

PUBLIC DISCLOSURE

July 6, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Greater Chicago Bank
18407**

**219 South Mannheim Road
Bellwood, Illinois 60104**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
500 West Monroe, Suite 3300
Chicago, Illinois 60661**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Greater Chicago Bank prepared by the Federal Deposit Insurance Corporation, the institution's supervisory agency, as of July 6, 2004. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.

INSTITUTION RATING

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

The bank's lending performance is reasonable and exhibits adequate responsiveness to the credit needs of the assessment area. The following summarizes the bank's performance.

- The average loan-to-deposit ratio is reasonable.
- A majority of small business loan originations are within the assessment area.
- The bank's lending to businesses of different sizes is reasonable.
- The geographic distribution of the bank's small business lending is reasonable.

DESCRIPTION OF INSTITUTION AND ASSESSMENT AREA

Greater Chicago Bank is a wholly-owned subsidiary of Bellwood Bancorporation, Inc., a one bank holding company located in Bellwood, Illinois. As of March 31, 2004, the bank had \$60 million in assets and \$46 million in total loans. The bank's primary business focus is commercial lending, which comprised 52 percent of total outstanding loans as of March 31, 2004.

In addition to the main office located in Bellwood, Illinois, Greater Chicago Bank operates two full service branches in Chicago and Stone Park, Illinois. Each facility has an automated teller machine (ATM). The assessment area used for this evaluation consists of Cook County, which is part of the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. This assessment area meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income neighborhoods.

Based on the 2000 U.S. Census information, the institution's assessment area consists of 1,343 geographies, of which 232 are low-income census tracts; 399 are moderate-income census tracts; 434 are middle-income census tracts; 262 are upper-income census tracts; and 16 are NA income level census tracts. NA census tracts are geographies that have not been assigned an income level given the nominal population within the tracts.

According to the 2003 Business Geo-Demographic Data, there are 239,247 businesses in the assessment area, of which 63 percent have annual revenues equal to or less than \$1 million. Of the 63 percent of businesses that have annual revenues equal to or less than \$1 million, only 5 percent of the businesses are located in low-income geographies and 19 percent are located in moderate-income geographies.

No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community. The bank received a "Satisfactory" rating at its prior CRA Evaluation, dated October 5, 1999. Please refer to the bank's Public File for additional information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The evaluation of the bank's lending performance is based upon a review of Greater Chicago Bank's small business lending. For purposes of this evaluation, small business loans are loans originated in amounts of \$1 million or less. The review period consists of all small business loans originated by the institution from January 1, 2003 through December 31, 2003, resulting in 83 originations totaling \$15.8 million.

Loan-to-Deposit Ratio

The bank's loan-to deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio, based on the 18 quarters since the previous evaluation, is 84 percent. Financial institutions within the assessment area

with a similar asset size and lending focus to that of Greater Chicago Bank have loan-to-deposit ratios ranging from 50 percent to 84 percent.

Lending in Assessment Area

Greater Chicago Bank's lending in the assessment area is reasonable. A majority of loans were originated in Cook County. More specifically, 81 percent of the number and 88 percent of the dollar volume of small business loans were originated within the assessment area.

Lending to Businesses of Different Sizes

The bank has achieved a reasonable penetration among businesses of different sizes. Small business loans are analyzed by loan size and revenue size to evaluate the size of the businesses being served. Loan size is generally considered a proxy for the size of the business. During the review period, 92 percent of small business loans were originated in amounts less than or equal to \$500,000, with a concentration in amounts equal to or less than \$250,000 of 74 percent. According to the 2003 Business Geo-Demographic Data, 56 percent of businesses in the assessment area have annual revenues equal to or less than \$500,000. Assuming the number of loans originated in amounts under \$500,000 is an accurate measure of the bank's efforts to meet the credit needs of the small business owner, the bank's performance demonstrates a willingness to fund the credit needs of small business owners.

Of note, Greater Chicago Bank also offers Small Business Administration (SBA) loans including the Low Doc, 7(a), and 504 programs. Credit extended within these programs is considerably more flexible than conventional financing, enabling the bank to lend to small businesses when funding is otherwise unavailable on reasonable terms. In 2003, the bank originated 25 SBA loans totaling \$3,248,000 under the SBA's Low Doc program.

Geographic Distribution of Loans

The bank has achieved a reasonable dispersion of small business loans throughout its assessment area. The bank originated four percent of its small business loans in low-income geographies, which is comparable to the number of businesses operating in low-income geographies, at five percent. Additionally, 27 percent of the bank's small business loans were originated within moderate-income geographies. This reflects very favorable performance compared to the fact that 19 percent of small businesses operating in the assessment area are located in moderate-income geographies. Overall, the bank's performance is considered reasonable and reflects that the bank is meeting the credit needs of small businesses in low- and moderate-income geographies.

Response to Complaints

The bank has not received any CRA-related complaints since the previous evaluation.

Compliance with Anti-Discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified during the examination.