



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 15, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Barrington Bank & Trust Company, NA
Charter Number: 23216

201 South Hough Street
Barrington, IL 60010

Office of the Comptroller of the Currency
Chicago North Field Office
2 Century Centre
1700 E. Golf Road, Suite 800
Schaumburg, IL 60173

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.

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**INSTITUTION'S Community Reinvestment Act (CRA) RATING:
This institution is rated Satisfactory.**

The major factors supporting Barrington Bank & Trust Company, NA (BBT) rating includes:

- The loan-to-deposit ratio is excellent given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the bank's AA.
- A majority of the loans to businesses are small loans and the overall distribution of loans to businesses of different sizes and borrowers of different incomes is adequate.
- The bank has invested an adequate amount in qualified community development investments.
- Retail services are readily accessible to individuals of various income levels within the bank's AA.

SCOPE OF EXAMINATION

This Community Reinvestment Act (CRA) examination covers the bank's lending performance from January 2005 through December 2007. In addition the bank's community development activities from January 2005 through August 2008 were analyzed.

The scope of the CRA examination included an assessment of the bank's primary loan types being small business lending as well as consumer home equity lines of credit (HELOC) lending. The loan data was captured on bank reports that were tested and found to be accurate during a data integrity examination conducted in May 2008. We also analyzed the bank's real estate mortgage data captured on the Home Mortgage Disclosure Act Loan Application Register (HMDA LAR), even though this represents a very small portion of the bank's overall lending portfolio. The bank's HMDA LAR data was also tested and found to be accurate during the data integrity examination. We also conducted a data integrity review of the bank's community development investments. This review was conducted during our CRA examination. All investments noted within this public evaluation were validated as being qualified as community development investments under the CRA.

No affiliate lending was included in our analysis of the bank's CRA performance during this evaluation. Our analysis included 100% of the loans originated or purchased by BBT during the performance periods noted above.

We used deposit information reported to the Federal Deposit Insurance Corporation, to determine the bank's deposit market share and market presence within its AA. The latest deposit information available for use was as of June 30, 2007.

DESCRIPTION OF INSTITUTION

BBT is an \$824 Million intrastate financial institution located in Barrington, Illinois. Barrington is a suburb of Chicago, Illinois and is approximately 39 miles northwest of the city. The bank is wholly owned by the Wintrust Financial Corporation (Wintrust) located in Lake Forest, Illinois. In addition to Barrington, Wintrust owns and operates 14 other banks, an insurance finance company, a trust company, and an investment firm. A full service mortgage company for Wintrust is an operating subsidiary of BBT. As of December 31, 2007 Wintrust reported total assets of \$9,369 million.

BBT is a full service bank offering a variety of loan products. The bank's primary lending focus is small and mid-sized business lending and residential home equity lending. Residential mortgage lending is primarily provided by the bank's subsidiary, West America Mortgage Company. As of December 31, 2007, the loan portfolio totaled \$654 million and consisted of: 66% commercial and commercial real estate, 30% 1-4 family real estate, and 4% consumer loans.

The bank operates five branches, two in Barrington, two in Hoffman Estates, and one in Palatine.

BBT has the financial capacity to assist in meeting the credit needs of its AA. There are no legal or financial constraints that impede the bank's ability to help meet the credit needs in its AA.

BBT's last performance evaluation under the Community Reinvestment Act was dated December 2004 under the large bank performance standards. The bank's overall level of performance was rated "Satisfactory". This performance evaluation is being conducted under the Intermediate Small Bank performance standards.

DESCRIPTION OF ASSESSMENT AREA(S)

BBT has delineated their AA as a portion of Lake County Illinois, a Metropolitan Division (MD) of the Chicago Metropolitan Statistical Area (MSA) and contiguous portions of Cook and McHenry Counties, also part of the Chicago MSA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The AA located in Lake County Illinois consists of nine census tracts. In the bank's Lake County Illinois MD AA there are no low- or moderate-income census tracts. Upper-income census tracts make up 88.89% of the bank's Lake County, Illinois MD AA. 72.38% percent of the businesses have \$1 million or less in annual gross revenues and 63.49% have 1-4 employees. In the Lake County, Illinois MD AA there are 6.68% low-income households and 6.96% moderate-income households with less than two percent of the AA's households below the poverty level. Lake County, Illinois MD AA also has 7.62% low-income families and 9.65% moderate-income families.

The bank's delineated Chicago MSA AA consists of 36 census tracts. There are no low-income census tracts and one (2.78%) moderate-income census tract. In the Chicago MSA AA 33.33% of the census tracts are middle-income tracts and 63.89% are upper-income census tracts.

Less than three percent of the AA's businesses are located in the moderate-income tract. Sixty eight percent of the businesses have less than \$1 million in annual gross revenues and 60.34% have 1-4 employees. In the Chicago MSA AA there are 11.80% low-income households and 13.95% moderate-income households and less than two percent of the AA's households are below the poverty level. Furthermore, in the Chicago MSA AA, 9.54% of families are low-income families and 14.01% are moderate-income families. In our analysis the bank's performance in the Chicago MSA AA carried more weight as it represents a larger area, greater population, and more businesses than the Lake County, Illinois MD AA.

Competition among financial institutions in the AA is strong. BBT competes with several large national and regional banks that are well established in their delineated community. According to the Federal Deposit Insurance Corporation's June 30, 2007 deposit market share report, BBT ranks fourth out of 32 financial institutions in their AA with a 7.81% of the deposit market share.

During this evaluation we conducted three community contacts to assess credit needs and economic conditions within the area. The following credit programs were identified as being needed in the local communities served by BBT: small business lending and homeownership and financial education seminars covering basic banking products and services. The community contacts stated that the financial institutions in the area have done a good job in getting involved with and supporting local charities and other service organizations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Lending Test

The lending test is rated: Satisfactory.

Loan-to-Deposit Ratio

BBT's quarterly average loan-to-deposit ratio is excellent given the bank's size, financial condition, and AA credit needs. BBT's quarterly average loan-to-deposit ratio for the evaluation period from January 2005 through December 2007 was 85.16%. The bank's loan to deposit ratio as of December 2007 was 96.70%. The quarterly loan-to-deposit ratio for other similar financial institutions averaged at 86.80% for the period from January 2005 through December 2007. The actual loan to deposit ratio for the bank's peer group for December 2007 was 89.46%.

Lending in Assessment Area

BBT's record of lending within its AA is reasonable as a majority of the bank's loans assessed during our examination were originated within the delineated AA. See the breakdown by loan type, number and amount of loans in Table 1.

Table 1 – Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HELOC	479	73.81	170	26.19	649	90,576	76.83	27,310	23.17	117,886
Small Business	171	44.30	215	55.70	386	26,886	30.26	61,969	69.74	88,855
HMDA	24	61.54	15	38.46	39	6,065	29.66	14,385	70.34	20,450
Total	674	62.76	400	37.24	1,074	123,527	54.37	103,664	45.63	227,191

Source: Data reported under HMDA and loan listings provided by the bank.

*HMDA loans consist of home purchase, home improvement, and home refinancing loans reported by the bank under the Home Mortgage Disclosure Act.

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

Overall, the bank’s level of lending to small businesses within its AA is good. The bank’s lending performance to businesses with revenues of \$1 million or less in the Lake County, Illinois MD is poor as the percent of loans made to businesses with revenues of \$1 million or less is significantly less than the percentage of businesses in the AA with revenues of \$1 million or less. However, it is noted that a substantial majority (81%) of the bank’s small business loans made in the Lake County, Illinois MD are for \$250,000 or less. See Tables 2 and 2A. Lending to businesses with \$1 million or less in revenues is good in the Chicago MSA AA. The percent of bank loans to businesses with \$1 million or less in the AA is close to the percent of businesses in the AA with revenues \$1 million or less. In addition, it is noted that a substantial majority (81%) of the bank’s small business loans made in the Chicago MSA AA are for \$250,000 or less. See Tables 3 and 3A.

Table 2 - Borrower Distribution of Loans to Businesses Lake County Metropolitan Division AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	72.38	6.38	21.24	100.00
% of Bank Loans in AA by #	46.56	51.72	1.72	100.00

Source: Loan sample; Dunn and Bradstreet data.

Table 2A - Borrower Distribution of Loans to Businesses by Loan Size Lake County Metropolitan Division AA		
Loan Size (000's)	Number of Loans	Percent of Number
\$0 - \$100,000	31	53.45
\$100,001 - \$250,000	16	27.59
\$250,001 - \$500,000	4	6.89
\$500,001 - \$1,000,000	7	12.07
Over \$1,000,000	0	0.00

Source: Loan sample.

Table 3 - Borrower Distribution of Loans to Businesses Chicago MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.49	6.34	25.17	100.00
% of Bank Loans in AA by #	66.37	33.63	0.00	100.00

Source: Loan sample; Dunn and Bradstreet data.

Table 3A - Borrower Distribution of Loans to Businesses by Loan Size Chicago MSA AA		
Loan Size (000's)	Number of Loans	Percent of Number
\$0 - \$100,000	68	60.18
\$100,001 - \$250,000	24	21.24
\$250,001 - \$500,000	16	14.16
\$500,001 - \$1,000,000	5	4.42
Over \$1,000,000	0	0.00

Source: Loan sample.

Overall the bank’s record of HELOC lending to low- and moderate-income borrowers in their AA is adequate. In the Lake County, Illinois MD the bank’s HELOC lending performance to low- and moderate-income borrowers is good. The bank’s HELOC lending to low-income borrowers is poor with the percentage of HELOC loans to low-income borrowers significantly below the percentage of low-income households in the Lake County, Illinois MD AA. The bank’s HELOC lending to moderate-income borrowers is excellent as the percentage of HELOC loans made to moderate-income borrowers matches the percentage of moderate-income households in the Lake County, Illinois MD AA. See Table 4. In the Chicago MSA AA the bank’s HELOC lending performance to low- and moderate-income borrowers is poor. The bank’s HELOC lending to both low- and moderate-income borrowers is significantly below the percentage of low- and moderate-income households in the Chicago MSA AA. See Table 5.

Table 4 - Borrower Distribution of HELOC Lake County Metropolitan Division AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
HELOC	6.68	2.08	6.96	6.94	11.02	15.28	75.33	75.70

Source: Loan sample and U.S. Census data.

Table 5 - Borrower Distribution of HELOC Chicago MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans						
HELOC	11.80	2.49	13.95	5.90	19.69	13.35	54.56	78.26

Source: Loan sample and U.S. Census data.

Overall the bank’s record of HMDA lending to low- and moderate-income borrowers in their AA is good. In the Lake County, Illinois MD, the bank’s HMDA lending performance to low- and moderate-income borrowers is good. While the bank did not make any HMDA loans to low-income borrowers in the Lake County, Illinois MD AA, the bank’s percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. See Table 6. In the Chicago MSA AA the bank’s HMDA lending performance to low- and moderate-income borrowers is good. Again the bank did not make any HMDA loans to low-income borrowers in the Chicago MSA AA, while the bank’s percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. See Table 7.

Table 6 - Borrower Distribution of HMDA Loans Lake County Metropolitan Division AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans						
HMDA Loans	7.62	0.00	9.65	16.67	18.42	16.67	64.32	66.66

Source: Loan sample and U.S. Census data.

Table 5 - Borrower Distribution of HMDA Loans Chicago MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans						
HMDA Loans	9.54	0.00	14.01	26.67	22.95	20.00	53.50	53.33

Source: Loan sample and U.S. Census data.

Geographic Distribution of Loans

The Lake County, Illinois MD AA does not have any low- or moderate-income census tracts so no geographic distribution analysis was performed for the area. The Chicago MSA AA does not have any low-income census tracts and only one moderate-income census tract. The tables below show poor geographic distribution of loans to the moderate-income tract in the Chicago MSA AA. This poor performance is mitigated by the limited opportunities the bank actually has within the one census tract. In the one moderate-income census tract there are a total of 192 businesses with revenues less than \$1 million, and only 173 businesses with 1-4 employees. Of the 2,779 households located in the one moderate-income census tract, 60% of those households are middle- or upper-income households. There are a total of 2,924 housing units in the one moderate-income census tract and only 34% of those units are owner occupied.

Table 6 - Geographic Distribution of Loans to Businesses Chicago MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	NA	NA	2.51	0.88	26.93	7.08	70.56	92.04

Source: Loan sample and U.S. Census data.

Table 7 - Geographic Distribution of HELOC Chicago MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
HELOC	NA	NA	3.40	0.00	36.30	1.52	60.31	98.48

Source: Loan sample and U.S. Census data.

Table 8 - Geographic Distribution of HMDA Loans Chicago MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Units	% of Number of Loans	% of AA Owner Occupied Units	% of Number of Loans	% of AA Owner Occupied Units	% of Number of Loans	% of AA Owner Occupied Units	% of Number of Loans
HMDA Loans	NA	NA	1.61	0.00	35.21	11.11	63.17	88.89

Source: Loan sample and U.S. Census data.

COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated: Satisfactory.

Number and Amount of Qualified Investments

The bank's level of qualified investments, including donations made during the review period total \$2.2 Million, or 3% of Tier 1 capital as of June 30, 2008. This level of performance is adequate considering the limited opportunities for CRA qualified investments in the bank's AAs.

The bank's qualified investments consisted primarily of mortgage back securities with a balance as of August 2008 of \$1.8 million and an investment of \$284,277 in a regional community development financial institution.

In addition, the bank made donations totaling \$85,581 to 28 different community groups since the last examination. These contributions helped to support community development service organizations providing assistance to low- and moderate-income persons with food pantries, clothing drives, medical care assistance programs, and small businesses with economic and business development programs.

Extent to Which the Bank Provides Community Development Services

During this evaluation period, the bank opened three new branches. These new retail service centers provided the bank the opportunity to expand their AA and reach out to new markets. The bank's retail services are reasonably accessible to all individuals within the AA. The bank has four branch locations, in addition to the main bank located in Barrington; one in Barrington, one in Palatine, and two in Hoffman Estates. All locations have drive up facilities as well as at least one 24 hour-accessible ATM, and are open Monday through Thursday from 7:00 a.m. until 6:30 p.m., Friday until 7:00 p.m. and from 7:00 a.m. to 1:00 p.m. on Saturday.

In addition to traditional avenues of delivery, the bank also offers 24/7 access to accounts via the telephone and internet as well as offering bank-by-mail.

The bank actively seeks out opportunities to participate in community development services. Services provided during the review period were numerous and included organizations that address needs in the AA for affordable housing, business development, and social services to low- and moderate-income individuals. The bank has developed a special loan program targeted to low- and moderate-income participants of the bank's tax-aid program marketed through the bank's participation with a local senior's community organization. Also the bank developed a home improvement loan program for low- or moderate-income homeowners.

Bank participation included:

- Serving on the Board of Directors, many in a leadership role for organizations that promote small business activities or provide social services to low- and moderate-income individuals.
- Planning and/or presenting financial-related seminars in conjunction with organizations that meet small business needs, or provide services to low- or moderate-income individuals, or affordable housing.

- Working with a local organization to establish a micro-loan program to fund low- and moderate-income individuals who wish to start up, sustain, or expand income generating business ventures.
- Assisting a local senior citizen's organization in preparing tax returns.
- Volunteering to assist in fund raising activities conducted by at least fifteen different organizations or agencies that meet small business and affordable housing needs and provide social services to low- and moderate-income individuals

Responsiveness to Community Development Needs

The level of community development initiatives undertaken by the bank demonstrates a satisfactory responsiveness to the community development needs of its AA.

Although the majority of geographies within the AA are upper- and middle-income, the bank actively seeks opportunities to participate in community development services through their participation in numerous civic, non-profit, and charitable organizations throughout the AA. Services provided during the review period were numerous and included organizations that address needs in the AA for affordable housing, business development, and social services to low- and moderate-income individuals.

Responses to Complaints

BBT has not received any written comments or complaints regarding its performance in its efforts to help meet the credit needs of their delineated AAs during the evaluation period. The OCC has not received any written comments, complaints, or inquiries concerning BBT and its efforts to comply with the spirit and intent of the CRA.

Fair Lending or Other Illegal Credit Practices Review

BBT has a good history of compliance with applicable fair lending laws and regulations. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.