31, 2014 through March 31, 2019. FPNBT's average LTD ratio of 85.4 percent ranked 5 out of 19 institutions within Cook County who have total assets between \$124 million and \$337 million. The quarterly average LTD ratio for the peer group ranged from 41.8 percent to 107.3 percent, with the average LTD ratio being 74.8 percent.

Lending in Assessment Area

Analysis of FPNBT's record of lending inside the AA showed that a majority of the loans originated or purchased by the bank for years 2016 through 2018 were inside the AA. We calculated the proportion of lending inside versus outside the AA on a bank-wide basis. The analysis considered all loans reported by the bank on its 2016, 2017, and 2018 HMDA LARs as well as 80 small business loans selected for analysis that were originated during these same three years. The bank originated 83.9 percent by volume and 87.3 percent by dollar amount of its loans inside the AA.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|----------------------------------------------------------|------------------------|----------|----------------|----------|--------------|--------------------------------------------|----------|----------------|----------|---------------------------|
| Loan Category | Number of Loans | | | | Total | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | # | \$ | % | \$ | % | |
| Home Mortgage | 234 | 85.1 | 41 | 14.9 | 275 | 78,551 | 87.8 | 10,955 | 12.1 | 89,506 |
| Small Business | 59 | 73.6 | 21 | 26.3 | 80 | 18,292 | 85.1 | 3,200 | 14.9 | 21,492 |

| | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------|-----|------|----|------|-----|--------|------|--------|------|---------|
| Total | 298 | 83.9 | 62 | 17.5 | 355 | 96,843 | 87.3 | 14,155 | 12.8 | 110,998 |
| <i>Source: 01/01/2016-12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i> | | | | | | | | | | |

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

Overall the bank’s lending to borrowers of different incomes and to businesses of different sizes showed reasonable distribution in the AA, particularly regarding lending to small businesses. The lending distribution to small businesses was excellent. Bank mortgage lending distribution was reasonable, when considered in conjunction with other lending activities as discussed below.

Small Business Lending

Refer to Table R in Appendix C for the facts and data used to evaluate the borrower distribution of the bank’s small business loan originations and purchases

Years 2017/2018

The bank’s small business lending demonstrated excellent distribution to businesses of different sizes, particularly in lending to small businesses (those with gross annual revenues equal to or less than \$1 million). Out of 28 small business loans sampled during this evaluation period, 100 percent were made to small businesses with gross annual revenues equal to or less than \$1 million. The bank’s performance exceeded demographics on the percentage of small businesses within the AA (80.9 percent) as well as greatly exceeding aggregate peer group performance (49.2 percent).

Year 2016

The bank’s small business lending in year 2016 was excellent. The bank’s percentage of lending to small businesses (93.5 percent) exceeded the percentage of small businesses within the AA (80.8 percent) and greatly exceeded the aggregate peer group performance (39.9 percent).

Residential mortgage lending

Analysis of the bank’s performance in lending to low-and moderate-income borrowers within its AA considered the high cost of housing and the income levels of low- and moderate-income borrowers in Cook County. In 2018, demographics show that low-income families in the MSA had maximum incomes of \$41,200 and moderate-income families had maximum incomes of \$65,920. The median housing value in Cook County in 2018 was \$245,250, which is six times a low-income borrower’s income and 4 times the income of a moderate-income borrower. For these low- and moderate- income families, including the 13.2 percent of the families in Cook County that are living below the poverty level, home ownership affordability is difficult.

Analysis of bank lending to low- and moderate-income borrowers also took into consideration the high percentage (69 percent in 2016 and 78 percent in 2017/2018) of loans reported on the bank's HMDA LARs that had no reported incomes as these loans were made to multifamily and one- to four-family investors for which income data is not collected. Multifamily loans originated by the bank that support affordable housing were considered separately in our analysis.

Refer to Table P in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's residential mortgage lending.

Years 2017/2018

The bank's origination of mortgage loans in years 2017 and 2018 reflected reasonable distribution to low- and moderate-income borrowers in the AA. Our analysis of retail lending was performed on only those 61 loan originations/purchases reported on the 2017 and 2018 HMDA LARs with borrower incomes recorded. Of these loans, 9.8 percent were made to low-income borrowers, which is slightly above aggregate peer lending performance at 9.1 percent. Bank lending to moderate-income borrowers at 16.4 percent was below aggregate peer group lending of 22.7 percent. Bank lending fell short of the demographic comparator showing that 28.0 of the families in the AA are low-income and 17.0 percent of the families in the AA are moderate-income, which is reasonable in light of the demographic data previously discussed. Bank lending also included four loans totaling \$1.2 million to finance the purchase of one multifamily and three 4-unit properties that met community development criteria by providing affordable housing to low- and moderate-income families.

Year 2016

The bank's origination of mortgage loans in 2016 reflected reasonable distribution to low- and moderate-income borrowers. This analysis was performed on only those 20 loan originations/purchases reported on the 2016 HMDA LAR with borrower income recorded. The percentage of bank lending to low-income borrowers at 15.0 percent was below the demographic comparator of low-income families in the AA of 26.8 percent, however; the bank greatly exceeded aggregate peer performance at 5.1 percent. The percentage of bank lending to moderate-income borrowers at 5.0 percent was below both the percentage of moderate-income families at 17.8 percent and the aggregate peer lending percentage of 13.3 percent. The bank also originated a loan for \$1.2 million meeting community development criteria for affordable housing by financing the purchase of property used as a nursing home where a majority of the patients receive Medicaid.

Geographic Distribution of Loans

Bank lending to borrowers in low- and moderate-income census tracts within its AA is reasonable.

Analysis of the bank's performance in lending to borrowers in low- and moderate-income census tracts within the AA included consideration of the bank's location and its proximity to the low- and moderate-income census tracts. Both bank branches are located in Forest Park, which consists of only middle- and upper-income census tracts. Additionally, the communities of River Forest to the north, Oak Park to the east and North Riverside to the South also consist only of middle- and upper-income census tracts. Mapping of a three mile radius around the bank showed that the area contained only one moderate-income census tract in the south eastern corner, located in Berwyn, Illinois, and to the west of the bank there was one low-income and one moderate-income census tract located in Maywood, Illinois. Natural barriers consisting of a Forest Preserve as well as several large cemeteries separate the bank from those areas west of Forest Park. Additionally there are several larger financial institutions with greater resources and product availability competing with the bank, which are closer to the low- and moderate-income geographies. The vast majority of low- and moderate-income census tracts within Cook County are located within the city of Chicago where the bank has no branch presence. The bank has invested in an organization that finances affordable housing in low- and moderate-income areas throughout Chicago in order to reach these areas.

Small Business Lending

Refer to Table Q in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations and purchases.

Years 2017/2018

The bank's small business lending demonstrated reasonable distribution to businesses in low- and moderate-income census tracts within the AA. Demographics for Cook County in 2018 showed that 20.3 percent of the small businesses in the county were in low-income census tracts. The bank originated no loans in low-income census tracts, which is below the aggregate peer group lending percentage in low-income census tracts of 5.7 percent. Bank lending in moderate-income census tracts at 14.3 percent was significantly below the demographic comparator of 20.3 percent, as well as the aggregate peer lending at 21.9 percent.

Consideration was given to the proximity of the bank in relation to the low- and moderate-income census tracts in the AA as previously discussed. In order to enhance their outreach to small businesses in moderate-income areas where the bank does not have a presence, the bank has granted a qualified community development loan consisting of a \$600,000 line of credit to the Berwyn Development Corporation (BDC), which provides economic development to all segments of the Berwyn Community,

where 40.0 percent of the census tracts are moderate-income. The BDC focuses its efforts on those activities that will improve the overall climate for local businesses and residents in addition to encouraging the development of new commercial venues and employment opportunities.

Year 2016

Small business lending in low- and moderate-income census tracts in 2016 was comparable to its performance in 2017/2018 and demonstrated reasonable distribution. No loans were made in low-income census tracts. Bank lending in moderate-income census tracts at 9.7 percent was within a reasonable range of aggregate peer lending at 14.2 percent. Both the peer group and bank lending percentage were below the demographics showing that 18.6 percent of the small businesses in the AA were in moderate-income census tracts.

Residential mortgage lending

Refer to Table O in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's mortgage loan originations and purchases.

Years 2017/2018

The bank's origination of mortgage loans in low- and moderate-income census tracts demonstrated reasonable distribution. Bank lending at 3.0 percent in low-income census tracts was well below the percentage of owner-occupied housing units of 7.0 percent; however, it was within a reasonable range below the aggregate peer performance at 5.5 percent. Bank lending in moderate-income census tracts of 10.7 percent was below the percentage of owner-occupied housing units at 17.8 percent and significantly below aggregate peer lending performance at 20.9 percent. Bank lending to borrowers of owner-occupied properties is primarily performed close to its two bank locations, which is an area with no low- or moderate-income census tracts. However much of the lending to one- to four-family and multifamily investors is done within the city of Chicago where bank lending is not penetrating low- and moderate-income areas with retail lending. In an effort to reach the low- and moderate-income areas within Chicago, the bank is an investor in the CIC, a CDFI, through a note purchase agreement. FPNBT has a commitment to participate in loans originated by CIC up to \$1 million over a five year period. In 2017 and 2018, the bank participated in 139 CIC loans for a dollar total of \$460,933. Mapping of the loans originated by CIC during the two-year period showed that 93.0 percent were in low- or moderate-income census tracts.

Year 2016

The bank's record of mortgage lending in low- and moderate-income census tracts in 2016 reflected reasonable distribution. Bank lending in low-income census tracts at 4.6 percent is just below the percentage of owner-occupied housing units of 6.0 percent and exceeds aggregate peer performance at 4.2 percent. Bank lending in moderate-income census tracts at 9.2 percent was below both the percentage of owner-occupied housing units of 22.4 percent and aggregate peer performance at 16.8 percent. The bank also had a commitment to purchase participations in loans made by CIC in 2016, however at that time they did not account for each individual loan funded. The total dollar amount invested by the bank in 2016 was \$48,422.

Responses to Complaints

The bank did not receive any complaints during the evaluation period addressing its CRA Performance.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

| | | |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------|
| Time Period Reviewed | Lending Test (excludes CD loans): (01/01/16 to 12/31/18) CD Loans: (01/01/16 to 12/31/18) | |
| Financial Institution | | Products Reviewed |
| Forest Park National Bank and Trust (FPNBT) Forest Park, Illinois) | | Small Business Loans Residential Mortgage Loans |
| List of Assessment Areas and Type of Examination | | |
| Assessment Area | Type of Exam | Other Information |
| Chicago-Naperville-Arlington Heights MD FPNBT AA – Cook County, IL | Full-Scope | |

Appendix B: Community Profiles for Full-Scope Areas

| Table A – Demographic Information of the Assessment Area - 2016 | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------|--------------------|------------------|-----------------|---------------|
| Assessment Area: FPNBT | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 1,318 | 17.7 | 27.5 | 29.6 | 25.0 | 0.3 |
| Population by Geography | 5,194,675 | 12.9 | 28.5 | 32.7 | 26.0 | 0.0 |
| Housing Units by Geography | 2,193,433 | 13.3 | 26.5 | 32.5 | 27.7 | 0.0 |
| Owner-Occupied Units by Geography | 1,169,991 | 6.0 | 22.4 | 37.9 | 33.7 | 0.0 |
| Occupied Rental Units by Geography | 766,490 | 20.6 | 31.7 | 27.2 | 20.6 | 0.0 |
| Vacant Units by Geography | 236,952 | 25.5 | 30.3 | 23.3 | 20.9 | 0.0 |
| Businesses by Geography | 274,455 | 6.4 | 18.6 | 31.0 | 43.7 | 0.2 |
| Farms by Geography | 2,915 | 5.1 | 18.9 | 35.9 | 40.1 | 0.0 |
| Family Distribution by Income Level | 1,203,421 | 26.8 | 17.8 | 18.7 | 36.7 | 0.0 |
| Household Distribution by Income Level | 1,936,481 | 28.4 | 16.5 | 17.7 | 37.4 | 0.0 |
| MSA Median Family Income | 74,700 | Median Housing Value | | | | 291,818 |
| | | Median Gross Rent | | | | 934 |
| | | Families Below Poverty Level | | | | 11.86 |
| <i>Source: 2010 Census and 2016 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

Table A – Demographic Information of the Assessment Area - 2018

| Assessment Area: FPNBT | | | | | | |
|----------------------------------------------------------------------------------------------------------|-----------|------------------------------|----------------------------|--------------------------|-------------------------|-----------------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 1,318 | 19.3 | 28.8 | 24.2 | 26.7 | 1.0 |
| Population by Geography | 5,236,393 | 14.6 | 29.8 | 27.2 | 28.0 | 0.4 |
| Housing Units by Geography | 2,176,549 | 14.6 | 27.9 | 26.6 | 30.5 | 0.5 |
| Owner-Occupied Units by Geography | 1,107,485 | 7.0 | 24.1 | 32.3 | 36.4 | 0.2 |
| Occupied Rental Units by Geography | 835,481 | 21.0 | 32.1 | 21.1 | 25.0 | 0.9 |
| Vacant Units by Geography | 233,601 | 27.8 | 30.3 | 19.2 | 22.2 | 0.6 |
| Businesses by Geography | 288,175 | 7.0 | 20.3 | 26.5 | 45.4 | 0.8 |
| Farms by Geography | 3,087 | 5.7 | 21.7 | 32.9 | 39.7 | 0.1 |
| Family Distribution by Income Level | 1,184,857 | 28.0 | 17.0 | 17.7 | 37.2 | 0.0 |
| Household Distribution by Income Level | 1,942,959 | 13.0 | 27.6 | 27.4 | 31.5 | 0.5 |
| MSA Median Family Income | 82,400 | Median Housing Value | | | | 245,250 |
| | | Median Gross Rent | | | | 1,038 |
| | | Families Below Poverty Level | | | | 13.24 |
| <i>Source: 2015 ACS Census and 2017 D&B Data</i> | | | | | | |
| <i>Due to rounding, totals may not equal 100.0</i> | | | | | | |
| <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> | | | | | | |

FPNBT operates two branches within its AA. Both are within the community of Forest Park. The bank's designated AA is all of Cook County, Illinois. Competition within the AA is substantial, and includes several nation-wide as well as regional and small community banks. Per the most recent FDIC Deposit Market Share report (as of June 30, 2018), the bank had a market share of only 0.08 percent and ranked 67 out of 133 financial institutions taking deposits within the AA.

The primary business focus of the bank is lending to small businesses and to investors of multifamily and one- to four-family properties. Demographics for the areas immediately surrounding the bank's two locations show that they are made up of only middle- and upper-income geographies. Additionally, the demographic make-up is the same for the communities which are adjacent to Forest Park to the north, south and east. The nearest low- and moderate-income census tracts are in Maywood, IL, to the west of Forest Park, and separated by a forest preserve and at least three cemeteries.

The unemployment rate in Cook County has improved from 6.0 percent at year-end 2016 to 4.0 percent at year-end 2018, and has consistently been lower than the unemployment rate for the State of Illinois. Despite this, the percentage of low-income families as compared to total families in Cook County rose slightly during this same time period from 26.8 to 28.0 percent. The percentage of moderate-income families during this timeframe declined slightly from 17.8 to 17.0 percent. The percentage of businesses within Cook County that are small businesses, defined as those with gross annual revenues of \$1 million or less, remained steady during the

analysis period at approximately 80.8 percent. Small businesses with Cook County in low-income census tracts rose slightly from 2016 to 2018 from 6.4 to 7.0 percent and small businesses within moderate-income census tracts rose from 18.6 to 20.3 percent.

One community contact was made during this examination. The organization contacted primarily serves the city of Chicago through real estate development and neighborhood micro lending targeting low- and moderate-income neighborhoods. They cited the loss of population, heavy foreclosure levels, and businesses leaving the area during the recession as contributing to the need for economic development and neighborhood revitalization efforts in Chicago's low- and moderate-income areas. Opportunities for financial institutions to participate in this organization's activities include providing financial support for the organization's real estate development and micro-lending programs and providing funding for pre-developmental work such as environmental inspections, architect costs, etc.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data is compiled by the FDIC and is available as of June 30 of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** – Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** – The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data is not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** – Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | | 2017/2018 | |
|---------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------|----------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|------------------|--|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | |
| | # | \$ | % of Total | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | |
| FPNBT AA | 169 | 56,901 | 100.0 | 135,518 | 7.0 | 3.0 | 5.5 | 24.1 | 10.7 | 20.9 | 32.3 | 40.2 | 31.0 | 36.4 | 46.2 | 42.4 | 0.2 | 0.0 | 0.2 | |
| Total | 169 | 56,901 | 100.0 | 135,518 | 7.0 | 3.0 | 5.5 | 24.1 | 10.7 | 20.9 | 32.3 | 40.2 | 31.0 | 36.4 | 46.2 | 42.4 | 0.2 | 0.0 | 0.2 | |

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data. 2018 Data Not Available
Due to rounding, totals may not equal 100.0*

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | | 2016 | |
|---------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------|----------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|--|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | |
| | # | \$ | % of Total | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | |
| FPNBT AA | 65 | 21,650 | 100.0 | 158,980 | 6.0 | 4.6 | 4.2 | 22.4 | 9.2 | 16.8 | 37.9 | 43.1 | 35.2 | 33.7 | 43.1 | 43.7 | 0.0 | 0.0 | 0.0 | |
| Total | 65 | 21,650 | 100.0 | 158,980 | 6.0 | 4.6 | 4.2 | 22.4 | 9.2 | 16.8 | 37.9 | 43.1 | 35.2 | 33.7 | 43.1 | 43.7 | 0.0 | 0.0 | 0.0 | |

*Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data,
Due to rounding, totals may not equal 100.0*

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | | 2017-2018 | |
|--------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|------------|------------------------|--------------|-------------|--------------------------------|--------------|------------------|--|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | | |
| | # | \$ | % of Total | Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | |
| FPNBT AA | 61 | 12,366 | 100.0 | 135,518 | 28.0 | 9.8 | 9.1 | 17.0 | 16.4 | 22.7 | 17.7 | 19.7 | 9.1 | 37.2 | 52.5 | 59.1 | 0.0 | 1.6 | 0.0 | |
| Total | 61 | 12,366 | 100.0 | 135,518 | 28.0 | 9.8 | 9.1 | 17.0 | 16.4 | 22.7 | 17.7 | 19.7 | 9.1 | 37.2 | 52.5 | 59.1 | 0.0 | 1.6 | 0.0 | |

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data. 2018 Data Not Available
Due to rounding, totals may not equal 100.0 Only loans with reported borrower incomes were used in this analysis*

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | | 2016 | |
|--------------------------------------------------------------------------------------------------------|---------------------------|--------------|--------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|--|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | | |
| | # | \$ | % of Total | Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | |
| FPNBT AA | 20 | 3,985 | 100.0 | 158,980 | 26.8 | 15.0 | 5.7 | 17.8 | 5.0 | 15.3 | 18.7 | 35.0 | 22.3 | 36.7 | 40.0 | 52.1 | 0.0 | 5.0 | 4.5 | |
| Total | 20 | 3,985 | 100.0 | 158,980 | 26.8 | 15.0 | 5.7 | 17.8 | 5.0 | 15.3 | 18.7 | 35.0 | 22.3 | 36.7 | 40.0 | 52.1 | 0.0 | 5.0 | 4.5 | |

*Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data.,
Due to rounding, totals may not equal 100.0 Only loans with reported borrower incomes were used in this analysis*

| Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | | | | | | | | | 2017 - 2018 | | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------|--------------|---------------|----------------|-------------------|--------------|------------|------------------------|--------------|-------------|----------------------|--------------|-------------|---------------------|--------------|-------------|-----------------------------|--------------|------------|--------------------|--|--|
| Assessment Area: | Total Loans to Small Businesses | | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | | | |
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | | | |
| FPNBT AA | 28 | 9,017 | 100.00 | 113,232 | 7.0 | 0.0 | 5.8 | 20.3 | 14.3 | 21.9 | 26.5 | 39.3 | 28.9 | 45.4 | 46.4 | 43.0 | 0.8 | 0.0 | 0.5 | | | |
| Total | 28 | 9,017 | 100.00 | 113,232 | 7.0 | 0.0 | 5.8 | 20.3 | 14.3 | 21.9 | 26.5 | 39.3 | 28.9 | 45.4 | 46.4 | 43.0 | 0.8 | 0.0 | 0.5 | | | |

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data. 2018 Data Not Available
Due to rounding, totals may not equal 100.0*

| Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography | | | | | | | | | | | | | | | | | | | | 2016 | | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------|--------------|---------------|----------------|-------------------|--------------|------------|------------------------|--------------|-------------|----------------------|--------------|-------------|---------------------|--------------|-------------|-----------------------------|--------------|------------|-------------|--|--|
| Assessment Area: | Total Loans to Small Businesses | | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | | | |
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | | | |
| FPNBT AA | 31 | 8,985 | 100.00 | 125,907 | 6.4 | 0.00 | 5.3 | 18.6 | 9.7 | 14.2 | 31.0 | 54.8 | 30.2 | 43.7 | 35.5 | 51.3 | 0.2 | 0.0 | 0.1 | | | |
| Total | 31 | 8,985 | 100.00 | 125,907 | 6.4 | 0.00 | 5.3 | 18.6 | 9.7 | 14.2 | 31.0 | 54.8 | 30.2 | 43.7 | 35.5 | 51.3 | 0.2 | 0.0 | 0.1 | | | |

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0*

| Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues | | | | | | | | | | | 2017 - 2018 | |
|----------------------------------------------------------------------------------------------------|---------------------------------|--------------|--------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|----------------------------------------|--------------------|--|
| Assessment Area: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | | |
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans | |
| FPNBT AA | 28 | 9,017 | 100.0 | 113,232 | 80.9 | 100.0 | 49.2 | 8.3 | 0.0 | 10.8 | 0.0 | |
| Total | 28 | 9,017 | 100.0 | 113,232 | 80.9 | 100.0 | 49.2 | 8.3 | 0.0 | 10.8 | 0.0 | |

*Source: 2017 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, 2018 data not available.
Due to rounding, totals may not equal 100.0*

| Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues | | | | | | | | | | | 2016 | |
|----------------------------------------------------------------------------------------------------|---------------------------------|--------------|--------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|----------------------------------------|--------------|--|
| Assessment Area: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | | |
| | # | \$ | % of Total | Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans | |
| FPNBT AA | 31 | 8,985 | 100.0 | 125,907 | 80.8 | 93.5 | 39.9 | 8.3 | 6.5 | 10.9 | 0.0 | |
| Total | 31 | 8,985 | 100.0 | 125,907 | 80.8 | 93.5 | 39.9 | 8.3 | 6.5 | 10.9 | 0.0 | |

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0*