



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**August 26, 2002**

# **Community Reinvestment Act Performance Evaluation**

**State Financial Bank, National Association  
Charter Number: 945**

**10708 West Janesville Road  
Hales Corners, Wisconsin 53130**

**Office of the Comptroller of the Currency**

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Wauwatosa, Wisconsin 53226**

**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.**

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **State Financial Bank, National Association** with respect to the lending, investment, and service tests:

Performance Levels	State Financial Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		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 major factors that support this rating include:

- State Financial Bank, N.A.’s borrower distribution of loans is good. The distribution of loans to borrowers of different incomes reflects an excellent level of home mortgage lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less.
- State Financial Bank, N.A.’s geographic distribution of loans is good. The bank had an excellent level of home mortgage lending and a good level of small loans to businesses in low- and moderate-income geographies.
- State Financial Bank, N.A. provides a high level of community development services. The bank’s delivery systems are accessible to geographies and individuals of different income levels.
- State Financial Bank, N.A. has an adequate level of qualified investments considering the needs and opportunities available and the bank’s size and financial capability.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, 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 MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** 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 statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and 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 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the 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 household 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 or a block numbering area 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 the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 primary metropolitan statistical area (PMSA), metropolitan statistical area (MSA), or consolidated metropolitan area (CMSA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (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 One 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

State Financial Bank, N.A. (SFB) is a national-chartered, interstate bank headquartered in Hales Corners, Wisconsin. SFB operates 26 offices, of which the main office and 14 branch locations are in southeastern Wisconsin and the remaining 11 branches located in northeastern Illinois. SFB has offices in the following communities: Brookfield, Burlington, Elkhorn, Fox Point, Glendale, Greenfield, Hales Corners, Milwaukee (3 locations), Muskego, New Berlin, Waterford, Waukesha, and Whitefish Bay in Wisconsin, as well as Bartlett, Crystal Lake, Elgin (2 locations), Glenview, Gurnee, Libertyville, Richmond, Rochelle, South Elgin, and Waukegan in Illinois.

All of the bank's offices are full-service facilities that offer traditional deposit and loan products. Branches and automated teller machines (ATMs) are located throughout the assessment area (AA), including low- and moderate-income geographies. Deposit-taking ATMs are located at the main office, each branch office in Illinois, and eight of the 14 branch offices in Wisconsin.

SFB is a wholly owned subsidiary of State Financial Services Corporation (SFSC). SFSC was organized in 1984 as a three bank holding company headquartered in Hales Corners, Wisconsin. At that time, SFSC owned and operated State Financial Bank (Wisconsin), State Financial Bank-Waterford, and State Financial Bank (Illinois), each under a separate charter. In December 1998, SFSC acquired Home Bancorp of Elgin, Inc., the holding company of Home Federal Savings and Loan Association of Elgin. In May 1999, SFSC acquired First Waukegan Corporation (of Waukegan, Illinois), the holding company for the Bank of Northern Illinois, N.A. In October 2000, SFSC consolidated these five individual bank and thrift charters into one nationally chartered bank (SFB). In July 2001, Liberty Bank, Milwaukee, Wisconsin was acquired by SFSC and merged into SFB. As of June 30, 2002, SFSC's consolidated assets totaled approximately \$1.2 billion.

SFB has total assets of approximately \$1.2 billion, total loans of \$646 million, total deposits of \$965 million, and Tier One capital of \$87 million as of June 30, 2002. The bank offers traditional commercial and retail banking services with a loan portfolio representing 52 percent of the bank's total assets as of June 30, 2002. The majority of the loan portfolio is real estate secured. Approximately 33 percent of the portfolio is commercial real estate loans, 29 percent are 1-4 family residential loans, 5 percent are construction and land development, and 4 percent are multifamily residential loans. The remainder of the portfolio is mainly commercial lending (19 percent) and consumer loans (9 percent). The bank is not active in agricultural lending, with 0.1 percent of its loan portfolio comprised of agricultural loans. Therefore the bank's performance in agricultural lending is not being considered as part of this evaluation.

SFB has four subsidiaries, Hales Corners Investment Corporation, Hales Corners Development Corporation, State Financial Funding Corporation, and State Financial Insurance Agency. None of these subsidiaries have an impact on SFB's capacity to meet community credit needs and were not considered in this CRA evaluation.



There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AAs. SFB's previous CRA rating, as of May 1, 2000, was Satisfactory using Large Bank CRA evaluation procedures.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed SFB's originations and purchases of home mortgage loans and small loans to businesses for the time period of January 1, 2000 through June 30, 2002. Community Development (CD) loans originated between May 1, 2000 and August 26, 2002 were also reviewed.

Our review of investments included an analysis of the investment portfolio and the donations and grants made between May 1, 2000 and August 26, 2002. We considered investments and donations or grants to organizations that have community development as their primary purpose.

Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs of its AA. This analysis covered the period between May 1, 2000 and August 26, 2002.

### Data Integrity

We verified a sample of Home Mortgage Disclosure Act (HMDA) reported loans and small loans to businesses to determine the accuracy of data presented by the bank. We reviewed the sample of home mortgage loans to ensure the purpose, action taken, location, race, gender, applicant income, and loan size were accurately included on SFB's Loan Application Register. We reviewed the sample of small loans to businesses to ensure the loan type, original amount, location, and gross revenue were accurately reported. Significant errors were noted in the bank's 2001 home mortgage loan data. Bank management agreed to correct the errors and resubmit the data. To assess the accuracy of the corrected data, we used the bank's corrected data to review another sample home mortgage loans. We found the corrected data to be substantially accurate. As a result, we were able to rely on the bank's data to make an appropriate and accurate assessment of the bank's performance under the Community Reinvestment Act.

We reviewed information on bank-identified community development loans, qualified investments, and community development services to verify that the activities met the regulatory definitions. SFB had accurately identified substantially most of the activities it submitted. We determined which loans, investments, and services met the definition of community development and included those under the Lending, Investment, or Services Test, respectively.

## **Selection of Areas for Full-Scope Review**

Our analysis included full-scope examination procedures for the Milwaukee/Waukesha County MA in the State of Wisconsin and the Chicago MA in the State of Illinois. We performed limited-scope examination procedures in the Racine and Kenosha MAs as well as the non-MA of Walworth County in the State of Wisconsin. Activity in these areas has been minimal. In both the Racine MA and Walworth County non-MA, approximately 10 percent of the bank's loans were made in each of these areas and just over 1 percent of the bank's loans were made in the Kenosha MA. Please refer to the table in Appendix A for additional information on the scope of our review.

## **Ratings**

SFB's overall rating is a blend of the state ratings. The state ratings are based primarily on the conclusions reached during our full-scope review of the Milwaukee/Waukesha MA for the State of Wisconsin and the Chicago MA for the State of Illinois. Performance in the State of Wisconsin was weighted more heavily, as a larger percentage of the bank's loans were made there.

## **Fair Lending Review**

An analysis of recent public comments and consumer complaint information and HMDA and small business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in May 2000.

## State Rating

### State of Wisconsin

<b>CRA Rating for Wisconsin:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- SFB’s borrower distribution of loans is good in the Milwaukee/Waukesha AA. The distribution of loans to borrowers of different incomes reflects an excellent level of home mortgage lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less.
- SFB’s geographic distribution of loans is good in the Milwaukee/Waukesha AA. The bank had an excellent level of home mortgage lending and a good level of small loans to businesses in low- and moderate-income geographies.
- SFB provides a high level of community development services in the Milwaukee/Waukesha AA. The bank’s delivery systems are accessible to geographies and individuals of different income levels in this AA.
- SFB has an adequate level of qualified investments considering the needs and opportunities available throughout the Milwaukee/Waukesha AA and the bank’s size and financial capability.

### Description of Institution’s Operations in Wisconsin

SFB’s AAs in the State of Wisconsin consist of portions of three MAs and one non-MA . These include two of four counties in the Milwaukee-Waukesha MA, the western halves of the Racine and Kenosha MAs, and all of Walworth County, a non-MA. Larger cities in these areas are Milwaukee, Waukesha, Burlington, Whitewater, and Elkhorn.

The bank operates 15 offices within the state. Twelve are in the Milwaukee-Waukesha MA (one in a low-income geography, three in middle-income geographies, and eight in upper-income geographies), two in the Racine MA (both in middle-income geographies), and one in the Walworth County non-MA area (in a middle-income geography). The bank does not have any branches in the Kenosha AA. The bank operates 16 ATMs in Wisconsin. Ten deposit-taking ATMs are divided among the main office and eight of the branches. Six cash dispensing only ATMs are located at three other branches, a local college, and a local business.

SFB holds \$721 million or 59 percent of its total assets in the State of Wisconsin. Wisconsin offices account for 49 percent of SFB’s total deposits. The Milwaukee-

Waukesha MA is responsible for 81 percent of the Wisconsin deposits. According to the FDIC's June 30, 2001 deposit market share report, SFB holds 1.13 percent and rank's 16<sup>th</sup> in deposit market share out of the 68 FDIC insured financial institutions with branches in the same five county area. The top three banks hold a total of 51 percent of the area deposits and the other 65 institutions hold the remaining 49 percent, ranging from approximately 5 percent to less than 0.01 percent. The bank considers its competitors in the area to be US Bank, Marshall & Ilsley, Tri-City National Bank, Associated Bank, and Mutual Savings Bank.

Wisconsin offices account for 85 percent of SFB's total number and 83 percent of SFB's total dollars of loans. The Milwaukee-Waukesha MA is responsible for 77 percent of the number and 82 percent of the dollars of Wisconsin loans. Seventy-five percent of SFB's total number and 76 percent of SFB's total dollars of home mortgage loans are originated/purchased in Wisconsin. Ninety percent of SFB's total number and 86 percent of SFB's total dollars of small loans to businesses are originated/purchased in Wisconsin.

Refer to the Market Profiles for the State of Wisconsin in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Wisconsin**

Our analysis included full-scope examination procedures for the Milwaukee/Waukesha County MA and limited-scope examination procedures in the Racine and Kenosha MA as well as the non-MA of Walworth County. In both the Racine MA and Walworth County non-MA, approximately 10 percent of the bank's loans were made in each of these MAs and just over 1 percent of the bank's loans were made in the Kenosha MA. Please refer to the table in Appendix A for additional information on the scope of our review.

We conducted one community contact interview in the Milwaukee/Waukesha MA during our examination. We contacted a community development housing organization in Waukesha, Wisconsin. The primary credit need for the area indicated by the contact was lending for affordable housing, both rental and owner-occupied.

Another recently completed contact in the area was also reviewed. This contact stated that the major credit need was financing of second mortgages to low- and moderate-income individuals, as well as refinancing of high cost "predatory" first mortgages made to these individuals.

Both contacts indicated that local financial institutions had a good record of meeting community credit needs in their area.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Wisconsin is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Milwaukee/Waukesha MA is good.

### Lending Activity

Refer to Table 1 Lending Volume in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the bank's lending activity.

SFB extended 2,158 home mortgage loans and small loans to businesses totaling \$214 million in the Milwaukee/Waukesha AA. Of these, 67 percent were small loans to businesses and 33 percent were home mortgage loans. Our analysis weighted small loans to businesses more heavily due to the larger volume of these loans. Small loans to farms are not a primary business line of SFB and are not being considered as part of this evaluation.

Among home mortgage loan originations and purchases, 37 percent were for home mortgage refinance loans, 34 percent were for home purchase loans, 20 percent were for home improvement loans, and 9 percent for multifamily loans.

SFB's lending activity in the Milwaukee/Waukesha AA is good. Information on deposit market share, compiled by the FDIC as of June 30, 2001, shows that the bank ranks 20<sup>th</sup> out of 63 FDIC insured financial institutions with a deposit market share of 0.97 percent in the AA. Based on 2000 peer mortgage data for the AA, SFB ranked 45<sup>th</sup> out of 396 lenders with a market share of 0.66 percent. SFB ranks 43<sup>rd</sup> of 334 lenders for home purchase lending with a market share of 0.60 percent, 26<sup>th</sup> of 113 lenders for home improvement loans with a market share of 1.10 percent, and 52<sup>nd</sup> of 289 lenders for home refinance loans with a market share of 0.53 percent.

### Distribution of Loans by Income Level of the Geography

The geographic distribution of SFB's home mortgage loans and small loans to businesses reflected an excellent penetration throughout the bank's AA. A comparison to market share was completed for home mortgage loans, however, it was not considered for small loans to businesses. Prior to October 2000, SFB was just one of five different charters of the holding company. In October, SFSC merged the five independently chartered institutions into one charter, resulting in the surviving national chartered State Financial Bank. Only two of the five merged institutions were required to collect data on small loans to businesses. Market share data for small loans to businesses would not be meaningful and therefore was not considered in evaluating the bank's geographic distribution of these loans.

The bank had 75 low-income and 68 moderate-income geographies within the Milwaukee/Waukesha AA.

### ***Home Mortgage Loans***

The geographic distribution of home purchase loans in the Milwaukee/Waukesha AA is excellent. Home purchase loans made in the bank's low- and moderate-income geographies (17.15 percent and 28.87 percent, respectively) exceeded the percentage of owner-occupied units in those geographies (6.19 percent and 13.45 percent, respectively). The market share for home purchase loans made in the low- and moderate-income geographies (1.31 percent and 1.24 percent) exceeded the bank's overall market share (0.60 percent) for these loans.

The geographic distribution of home improvement loans in the Milwaukee/Waukesha AA is excellent. Home improvement loans made in the bank's low- and moderate-income geographies (22.07 and 32.41 percent, respectively) exceed the percentage of owner-occupied units in those geographies (6.19 and 13.45 percent, respectively). The market share for home improvement loans made in the low- and moderate-income geographies (2.01 percent and 1.84 percent) exceeded the bank's overall market share (1.10 percent) for these loans.

The geographic distribution of home refinance loans in the Milwaukee/Waukesha AA is excellent. Home refinance loans made in the bank's low- and moderate-income geographies (25.19 percent and 27.48 percent, respectively) exceed the percentage of owner-occupied units in those geographies (6.19 and 13.45 percent, respectively). The market share for home refinance loans made in the low- and moderate-income geographies (1.11 percent and 0.63 percent) exceeded the bank's overall market share (0.53 percent) for these loans.

The geographic distribution of multi-family loans in the Milwaukee/Waukesha AA is excellent. Multi-family loans made in the bank's low- and moderate-income geographies (37.70 and 27.87 percent, respectively) exceed the percentage of multi-family units in those geographies (15.60 and 18.09 percent, respectively). The market share for multi-family loans made in the low- and moderate-income geographies (10.14 percent and 6.67 percent) exceeded the bank's overall market share (4.32 percent) for these loans.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Milwaukee/Waukesha AA is good. The percentage of small loans to businesses made in the low-income geography (5.86 percent) was below the percentage of businesses in those geographies (9.16 percent). This is reasonable due to the location of the bank's offices

in relation to low-income geographies. SFB did not have an office in a low-income geography until its merger with Liberty Bank in July 2001. Small loans to businesses made in the moderate-income geographies (12.96 percent) exceeded the percentage of businesses in those geographies (12.13 percent).

### ***Lending Gap Analysis***

Maps and reports detailing SFB's lending activity in the Milwaukee/Waukesha AA over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A substantial majority of home mortgage loans and small loans to businesses, originated or purchased by SFB over the evaluation period, were within the Milwaukee/Waukesha, Racine, Kenosha, and Walworth County AAs. Ninety percent of the combined home mortgage loans and 89 percent of the small loans to businesses were extended within its Wisconsin AAs. The bank has 83 percent of its home purchase loans, 93 percent of its home mortgage refinance loans, 94 percent of its home improvement loans, and 89 percent of its multi-family loans within its Wisconsin AAs. This analysis was completed at the state level as opposed to the AA level and was positively factored into the overall geographic distribution of lending by income level of geographies.

### **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of SFB's home mortgage loans and small loans to businesses reflected a good dispersion among borrowers of different income levels throughout the bank's AA. A comparison to market share was completed for home mortgage loans, however, it was not considered for small loans to businesses. Prior to October 2000, SFB was just one of five different charters of the holding company. In October, SFSC merged the five independently chartered institutions into one charter, resulting in the surviving national chartered State Financial Bank. Only two of the five merged institutions were required to collect data on small loans to businesses. Market share data for small loans to businesses would not be meaningful and therefore was not considered in evaluating the bank's geographic distribution of these loans.

### ***Home Mortgage Loans***

Refer to Tables 8, 9 and 10 in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase loans is excellent. Home purchase loans made to low-income borrowers (22.40 percent) substantially met the percentage of low-income families within the AA (22.46 percent). Home purchase loans made to



moderate-income borrowers (29.69 percent) exceeded the percentage of moderate-income families within the AA. The market share for home purchase loans made to low- and moderate-income families (0.98 percent and 0.71 percent) exceeded the banks overall market share (0.60 percent) for these loans.

The borrower distribution of home improvement loans is excellent. Home improvement loans made to low- and moderate-income borrowers (26.06 and 21.83 percent, respectively) exceeded the percentage of low- and moderate-income families within the AA (22.46 and 18.35 percent, respectively). The market share for home improvement loans made to low-income borrowers (1.58 percent) exceeded the bank's overall market share (1.12 percent) of these loans. The market share for home improvement loans made to moderate-income borrowers (0.97 percent) was near to the bank's overall market share for these loans.

The borrower distribution of home mortgage refinance loans is excellent. Home mortgage refinance loans made to low- and moderate-income borrowers (22.77 and 24.55 percent, respectively) exceeded the percentage of low- and moderate-income families within the AA (22.46 and 18.35 percent, respectively). The market share for loans made to low-income borrowers (0.79 percent) exceeded the bank's overall market share (0.54 percent) of home mortgage refinance loans. The market share for loans made to moderate-income borrowers (0.47 percent) was near to the overall market share for these loans.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses was adequate. The 61.06 percent of SFB's small loans to businesses with revenues of \$1 million or less was below the 84.18 percent of businesses that are defined as such. This is reasonable because 2000 peer small business data show that 51 percent of small loans to businesses in the AA have average loan amounts of \$11,000 or less and are made by credit card lenders that dominate the market with small business credit card products with which the bank can not compete.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Racine and Kenosha MAs and the Walworth non-MA is not inconsistent with the bank's overall good performance under the lending test in Wisconsin. Refer to the Tables 1 through 11 in the State of Wisconsin section of Appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Wisconsin is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Milwaukee/Waukesha MA is adequate.

Refer to Table 14 in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In its investing activities, SFB exhibited an adequate level of responsiveness to credit and community development needs. The bank's AA includes a large metropolitan area where many investment opportunities are available to assist with needs within the various communities.

The bank provided qualified investments within its AA through cash contributions, grants, and purchases of securities. Qualifying investments totaled almost \$558 thousand. Specific noteworthy investments included:

- \$100,000 in common stock at Legacy Bancorporation, a minority-owned bank holding company and certified Community Development Financial Institution (CDFI) of the US Treasury Department. Through its subsidiary, Legacy Bank, this CDFI provides development banking services through traditional and non-traditional bank products and services. It services the central city of Milwaukee.
- \$180,000 grant to Local Initiatives Support Corporation (LISC). LISC is a non-profit national organization that acts as an intermediary between non-profit community development corporations involved in restoring the physical and social foundations at various levels of government that have a vested interest in community re-development.
- \$250,000 grant to the Community Bankers of Wisconsin CapVest Fund, LP. CapVest is licensed by the Small Business Administration (SBA) to operate as a small business investment company (SBIC). The primary objective is to increase financing to "small" businesses.

Additional donations and grants were provided to organizations with a community development focus. SFB contributed to 15 different community development organizations totaling \$28 thousand during the evaluation period.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Racine and Kenosha MAs and the Walworth County non-MA is weaker than the bank's overall low satisfactory performance under the investment test in Wisconsin. The bank did not make any investments that met the definition of community development in these AAs.

Refer to Table 14 in the State of Wisconsin section of Appendix D for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Wisconsin is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Milwaukee/Waukesha MA is good.

#### Retail Banking Services

Refer to Table 15 in the State of Wisconsin section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

SFB has a good distribution of delivery systems that are accessible to geographies and individuals of different income levels in the AA. Twelve of the bank's office locations are in the Milwaukee-Waukesha MA. One of these branches is located in a low-income geography. The percentage of branches (8.3 percent) in low-income geographies is below the percentage of the population within this AA that live in low-income geographies (13.4 percent). The bank does not have any branch locations in moderate-income geographies. The percentage of the population within moderate-income geographies is 16.2 percent. Two branches are in geographies that are adjacent to moderate-income geographies. The bank's lending activity showed that it served individuals of all income levels. As discussed in the Lending Test section, the bank had an excellent dispersion of home mortgage loans to borrowers of different income levels, including low- and moderate-income borrowers.

All of the bank's branches are full service facilities, offering traditional deposit and loan products and having relatively similar hours of operation. The hours of SFB's office location do not negatively impact low- or moderate-income individuals. All office lobbies, except the downtown Milwaukee office, are open at 9:00 a.m. or earlier Monday through Saturday and close at 5:00 p.m. or later Monday through Friday and 12:00 p.m. or later on Saturday. The downtown Milwaukee office does not have Saturday hours. This branch is located in a middle-income geography in downtown Milwaukee that has relatively few people in the area on the weekends.

All but two of the Milwaukee branches have drive-up facilities. One branch is in a middle-income geography in downtown Milwaukee that is in a structure in an area that does not allow for inclusion of a drive-up facility. The second branch is located in an upper-income geography on the north side of Milwaukee, which was acquired in a merger and never had a drive-up facility. All drive-up facilities are open at 9:00 a.m. or earlier Monday through Saturday and close 5:00 p.m. or later Monday through Friday and 12:00 p.m. or later on Saturday.

The bank has closed one branch and relocated a Loan Production Office since the previous examination. None of these changes had a negative effect on low- or moderate-income geographies or individuals. In 2002, the Broadway Avenue branch in

Waukesha, originally in a middle-income geography, was consolidated into the Coral Drive branch in a nearby upper-income geography. In 2001, the merger with Liberty Bank gave SFB a full-service branch facility in a low-income geography. This acquisition, coupled with the Loan Production Office location's lessor not desiring to renew the lease, prompted the bank to relocate the services of the Loan Production Office to the Lisbon Avenue branch. Both the original location of the Loan Production Office and the Lisbon Avenue branch are in low-income geographies. The relocation of services to the Lisbon Avenue branch has increased the hours of availability of the Loan Production Office from those at the previous facility.

### **Alternative Delivery Systems**

SFB offers various types of alternative delivery systems, which include automated teller machines (ATMs), telephone banking, and computer banking. The bank does not monitor the usage of these alternative delivery systems by low- and moderate-income individuals; therefore, significant weight was not placed on these delivery systems when drawing our CRA performance conclusions. None of the bank's 13 ATMs within the Milwaukee/Waukesha AA are located in low- or moderate-income geographies.

### **Community Development Services**

SFB's performance in providing CD services in its AA is good. Bank management invests numerous hours in community development programs targeted to low- and moderate-income individuals, positively impacting the Service Test rating. These services include providing credit counseling, first-time homebuyer seminars, financial planning, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe the CD services SFB provided during this evaluation period.

- A bank officer presented a seminar at a Lender's Forum sponsored by the Wisconsin Department of Transportation's Capacity Building Program, the U. S. Small Business Administration's BusinessLINC (Learning, Information, Networking, Collaboration) Program, and the National Association of Minority Contractors. The goal of the lender's forum was to introduce minorities, women, and disadvantaged business owners to lenders in Southeastern Wisconsin. It provided firms with the opportunity to learn and/or expand their financial skills, network, and to collaborate with other businesses in Southeastern Wisconsin.
- A bank officer served as the chairman of the Milwaukee County Child Welfare Partnership Council that oversees families with children on welfare. The council is required to formulate suggestions and make recommendations on various items, including funding priorities and opportunities.
- Two bank officers served as members of the Research Group and Financial Options Workgroup for the Milwaukee Fair Housing Council. The Council informs low- and moderate-income consumers about predatory lending practices and teaches consumers how to avoid being subjected to such practices.

- A bank employee assisted in the Milwaukee Women’s Center fund raising campaign. The Center provides services in the areas of family violence, substance abuse, and related mental health issues for battered women and children, primarily from low- and moderate-income families.
- Bank employees conducted home buying information sessions and credit counseling services at a seminar that was targeted to low- and moderate-income individuals and was sponsored by the Northcott Neighborhood House.
- A bank officer served as a board member of the Milwaukee Realist Association, Inc., a group of minority realtors, brokers, and bankers serving low- and moderate-income minorities within the central city.
- A bank officer served as a board member of Victory Personnel Services, Inc., an employment agency providing job placement services for low- and moderate-income individuals.
- The bank participates in the Get Checking program. This is a coalition of local banks, credit unions, social service agencies, lenders, and utilities that is coordinated by the University of Wisconsin Extension – Milwaukee County. The program offers low- and moderate-income individuals the opportunity to develop a solid financial educational foundation, provides access to financial institutions, and allows them to initiate an account relationship.
- The bank conducted seminars targeted to low- and moderate-income individuals to help them understand the Wisconsin Housing and Economic Development Authority’s home buying process, such as understanding credit reports and developing budgets.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the service test in the Racine and Kenosha MAs and the Walworth County non-MA is not inconsistent with the bank’s overall high satisfactory performance under the service test in Wisconsin. Refer to Table 15 in the State of Wisconsin section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Illinois

<b>CRA Rating for Illinois:</b>	<b>Outstanding</b>
<b>The Lending Test is rated:</b>	<b>Outstanding</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Outstanding</b>

The major factors that support this rating include:

- SFB's borrower distribution of loans in the Chicago AA is good. The distribution of loans to borrowers of different incomes reflects an excellent level of home mortgage lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less.
- SFB's geographic distribution of loans in the Chicago AA is excellent. The bank had an excellent level of home mortgage lending and an excellent level of small loans to businesses in low- and moderate-income geographies.
- SFB provides a high level of community development services in the Chicago AA. The bank's delivery systems are readily accessible to geographies and individuals of different income levels in its AA.
- SFB has an adequate level of qualified investments considering the needs and opportunities available throughout the bank's Chicago AA and the bank's size and financial capability.

### Description of Institution's Operations in Illinois

SFB has only one AA in Illinois. It is comprised of portions of the Chicago MA and includes all of Lake County, the eastern part of McHenry County, the northern part of Kane County, the northwestern corner of DuPage County, and the northeastern and northwestern corners of Cook County. Larger cities in this AA are Evanston, Waukegan, Elgin, Bloomingdale, Algonquin, St. Charles, and Antioch. The bank considers its competitors in the area to be US Bank N.A., Harris Trust & Savings Bank, National City Bank, LaSalle Bank N.A., and First Midwest Bank. SFB operates 11 offices in these areas (one in a moderate-income geography, three in middle-income geographies, and seven in upper-income geographies). The bank operates 16 ATMs in Illinois, all of which accept deposits. Each branch location has at least one ATM. There are three branches with two ATMs and one branch with three ATMs.

SFB holds \$512 million or 42 percent of its total assets in the State of Illinois. Illinois offices hold approximately 51 percent of SFB's total deposits. According to the FDIC's June 30, 2001 deposit market share report, SFB holds 0.28 percent and rank's 45<sup>th</sup> out of the 303 FDIC insured financial institutions with at least one branch in the same five

county Illinois area as the bank. The two largest banks in the AA hold just over 28 percent of the AA deposits. The remaining 72 percent is spread among the other 301 institutions, which have market shares ranging from 5.03 percent to less than 0.01 percent.

Illinois offices account for 15 percent of the total number and 17 percent of the total dollars of loans originated. Twenty-five percent of SFB's total number and 24 percent of the total dollars of home mortgage loans are originated/purchased in Illinois. Approximately 10 percent of SFB's total number and 15 percent of SFB's total dollars of small loans to businesses are originated/purchased in Illinois.

Refer to the Market Profile for the State of Illinois in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

### **Scope of Evaluation in Illinois**

Our analysis included full-scope examination procedures for the Chicago MA. Please refer to the table in Appendix A for additional information on the scope of our review.

We conducted one community contact interview in the Chicago MA during our examination. We contacted a consumer credit counseling organization in Carpentersville, Illinois. The contact indicated that general credit services directed to low- and moderate-income individuals was a primary need for the area.

Other recently completed contacts from the area were also reviewed. Those contacts stated that the primary credit need was lending for affordable housing. These contacts stated that the following are opportunities for banks to help meet the affordable housing credit needs: down payment assistance, home ownership counseling, and low interest rehabilitation loans.

All contacts indicated that local financial institutions had a good record of meeting community credit needs in their area.



## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Illinois is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chicago MA is excellent.

### Lending Activity

Refer to Table 1 Lending Volume in the State of Illinois section of Appendix D for the facts and data used to evaluate the bank's lending activity.

SFB extended 501 home mortgage loans and small loans to businesses totaling \$54 million in the Chicago MA. Of these, 61 percent were home mortgage loans and 39 percent were small loans to businesses. Small loans to farms are not a primary business line of SFB and are not being considered as part of this evaluation.

Among home mortgage loan originations and purchases, 41 percent were for home improvement loans, 31 percent were for home mortgage refinance loans, 27 percent were for home purchase loans, and one percent for multi-family loans.

SFB's lending activity in the Chicago MA is good. Information on deposit market share, compiled by the FDIC as of June 30, 2001, shows that the bank ranks 49<sup>th</sup> out of 328 FDIC insured institutions with a deposit market share of 0.27 percent in the AA. Based on 2000 peer mortgage data for the AA, SFB ranked 94<sup>th</sup> out of 705 lenders with a market share of 0.21 percent. SFB ranks 123<sup>rd</sup> of 599 lenders for home purchase lending with a market share of 0.11 percent, 17<sup>th</sup> of 233 lenders for home improvement loans with a market share of 1.50 percent, and 123<sup>rd</sup> of 536 lenders for home refinance loans with a market share of 0.14 percent.

### Distribution of Loans by Income Level of the Geography

The geographic distribution of SFB's home mortgage loans and small loans to businesses reflected an excellent penetration throughout the bank's AA. Because the bank's market share of home mortgage loans in the Chicago AA is not significant enough to perform a meaningful analysis, we did not consider market share data in evaluating the bank's geographic distribution of loans. Also, prior to October 2000, SFB was just one of five different charters of the holding company. In October, SFSC merged the five banks into one charter, the surviving State Financial Bank. Only two of the five charters were required to collect data on small loans to businesses. Market share data for small loans to businesses would not be meaningful and therefore was not considered in evaluating the bank's geographic distribution of these loans.

The bank had two low-income and 17 moderate-income geographies within the Chicago AA.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in the State of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home purchase loans in the Chicago AA is excellent. The bank did not make any home purchase loans in low-income geographies. This is reasonable since only 383, or 0.10 percent, of the owner-occupied housing units are within these geographies. Home purchase loans made in moderate-income geographies (6.02 percent) exceeded the percentage of owner-occupied units in those geographies (3.18 percent).

The geographic distribution of home improvement loans in the Chicago AA is excellent. Home improvement loans made in the bank's low- and moderate-income geographies (1.59 percent and 7.14 percent, respectively) exceeded the percentage of owner-occupied units in those geographies (0.10 and 3.18 percent, respectively).

The geographic distribution of home mortgage refinance loans in the Chicago AA is excellent. SFB did not make any home mortgage refinance loans within low-income geographies. This is reasonable since only 383, or 0.10 percent, of the owner-occupied housing units are within these geographies. Home mortgage refinance loans made in moderate-income geographies (9.57 percent) exceeded the percentage of owner-occupied units in those geographies (3.18 percent).

Since a very limited number of multi-family loans were made in the Chicago MA during the evaluation period, a geographic distribution analysis of those products would not be meaningful.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Chicago AA is excellent. The percentage of small loans to businesses made in the low- and moderate-income geographies (0.52 percent and 8.76 percent) exceeded the percentage of businesses in those geographies (0.11 percent and 3.27 percent, respectively).

### ***Lending Gap Analysis***

Maps and reports detailing SFB's lending activity in the Chicago MA over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A substantial majority of home mortgage loans and small loans to businesses, originated or purchased by SFB over the evaluation period, were within the Chicago AA. Of the loans SFB originated within the State of Illinois, 92 percent of the combined home mortgage loans and 81 percent of the small loans to businesses were made within the bank's Illinois AA. The bank originated 83 percent of its home purchase loans, 93 percent of its home mortgage refinance loans, 94 percent of its home improvement loans, and 89 percent of its multi-family loans within its Illinois AA. This analysis was completed at the state level as opposed to the AA level and was positively factored into the overall geographic distribution of lending by income level of geographies.

### **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of SFB's home mortgage loans and small loans to businesses reflected a good dispersion among borrowers of different income levels throughout the bank's AA. A comparison to market share was completed for home mortgage loans, however, it was not considered for small loans to businesses. Prior to October 2000, SFB was just one of five different charters of the holding company. In October, SFSC merged the five independently chartered institutions into one charter, resulting in the surviving national chartered State Financial Bank. Only two of the five merged institutions were required to collect data on small loans to businesses. Market share data for small loans to businesses would not be meaningful and therefore was not considered in evaluating the bank's geographic distribution of these loans.

### ***Home Mortgage Loans***

Refer to Tables 8, 9 and 10 in the State of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase loans in the Chicago AA is good. Home purchase loans made to low-income borrowers (2.99 percent) was below the percentage of low-income families within the AA (9.65 percent). This is reasonable considering that approximately 12 percent of the households living in the bank's AA were below the poverty level. Home purchase loans made to moderate-income borrowers (25.37 percent) exceeded the percentage of moderate-income families within the AA (13.80 percent).

The borrower distribution of home improvement loans in the Chicago AA is excellent. Home improvement loans made to low- and moderate-income borrowers (13.11 and 23.77 percent, respectively) exceeded the percentage of low- and moderate-income families within the AA (9.65 and 13.80 percent, respectively).

The borrower distribution of home mortgage refinance loans in the Chicago AA is excellent. Home refinance loans made to low- and moderate-income borrowers (11.24

percent and 34.83 percent, respectively) exceeded the percentage of low- and moderate-income families within the AA (9.65 and 13.80 percent, respectively).

***Small Loans to Businesses***

Refer to Table 11 in the State of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses was adequate. The 63.92 percent of SFB's small loans to businesses with revenues of \$1 million or less was below the 84.20 percent of businesses that are defined as such. This is reasonable because 2000 peer small business data show that 69 percent of small loans to businesses in the AA have average loan amounts of \$10,000 or less and are made by credit card lenders that dominate the market with small business credit card products with which the bank can not compete.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Illinois is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Chicago MA is adequate.

Refer to Table 14 in the State of Illinois section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In its investing activities, SFB exhibited an adequate level of responsiveness to credit and community development needs. The bank's AA includes numerous communities where various investment opportunities exist.

The bank provided qualified investments within its AA through cash contributions, grants, and purchases of securities. Qualifying investments totaled almost \$540 thousand. Specific noteworthy investments included:

- \$500,000 to CRA Qualified Investment Fund. The CRA Qualified Investment Fund aims to provide financial institutions with current income and investments that will be qualified under the CRA. The fund's principal investment strategy is to invest in mortgage-related and other debt securities that will cause shares of the fund to be deemed qualified under the CRA. These securities were backed by home mortgages loans originated to low- and moderate-income individuals in the bank's AA.
- \$10,000 to Neighborhood Housing Services. The mission of Neighborhood Housing Services is to renew pride, restore confidence, promote reinvestment and revitalize the low- and moderate-income neighborhoods through the efforts of local residents, financial institutions, the business community, foundations, and local government.

Additional donations and grants were provided to organizations with a community development focus. SFB contributed to seven different community development organizations totaling \$30 thousand during the evaluation period.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Illinois is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chicago AA is excellent.

#### Retail Banking Services

Refer to Table 15 in the State of Illinois section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

SFB has an excellent distribution of delivery systems that are readily accessible to geographies and individuals of different income levels in the AA. Eleven of the bank's office locations are within the Chicago AA. There are no branch locations in low-income geographies. The percentage of the population within low-income geographies is 0.3 percent. SFB has one branch located in a moderate-income geography. The percentage of branches (9.1 percent) in moderate-income geographies is above the percentage of the population within this AA that live in moderate-income geographies (5.1 percent). The bank's lending activity showed that it served individuals of all income levels. As discussed in the Lending Test section, the bank had an excellent dispersion of home mortgage loans to borrowers of different income levels, including low- and moderate-income borrowers.

All of the bank's branches are full service facilities, offer traditional deposit and loan products, and have relatively similar hours of operation. The hours of SFB's office locations do not negatively impact low- or moderate-income individuals. All office lobbies are open at 9:00 a.m. or earlier Monday through Saturday and close at 5:00 p.m. or later Monday through Friday and 12:00 p.m. or later on Saturday.

All but one of the Chicago AA branches have drive-up facilities. The one branch without a drive-up is in a moderate-income geography in Elgin in an area that does not allow for a drive-up facility. All drive-up facilities are open at 9:00 a.m. or earlier Monday through Saturday and close 5:00 p.m. or later Monday through Friday and 12:00 p.m. or later on Saturday.

Since the previous examination, SFB has opened one branch location and consolidated one branch into another. In 2001, the bank opened a location in an upper-income geography in Elgin, Illinois. In 2002, the bank consolidated the 1441 Waukegan Road branch into the 1301 Waukegan Road branch, both within the same moderate-income geography in Glenview, Illinois. None of these changes had a negative effect on low- or moderate-income geographies or individuals.

## Alternative Delivery Systems

SFB offers various types of alternative delivery systems, which include automated teller machines (ATMs), telephone banking, and computer banking. The bank does not monitor the usage of these alternative delivery services by low- and moderate-income individuals; therefore, significant weight was not placed on these delivery systems when drawing our CRA performance conclusions.

There are 16 ATMs within the Chicago AA. All of these ATMs are located at branch locations and take deposits. None are located in low-income geographies and three are in a moderate-income geography.

## Community Development Services

SFB's performance in providing CD services in its AA is good. Bank management invests numerous hours in community development programs targeted to low- and moderate-income individuals, positively impacting the Service Test rating. These services include providing credit counseling, first-time homebuyer seminars, financial planning, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe the CD services SFB provided during this evaluation period.

- Three bank employees served as a board member, president, or member of the loan committee for the Neighborhood Housing Services of Elgin, Inc. The mission of NHS is to renew pride, restore confidence, promote reinvestment and revitalize the low- and moderate-income neighborhoods through the efforts of local residents, financial institutions, the business community, foundations, and local government.
- The bank waives service charges on all Oxford House accounts. Oxford House is a not-for-profit organization that provides assistance to low- and moderate-income individuals needing to start their lives free from drugs and alcohol.
- A bank officer serves as president of the Family Service Association of Greater Elgin. This organization provides therapy, credit counseling, and family support services to low- and moderate-income individuals and families.
- A bank officer serves as a director of the Fox Valley Micro Loan Fund. The Fund's mission is to foster small business development by providing products and services among minority and underserved clients that do not meet traditional lending requirements.
- A bank officer serves on the Micro Loan Committee for Lake County Partners, a private, non-profit organization dedicated to maintaining economic vitality and quality of life by providing loans and other services to small business owners in Lake County, Illinois. Lake County Partner's mission is to create and retain quality jobs, stimulate capital investment, pursue economic diversity, and identify and integrate needs and resources of the various county organizations.

- A bank officer served as treasurer for the Larkin Center. The Larkin Center provides residential programs, day treatment schools, and transitional living programs for emotionally disturbed children of low- and moderate-income families.



## 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 non-metropolitan 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/2000 to 06/30/2002 Investment and Service Tests and CD Loans: 05/01/2000 to 08/26/2002	
<b>Financial Institution</b>		<b>Products Reviewed</b>
State Financial Bank, N.A. (SFB) Hales Corners, Wisconsin		Home mortgage loans, small loans to businesses, and community development loans.
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	None	None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Portions of the following:  Wisconsin: Milwaukee/Waukesha MA #5080 Racine MA #6600 Kenosha MA #3800 Walworth County Non-MA Illinois: Chicago MA #1600	Full-scope Limited-scope Limited-scope Limited-scope  Full-scope	None

## Appendix B: Summary of State Ratings

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RATINGS		STATE FINANCIAL BANK, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
State Financial Bank, N.A.	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State:				
Wisconsin	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Illinois	Outstanding	Low Satisfactory	Outstanding	Outstanding

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

# Appendix C: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Milwaukee/Waukesha MA .....	C-2
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## State of Wisconsin Full-Scope Areas

### Milwaukee/Waukesha MA

Demographic Information for Full-Scope Area: Milwaukee/Waukesha MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	337	22.26	20.18	41.25	15.73	0.59
Population by Geography	1,142,704	15.95	17.02	43.88	23.07	0.08
Owner-Occupied Housing by Geography	243,178	6.19	13.45	50.54	29.82	0.00
Businesses by Geography	37,678	9.16	12.13	44.98	33.30	0.43
Farms by Geography	569	2.29	8.61	45.52	43.23	0.35
Family Distribution by Income Level	292,068	22.46	18.35	24.85	34.34	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	119,182	26.90	23.50	39.70	9.90	0.00
Median Family Income	= \$39,005	Median Housing Value		= \$68,350		
HUD Adjusted Median Family Income for 2001	= \$63,500	Unemployment Rate		= 3.12%		
Households Below the Poverty Level	= 12.01%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The bank's AA within the Milwaukee-Waukesha MSA is comprised of 337 census tracts. Seventy-five of the census tracts in this AA are low-income geographies, 68 are moderate-income geographies, 139 are middle-income geographies, and 53 are upper-income geographies. The low- and moderate-income geographies are concentrated within the inner city and northern portions of Milwaukee. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The bank's main office and 11 branches are located in this AA. SFB did not have an office in a low-income geography until its merger with Liberty Bank in July 2001. This office is located on the western edge of the low- and moderate-income geography concentration.

The population of this AA was 1,142,704, based on 1990 census data. Sixteen percent of the population lives in low-income geographies, 17 percent live in moderate-income geographies, 44 percent live in middle-income geographies, and 23 percent live in upper-income geographies.

The updated Housing and Urban Development (HUD) 2001 median family income for the Milwaukee-Waukesha MSA is \$63,500. A breakdown of family income levels in the AA shows 22 percent as low-income (65,596 families), 18 percent moderate-income (53,586 families), 25 percent middle-income (72,575 families), and 34 percent upper-

income (100,311 families). A low-income family has a maximum income of only \$31,750. In addition, a total of 52,578 households have incomes below the poverty level. This represents 46 percent of the low-income households and 12 percent of the total households in the AA.

Of the 457,172 housing units in the AA, 243,178 (53 percent) are owner-occupied, 194,120 (43 percent) are rental-occupied and the remaining 19,874 (4 percent) are vacant. Six percent of the owner-occupied units are located in the AAs low-income geographies, 13 percent are located in moderate-income geographies, 51 percent are located in middle-income geographies, and 30 percent are located in upper-income geographies. The median housing value within the AA based on 1990 census data is \$68,350.

A majority of the businesses in the Wisconsin portion of the bank's AA are incorporated with 1-4 employees. Eighty-four percent of the businesses in the AA report gross revenues of \$1 million or less. The primary industry in the AA is service oriented (43 percent), followed by retail trade (19 percent), finance, insurance, and real estate (10 percent), and manufacturing (8 percent). The average unemployment rate in the Milwaukee-Waukesha MSA for 2001 was 4.7 percent. The average rate for the state of Wisconsin and the U.S. for 2001 was 4.6 percent and 5.8 percent, respectively.

There are numerous deposit-taking financial institutions both local and regional in the Milwaukee-Waukesha MA. There are also numerous lenders, besides depository institution, that offer a wide variety of loan products. Therefore, competition for both deposits and loans is intense.

## State of Illinois Full-Scope Areas

### Chicago MA

Demographic Information for Full-Scope Area: Chicago MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	271	0.74	6.27	36.90	55.35	0.74
Population by Geography	1,471,591	0.35	6.61	38.87	54.10	0.07
Owner-Occupied Housing by Geography	383,818	0.10	3.18	36.80	59.92	0.00
Businesses by Geography	70,971	0.11	3.27	34.62	61.82	0.18
Farms by Geography	1,880	0.05	2.24	41.70	55.96	0.05
Family Distribution by Income Level	390,313	9.65	13.80	23.66	52.89	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	91,533	1.03	12.69	51.92	34.36	0.00
Median Family Income	= \$42,758	Median Housing Value		= \$157,886		
HUD Adjusted Median Family Income for 2001	= \$70,500	Unemployment Rate		= 1.91%		
Households Below the Poverty Level	= 4.27%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

SFB’s AA within the Chicago MA consists of all of Lake County, the eastern part of McHenry County, the northern part of Kane County, the northwestern corner of DuPage County, and the northeastern and northwestern corners of Cook County. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

The AA is comprised of 271 census tracts. Two of the census tracts in this AA are low-income geographies, 17 are moderate-income geographies, 100 are middle-income geographies, and 150 are upper-income geographies. Eleven branches are located in this AA.

The population of this AA was 1,471,591, based on 1990 census data. Less than 1 percent of the population lives in low-income geographies, 7 percent live in moderate-income geographies, 39 percent live in middle-income geographies, and 54 percent live in upper-income geographies.

The updated Housing and Urban Development (HUD) 2001 median family income for the Chicago MA is \$70,500. A breakdown of family income levels in the AA shows 9 percent as low-income (37,679 families), 14 percent moderate-income (53,854 families), 24 percent middle-income (92,336 families), and 53 percent upper-income (206,444 families). A low-income family has a maximum income of only \$35,250. In addition, a

total of 21,660 households have incomes below the poverty level. This represents 34 percent of the low-income households, and 4 percent of the total households in the AA.

Of the 530,889 housing units in the AA, 383,818 (72 percent) are owner-occupied, 123,713 (23 percent) are renter-occupied, and the remaining 23,358 (5 percent) are vacant. Less than 1 percent of the owner-occupied units are located in the AAs low-income geographies, 3 percent are located in moderate-income geographies, 37 percent are located in middle-income geographies, and 60 percent are located in upper-income geographies. The median housing value within the AA based on 1990 census data is \$157,886.

A majority of the businesses in the AA are incorporated with 1-4 employees. Eighty-four percent of the businesses in the AA report gross revenues of \$1 million or less. The primary industry in the AA is service oriented (43 percent), followed by retail trade (17 percent), construction (10 percent), and finance, insurance, and real estate (9 percent). The average unemployment rate in the Chicago MA for 2001 was 5.4 percent,. The average rate for the State of Illinois and the U.S. for 2001 was 5.4 percent and 5.8 percent, respectively.

There are numerous deposit-taking financial institutions both local and regional in the Chicago MA. There are also numerous lenders, besides depository institution, that offer a wide variety of loan products. Therefore, competition for both deposits and loans is intense.

# Appendix D: Tables of Performance Data

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**CONTENT OF STANDARDIZED TABLES ..... D-2**

**TABLES OF PERFORMANCE DATA..... D-5**

    STATE OF WISCONSIN ..... D-5

    STATE OF ILLINOIS ..... D-12



## Content of Standardized Tables

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References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

**Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

**Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - 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. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - 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. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms 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 farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

## Tables of Performance Data

### State of Wisconsin

**Table 1. Lending Volume**

LENDING VOLUME		Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002					
MA/Assessment Area:	% of Rated Area Loans # in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)		
<b>Full Review:</b>													
Milwaukee-Waukesha MA	78.50	707	51,218	1,451	162,558	0	0	0	0	2,158	213,776	80.51	
<b>Limited Review:</b>													
Racine MA	10.22	86	6,052	194	18,531	1	14	0	0	281	24,597	16.14	
Kenosha MA	1.27	19	1,417	16	1,356	0	0	0	0	35	2,773	0.33	
Walworth Non-MSA	10.00	107	5,370	167	15,775	1	60	0	0	275	21,205	3.02	

\* Loan Data as of June 30, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From May 01, 2000 to August 26, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	239	79.67	6.19	17.15	13.45	28.87	50.54	36.40	29.82	17.57	0.60	1.31	1.24	0.47	0.42
<b>Limited Review:</b>															

Racine MA	21	7.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.41	0.00	0.00	1.41	0.00
Kenosha MA	4	1.33	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.38	0.00	0.00	0.38	0.00
Walworth Non-MSA	36	12.00	0.00	0.00	0.00	0.00	49.31	72.22	50.69	27.78	0.97	0.00	0.00	1.79	0.00

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	145	77.54	6.19	22.07	13.45	32.41	50.54	28.97	29.82	16.55	1.10	2.01	1.84	0.62	1.33
<b>Limited Review:</b>															
Racine MA	21	11.23	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	9.64	0.00	0.00	9.64	0.00
Kenosha MA	5	2.67	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	2.74	0.00	0.00	2.74	0.00
Walworth Non-MSA	16	8.56	0.00	0.00	0.00	0.00	49.31	43.75	50.69	56.25	2.21	0.00	0.00	1.39	3.13

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE 2002			Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30,						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	262	70.81	6.19	25.19	13.45	27.48	50.54	26.72	29.82	20.61	0.53	1.11	0.63	0.33	0.56
<b>Limited Review:</b>															

Racine MA	43	11.62	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	2.07	0.00	0.00	2.07	0.00
Kenosha MA	10	2.70	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.52	0.00	0.00	0.52	0.00
Walworth Non-MSA	55	14.86	0.00	0.00	0.00	0.00	49.31	49.09	50.69	50.91	1.25	0.00	0.00	1.25	1.24

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: WISCONSIN								Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	61	98.39	15.60	37.70	18.09	27.87	46.80	21.31	19.50	13.11	4.32	10.14	6.67	1.34	0.00
<b>Limited Review:</b>															
Racine MA	0	0.00	0.00	0.00	0.00	0.00	44.32	0.00	55.68	0.00	0.00	0.00	0.00	0.00	0.00
Kenosha MA	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Walworth Non-MSA	1	1.61	0.00	0.00	0.00	0.00	94.59	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Based on 2000 Peer Mortgage Data: Central Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: WISCONSIN								Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	1,451	79.38	9.16	5.86	12.13	12.96	44.98	41.90	33.30	39.15	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Racine MA	194	10.61	0.00	0.00	0.00	0.00	99.49	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenosha MA	16	0.88	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Walworth Non-MSA	167	9.14	0.00	0.00	0.00	0.00	56.33	49.10	43.67	50.90	0.00	0.00	0.00	0.00	0.00

Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.



\*\*\* Source Data - Dun and Bradstreet (2001).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS				Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002							
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	0	0.00	2.28	0.00	8.61	0.00	45.52	0.00	43.23	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Racine MA	1	50.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenosha MA	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Walworth Non-MSA	1	50.00	0.00	0.00	0.00	0.00	42.95	0.00	57.05	100.00	0.00	0.00	0.00	0.00	0.00

Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2001).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE				Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	239	79.67	22.46	22.40	18.35	29.69	24.85	23.44	34.35	24.48	0.60	0.98	0.71	0.47	0.47
<b>Limited Review:</b>															
Racine MA	21	7.00	11.82	10.53	16.90	42.11	31.89	5.26	39.40	42.11	1.49	2.50	2.75	0.38	1.57
Kenosha MA	4	1.33	13.01	0.00	17.84	0.00	27.76	25.00	41.40	75.00	0.44	0.00	0.00	0.47	0.61
Walworth Non-MSA	36	12.00	11.43	8.57	15.64	34.29	23.35	37.14	49.58	20.00	1.14	2.44	3.62	1.23	0.44

Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 16.67% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	145	77.54	22.46	26.06	18.35	21.83	24.85	27.46	34.35	24.65	1.12	1.58	0.97	1.06	1.10
<b>Limited Review:</b>															
Racine MA	21	11.23	11.82	19.05	16.90	23.81	31.89	28.57	39.40	28.57	9.82	23.08	14.81	6.56	8.06
Kenosha MA	5	2.67	13.01	0.00	17.84	0.00	27.76	60.00	41.40	40.00	2.76	0.00	0.00	3.92	2.70
Walworth Non-MSA	16	8.56	11.43	12.50	15.64	31.25	23.35	12.50	49.58	43.75	2.25	0.00	7.14	0.00	2.10

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.60% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Milwaukee-Waukesha MA	262	70.81	22.46	22.77	18.35	24.55	24.85	24.11	34.35	28.57	0.54	0.79	0.47	0.43	0.58
<b>Limited Review:</b>															

Racine MA	43	11.62	11.82	12.20	16.90	19.51	31.89	31.71	39.40	36.59	2.54	11.54	1.85	1.48	2.80
Kenosha MA	10	2.70	13.01	10.00	17.84	20.00	27.76	40.00	41.40	30.00	0.64	3.23	0.00	1.32	0.00
Walworth Non-MSA	55	14.86	11.43	1.96	15.64	5.88	23.35	31.37	49.58	60.78	1.41	0.00	0.55	1.65	1.63

Based on 2000 Peer Mortgage Data: Central Region.  
 \*\* As a percentage of loans with borrower income information available. No information was available for 11.89% of loans originated and purchased by BANK.  
 \*\*\* Percentage of Families is based on the 1990 Census information.  
 \*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*			
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less		
<b>Full Review:</b>											
Milwaukee-Waukesha MA	1,451	79.38	84.18	61.06	72.85	15.30	11.85	0.00	0.00		
<b>Limited Review:</b>											
Racine MA	194	10.61	86.85	82.47	73.20	18.56	8.25	0.00	0.00		
Kenosha MA	16	0.88	88.89	68.75	62.50	37.50	0.00	0.00	0.00		
Walworth Non-MSA	167	9.14	87.05	85.63	75.45	16.77	7.78	0.00	0.00		

Based on 2000 Peer Small Business Data: US&PR.  
 \*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.  
 \*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).  
 \*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 8.42% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS				Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*			
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less		
<b>Full Review:</b>											

Milwaukee-Waukesha MA	0	0.00	89.28	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Racine MA	1	50.00	94.80	100.00	100.00	0.00	0.00	0.00	0.00
Kenosha MA	0	0.00	93.75	0.00	0.00	0.00	0.00	0.00	0.00
Walworth Non-MSA	1	50.00	94.44	100.00	100.00	0.00	0.00	0.00	0.00

Based on 2000 Peer Small Business Data: US&PR.

\*\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Milwaukee-Waukesha MA	0	0	18	558	10	558	100.00	0	0
<b>Limited Review:</b>									
Racine MA	0	0	0	0	0	0	0.00	0	0
Kenosha MA	0	0	0	0	0	0	0.00	0	0
Walworth Non-MSA	0	0	0	0	0	0	0.00	0	0

\*Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: WISCONSIN			Evaluation Period: JANUARY 1, 2000 TO JUNE 30, 2002	
MA/Assessment Area:	Deposits	Branches			Branch Openings/Closings			Population
	% of Rated Area	# of BANK Branch	% of Rated Area	Location of Branches by Income of Geographies (%)	# of Branch Openin	# of Branch Closin	Net change in Location of Branches (+ or -)	% of Population within Each Geography

	Deposits in AA	es	Branches in AA	Low	Mod	Mid	Upp	gs	gs	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Milwaukee-Waukesha MA	80.51	12	80.00	8.33	0.00	25.00	66.67	0	1	0	0	-1	0	15.95	17.02	43.88	23.07
<b>Limited Review:</b>																	
Racine MA	16.14	2	13.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	98.12	0.00
Kenosha MA	0.33	0	0	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
Walworth Non-MSA	3.02	1	6.67	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	46.74	53.26

**Tables of Performance Data**

**State of Illinois**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Review:</b>												
Chicago MA	100.00	306	20,673	194	33,508	1	25	0	0	501	54,206	100.00

\* Loan Data as of June 30, 2002. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is From May 01, 2000 to August 26, 2002.  
 \*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago MA	83	100.00	0.10	0.00	3.18	6.02	36.80	51.81	59.92	42.17	0.11	0.00	0.05	0.13	0.10

\* Based on 2000 Peer Mortgage Data: Central Region.  
 \*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.  
 \*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.



**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Chicago MA</b>	126	100.00	0.10	1.59	3.18	7.14	36.80	47.62	59.92	43.65	1.50	25.00	1.61	1.66	1.35

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Chicago MA</b>	94	100.00	0.10	0.00	3.18	9.57	36.80	61.70	59.92	28.72	0.14	0.00	0.78	0.15	0.09

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
<b>Chicago MA</b>	3	100.00	0.76	0.00	7.16	33.33	52.30	0.00	39.79	66.67	0.49	0.00	0.00	0.00	1.39	

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans						
<b>Full Review:</b>																
<b>Chicago MA</b>	194	100.00	0.11	0.52	3.27	8.76	34.62	61.86	61.83	28.87	0.00	0.00	0.00	0.00	0.00	

\*Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2001).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Chicago MA</b>	1	100.00	0.05	0.00	2.23	0.00	41.70	100.00	55.96	0.00	0.00	0.00	0.00	0.00	0.00

\*Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2001).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE			Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families*	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Chicago MA</b>	83	100.00	9.65	2.99	13.80	25.37	23.66	29.85	52.89	41.79	0.11	0.07	0.11	0.12	0.11

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 19.28% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
<b>Chicago MA</b>	126	100.00	9.65	13.11	13.80	23.77	23.66	36.89	52.89	26.23	1.55	2.00	2.00	2.06	0.99	

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.17% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
<b>Chicago MA</b>	94	100.00	9.65	11.24	13.80	34.83	23.66	23.60	52.89	30.34	0.16	0.21	0.24	0.09	0.16	

\*Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 5.32% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.



**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
<b>Chicago MA</b>	194	100.00	84.20	63.92	58.76	19.07	22.16	0.00	0.00

\*Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.64% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS				Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
<b>Chicago MA</b>	1	100.00	87.45	0.00	100.00	0.00	0.00	0.00	0.00

\*Based on 2000 Peer Small Business Data: US&PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 100.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
<b>Chicago MA</b>	0	0	9	540	9	540	100.00	0	0

\*'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002									
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
<b>Chicago MA</b>	100.00	11	100.00	0.00	9.09	27.27	63.64	1	1	0	0	0	0	0.35	6.61	38.87	54.10