

PUBLIC DISCLOSURE

October 25, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pullman Bank and Trust Company
RSSD# 15536

1000 E. 111th Street
Chicago, Illinois 60628

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S RATING

INSTITUTION'S CRA RATING: Pullman Bank and Trust Company is rated "**OUTSTANDING.**"

The following table indicates the performance level of Pullman Bank and Trust Company with respect to the lending, investment, and service tests.

| PULLMAN BANK AND TRUST COMPANY | | | |
|--------------------------------|-------------------|-----------------|--------------|
| PERFORMANCE LEVELS | PERFORMANCE TESTS | | |
| | Lending Test* | Investment Test | Service Test |
| Outstanding | X | X | X |
| High Satisfactory | | | |
| Low Satisfactory | | | |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |

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

The major factors supporting the institution's rating include:

- 96% of loans evaluated were made in the assessment area;
- Excellent geographic distribution of loans, especially in low- and moderate-income census tracts;
- Excellent distribution of loans among borrowers of different income levels and to businesses of different sizes;
- A high percentage of small business loans made are in amounts of \$250,000 or less;
- The bank continues to be a leader in making community development loans;
- Community development investments, grants, donations, and services are exceptionally strong;
- The bank and its affiliate, Pullman Bank Initiatives, Inc., are leaders in finding innovative solutions to address the economic, housing, and other problems that face many of the communities within the assessment area;
- Retail services, including branch distribution in low and moderate-income geographies, banking hours, alternate delivery system, loan and deposit products and services, and other programs available to customers, are excellent.

INSTITUTION

DESCRIPTION OF INSTITUTION

Pullman Bank and Trust Company (Pullman), is a wholly owned subsidiary of First Bank of Oak Park Corporation (FBOPC), a multi-bank holding company with total assets of \$11.86 billion at June 30, 2004. FBOPC owns 12 financial institutions in Illinois, California, Texas, and Arizona. Pullman, which is headquartered in the Historic Pullman District on the southeast side of Chicago, has total assets of \$1.14 billion as of June 30, 2004. It operates eight banking offices in Chicago, Dolton, Lansing, and Sauk Village, Illinois and one loan production office in Naperville, Illinois, as well as 11 ATMs in the assessment area.

Pullman is primarily a commercial institution, as evidenced by the fact that 96% of its loan portfolio at June 30, 2004 is in commercial and industrial loan categories. Approximately 75% of these loans are secured by real estate. Commercial credit products offered include business loans and lines of credit for operations, equipment purchases, real estate related activities, and other purposes. The bank also offers commercial lease financing and participates in commercial loan programs offered through the Small Business Administration (SBA).

The remaining 4% of the loan portfolio consists of consumer and residential real estate loans. Consumer loans offered include home equity loans and lines of credit, as well as secured and unsecured installment loans. Although there is a small volume of residential real estate loans in the loan portfolio, the bank does, in fact, help meet the credit needs of consumers in its assessment area for such loans through an affiliate thrift institution that offers a variety of conventional mortgage products, as well as Federal Housing Administration (FHA) and Veterans Administration (VA) products.

Credit and other financial needs in the assessment area are met by almost 300 banks, thrift institutions, and other credit unions of various sizes that operate throughout the Chicago area. Pullman management has identified the following institutions as its principal competition in the areas where its banking offices are located: MB Financial Bank, N.A.; LaSalle Bank, N.A.; Charter One Bank, N.A.; and Standard Bank and Trust Company.

Pullman holds a 0.49% market share of all FDIC-insured deposits in the eight-county Chicago-Naperville-Joliet Metropolitan Division (MD 16974) at June 30, 2004, the date of the most recently available information. This ranks the bank 30th out of 287 FDIC-insured institutions operating in this market. A small number of institutions have a disproportionately large share of the market, as evidenced by the fact that the ten institutions with the greatest volume of deposits collectively hold over 55% of all deposits in this market, with the top two banks holding 31%.

There are no factors relative to the bank's financial condition, size, or economic conditions that would prevent it from meeting the community's credit needs.

Description of Assessment Area

The bank's assessment area is currently defined as the eight counties that comprise MD 16974, which encompasses the majority of the metropolitan Chicago area. It includes Cook, DuPage, Will, Kane, Kendall, McHenry, Grundy, and DeKalb counties.

Selected demographic information of this assessment area is provided in Exhibit 1 below.

| EXHIBIT 1 Pullman Bank and Trust Company 2004 Assessment Area Demographics Metropolitan Division 16974 | | | | | | | | |
|---|---------------------------------------|-------------------------------|---|--------------|---|--------------|--|--------------|
| Income Categories | Tract Distribution | | Number of Families in Tract | | Families Below Poverty Level as % of Families by Tract | | Number of Families Based on Family Income | |
| | # | % | # | % | # | % | # | % |
| Low-income | 235 | 13.6 | 130,465 | 7.0 | 47,745 | 36.6 | 388,281 | 20.8 |
| Moderate-income | 428 | 24.8 | 396,358 | 21.3 | 61,051 | 15.4 | 327,821 | 17.6 |
| Middle-income | 615 | 35.7 | 761,837 | 40.9 | 33,973 | 4.5 | 411,533 | 22.1 |
| Upper-income | 429 | 24.9 | 575,211 | 30.8 | 10,963 | 1.9 | 736,236 | 39.5 |
| Tract not reported | 17 | 1.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTALS | 1,724 | 100.0 | 1,863,871 | 100.0 | 153,732 | 8.2 | 1,863,871 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low-income | 223,757 | 45,325 | 2.6 | 20.2 | 146,305 | 65.4 | 32,127 | 14.4 |
| Moderate-income | 634,174 | 263,264 | 15.0 | 41.5 | 326,016 | 51.4 | 44,894 | 7.1 |
| Middle-income | 1,170,588 | 792,440 | 45.2 | 67.7 | 335,687 | 28.7 | 42,461 | 3.6 |
| Upper-income | 878,128 | 650,942 | 37.2 | 74.1 | 195,351 | 22.3 | 31,835 | 3.6 |
| Tract not reported | 72 | 27 | 0.0 | 37.5 | 36 | 50.0 | 9 | 12.5 |
| TOTALS | 2,906,719 | 1,751,998 | 100.0 | 60.3 | 1,003,395 | 34.5 | 151,326 | 5.2 |
| | Total Businesses by Tract | | Businesses by Tract & Revenue Size | | | | | |
| | | | Under \$1 million | | Over \$1 million | | Revenue Not Reported | |
| | | | # | % | # | % | # | % |
| Low-income | 5,660 | 3.3 | 4,680 | 3.4 | 804 | 2.8 | 176 | 3.6 |
| Moderate-income | 23,040 | 13.6 | 18,582 | 13.7 | 3,748 | 12.9 | 710 | 14.6 |
| Middle-income | 67,052 | 39.4 | 53,625 | 39.4 | 11,462 | 39.3 | 1,965 | 40.3 |
| Upper-income | 73,912 | 43.5 | 58,936 | 43.3 | 12,970 | 44.5 | 2,006 | 41.1 |
| Unknown income | 380 | 0.2 | 219 | 0.2 | 143 | 0.5 | 18 | 0.4 |
| TOTALS | 170,044 | 100.0 | 136,042 | 100.0 | 29,127 | 100.0 | 4,875 | 100.0 |
| | Percentage of Total Businesses | | 80.0 | | 17.1 | | 2.9 | |

Note: Information about businesses is from 2004 Dun & Bradstreet demographic data ; all other information is based on 2000 census data.

The assessment area is quite large, as evidenced by the fact that it includes over 1.8 million families and over 2.9 million housing units. Although 38.4% of census tracts and families are considered low- and moderate-income, the assessment area taken as a whole has a generally strong economy. The Chicago area is home to a diverse mixture of employers, from large international corporations to very small businesses. Tourism and conventions bring a significant number of visitors to Chicago every year, supporting airlines, hotels, restaurants, museums, and sightseeing businesses. Internationally recognized educational institutions, such as the University of Chicago, Northwestern University, University of Illinois at Chicago, DePaul University and Loyola University, and the area's many outstanding medical facilities provide extensive additional employment opportunities. Expansive public transit systems, as well as numerous interstate highways, provide commuters with convenient access to job opportunities throughout the assessment area.

Four of the five largest employers in the Chicago area are public/governmental entities: the U.S. government, the Chicago Public School System, City of Chicago, and Cook County. The largest private employers in the area include Jewel-Osco (grocery/pharmacy), Advocate Health Care (hospitals and other medical facilities), SBC Communications, Inc. (telecommunications), United Parcel Service (package delivery), Walgreen Co. (pharmacy), and Target Corp. (department stores).

Unemployment percentages for the Chicago MSA have declined throughout 2004 compared to the same periods in 2003 and are generally consistent with unemployment rates for Illinois as a whole. These rates, however, are higher than national unemployment statistics for the same periods. Specifically, unemployment rates for September 2004 were 5.8%, 5.7%, and 5.1%, respectively, for the Chicago MSA, the State of Illinois, and the U.S. Comparable figures for September 2003 were 6.8%, 6.5% and 5.8%, respectively. (Note: unemployment data for MD 16974 was not available, so MSA 1600 data was used as the best available proxy; MSA 1600 includes all of MD 16974 plus Lake County, Illinois.)

The Department of Housing and Urban Development (HUD) has estimated the median family income for MD 16974 for 2004 to be \$67,800, which represents an increase of 12.7% since 1999. Comparable 2004 median family income for all metropolitan areas of Illinois and the U.S. were \$66,400 and \$61,200, respectively.

Although the assessment area includes a large geographic area that encompasses eight counties, Pullman's main office and its seven branches are all located in Cook County. Seven of these eight banking offices are located on Chicago's south side and south suburbs, with the remaining office being located on Chicago's northwest side. Furthermore, four of the south side banking offices and four ATMs are located in low- and moderate-income census tracts in neighborhoods that are predominantly low- and moderate-income, as well as predominantly minority. These neighborhoods are known as Pullman, Roseland, Englewood, East Side, and South Chicago. The demographic composition and other characteristics of these neighborhoods is substantially

different that for the overall assessment area. Thus, a separate discussion of these neighborhoods is necessary to understand the performance context used to evaluate Pullman's performance under the Community Reinvestment Act (CRA) in this document. Information cited in the following discussions was compiled by the City of Chicago based on 2000 census data.

Pullman

This neighborhood includes one low- and two moderate-income census tracts with a total 2000 population of 8,921, representing a decline of 4.5% since 1990. The population is 91.5% minority, unemployment is approximately 17%, median family income is \$37,000, and over 22% of the population has income below the poverty level. Vacant housing units constitute 8% of all available units, while owner-occupied properties represent about 47% of the total. A portion of this neighborhood has been designated an Historic District by the National Park Service.

Roseland

Roseland, located just west of Pullman, includes 14 census tracts (one low-, eight moderate-, and five middle-income). Its 2000 population of 52,723 represents a decline of 6.7% since 1990 and is 98.1% African American. The unemployment rate exceeds 17%, median family income is \$42,400, and 17% of the population has income below the poverty level. Almost 8% of housing units are vacant with home ownership at 60%. The southeast portion of Roseland is part of the Calumet Enterprise Community.

Englewood

This neighborhood, which is one of the most economically depressed areas of Chicago, consists of 13 low- and 1 moderate-income census tracts. Englewood's retail district at 63rd and Halsted Streets, once the second busiest retail area of the city behind the downtown Chicago business district, today is mostly vacant or torn down. The 2000 population of 40,222 is 17% lower than in 1990. In fact, Englewood's population decline, measured in real numbers, during this ten-year period was the largest of Chicago's 77 neighborhoods. Median family income is \$17,300, and 43% of its population lives in poverty. The unemployment rate is almost 26%, while 17% of all available housing units are vacant. Only 26% of available housing is owner-occupied. The Englewood area is both an Enterprise Community and a Renewal Community, which means it is targeted by different governmental bodies for tax breaks and other incentives to spur development and revitalization.

East Side

As its name implies, this neighborhood is the most eastern portion of the city, and consists of six moderate-income census tracts that are home to 23,653 people, 16% more than in 1990. The population is approximately 70% minority, with 12% living below the poverty level. Median family income is almost \$44,100, with 67% of housing units being owner-occupied and 5% being vacant.

South Chicago

The 10 geographies that comprise this neighborhood include six low- and four moderate-income census tracts. Demographic and other information for this neighborhood was not as readily available as for the others discussed above. Available information indicates that its population is approximately 38,000, 41% of households earn \$25,000 or less annually, 12% of housing units are vacant, and 38% are owner-occupied. This neighborhood is a Renewal Community and a TIF Zone.

Collectively, these five neighborhoods include 21 low-, 21 moderate-, and 5 middle-income census tracts. Median family incomes in these areas are much lower than, and unemployment percentages are much higher than, comparable figures for the assessment area taken as a whole. While the neighborhoods surrounding all of Pullman's branches offer some community development opportunities, these opportunities are substantially greater in the five neighborhoods discussed above and are the areas that receive the most attention from the bank and its affiliate.

Community representatives from several of these neighborhoods who were contacted during the examination confirmed that affordable housing, unemployment, and lack of a strong economic base in these areas is a major problem requiring innovative solutions from a variety of sources. Pullman Bank was identified as an important member of the community working toward this goal.

Previous Assessment Area

Prior to 2004, the bank's assessment area was the nine-county Chicago Metropolitan Statistical Area (MSA 1600). Effective in 2004, however, the Office of Management and Budget (OMB) removed Lake County, Illinois from MSA 1600 to combine it with Kenosha County, Wisconsin (the Kenosha MSA) because of common economic and other characteristics. The remaining eight counties from MSA 1600 were then redefined as MD 16974. Pullman Bank revised its assessment area in 2004 to be MD 16974 because the removal of Lake County from its assessment area would not have a material effect on its CRA performance analysis. Since the majority of lending activity analyzed in this public evaluation, however, occurred in 2003 when the bank's assessment area was the nine-county MSA 1600, Exhibit 2 is presented to illustrate certain demographic information of that assessment area.

| EXHIBIT 2 Pullman Bank and Trust Company 2003 Assessment Area Demographic s MSA 1600 | | | | | | | | |
|---|---------------------------------------|---|------------------------------------|-------------------------|---|-----------------------------|--|--------------|
| Income Categories | Tract Distribution | | Number of Families in Tract | | Families Below Poverty Level as % of Families by Tract | | Number of Families Based on Family Income | |
| | # | % | # | % | # | % | # | % |
| Low-income | 244 | 13.0 | 135,273 | 6.7 | 49,043 | 36.3 | 419,014 | 20.6 |
| Moderate -income | 461 | 24.6 | 430,880 | 21.2 | 64,116 | 14.9 | 356,404 | 17.6 |
| Middle -income | 668 | 35.6 | 828,640 | 40.8 | 35,475 | 4.3 | 450,694 | 22.2 |
| Upper-income | 485 | 25.9 | 634,347 | 31.3 | 11,688 | 1.8 | 803,028 | 39.6 |
| Tract not reported | 17 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTALS | 1,875 | 100.0 | 2,029,140 | 100.0 | 160,322 | 7.9 | 2,029,140 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-occupied | | Rental | | Vacant | | |
| | | # | % | % | # | % | # | % |
| Low-income | 231,725 | 47,860 | 2.5 | 20.7 | 150,839 | 65.1 | 33,026 | 14.2 |
| Moderate -income | 685,521 | 291,406 | 15.2 | 42.5 | 346,710 | 50.6 | 47,405 | 6.9 |
| Middle -income | 1,267,547 | 864,943 | 45.0 | 68.3 | 355,368 | 28.0 | 47,236 | 2.7 |
| Upper-income | 947,773 | 716,055 | 37.3 | 75.6 | 198,446 | 20.9 | 33,272 | 3.5 |
| Tract not reported | 72 | 27 | 0.0 | 27.5 | 36 | 50.0 | 9 | 12.5 |
| TOTALS | 3,132,638 | 1,920,291 | 100.0 | 61.3 | 1,051,399 | 33.6 | 160,948 | 5.1 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Under \$1 million | | Over \$1 million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | # |
| Low-income | 5,880 | 3.1 | 4,856 | 3.2 | 841 | 2.6 | 183 | 3.4 |
| Moderate -income | 25,284 | 13.5 | 20,478 | 13.6 | 4,033 | 12.7 | 773 | 14.3 |
| Middle -income | 73,922 | 39.4 | 59,240 | 39.3 | 12,496 | 39.3 | 2,186 | 40.6 |
| Upper-income | 82,315 | 43.8 | 65,821 | 43.7 | 14,261 | 44.9 | 2,233 | 41.4 |
| Unknown income | 380 | 0.2 | 219 | 0.2 | 143 | 0.5 | 18 | 0.3 |
| TOTALS | 187,781 | 100.0 | 150,614 | 100.0 | 31,774 | 100.0 | 5,393 | 100.0 |
| | Percentage of Total Businesses | | 80.2 | | 16.9 | | 2.9 | |

Note: Information about businesses is from 2003 Dun & Bradstreet demographic data ; all other information is based on 2000 census data.

SCOPE OF EXAMINATION

This CRA performance evaluation assesses Pullman’s responsiveness and effectiveness in meeting the credit needs of its assessment area within the context of information about the institution including asset size, financial condition, and competitive factors, as well as taking into consideration the economic and demographic characteristics of its assessment areas. Full-scope examination procedures were used on the bank’s only assessment area. The performance evaluation period is July 1, 2002 through June 30, 2004.

The lending test considered the following loan types originated by the bank:

- Loans reported under the Home Mortgage Disclosure Act (HMDA), including those for home purchase, home improvement, and home refinance, as well as similar loans for multifamily residences;
- Small business loans reported under the CRA; and
- Consumer loans, including home equity lines of credit, motor vehicle loans and other secured and unsecured consumer loans.

These loans were used to evaluate Pullman's performance regarding its lending in the assessment area, including the geographic distribution of loans and the distribution of loans based on the borrower's income or annual revenues. In addition, loans that have a community development purpose, as defined in the regulation, were reviewed and evaluated.

The investment test includes investment, grants, and donations made by the bank and its wholly-owned subsidiary, Pullman Bank Initiatives, Inc. (PBII). PBII's mission is to engage in community development and revitalization activities, primarily involving residential real estate housing needs, in the bank's assessment area. Most of its activities thus far have been focused in Chicago's Pullman, Roseland, Englewood, and South Chicago neighborhoods.

The service test considers the distribution of Pullman's branches among the geographies in its assessment area, the alternative delivery systems available for its products and services, the reasonableness of its banking hours among the different branches, the effect of any opening or closing of bank branches, and the community development services provided by officers and employees of the bank and PBII.

The scope of the examination is consistent throughout this evaluation unless otherwise noted.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Pullman's performance on the lending test is rated "outstanding." Lending activity reflects good responsiveness to the credit needs of the community, and the vast majority of loans made in this evaluation period were in the defined assessment area. The geographic and borrower income distribution of mortgage and consumer loans analyzed reflect excellent distribution among geographies and borrowers of different income levels, especially those identified as low- and moderate-income. Similarly, small business loans showed excellent penetration in low- and moderate-income areas of the assessment area, and appeared to meet the needs of small business borrowers based on the borrowers' annual revenues and on the size of the majority of these loans.

In all respects, the bank outperformed other banks in the aggregate in those situations where aggregate loan data was available. Pullman makes a high level of community development loans, and demonstrates its innovativeness and flexibility in lending activities through many of the difficult and complex projects it supports.

Lending facts and other data for calendar year 2003 used to evaluate the bank's performance in its assessment area are shown in Appendix C. Lending activity is depicted in Tables 1A and 1B, Geographic Distribution in Tables 2 through 6 and 13A, and Borrower Characteristics in Tables 8 through 11 and 13B. Tables 7 and 12 have been omitted because the bank originates a minimal number of farm loans due to its urban location. Lending facts and other data for the last six months of 2002 and the first six months of 2004, while not shown in Appendix C, were also used to evaluate the bank's performance and may be discussed within the text of this document.

Lending Activity

The bank's overall lending levels in the two-year evaluation period reflect good responsiveness to assessment area credit needs. As previously noted, Pullman is primarily a commercial bank, with the vast majority of permanent mortgage loan requests being referred to an affiliate financial institution. These referred loans have not been considered in this performance evaluation. Nevertheless, Pullman does provide a limited number of permanent mortgage loans to its customers, as well as originating consumer loans, especially home equity and other secured loans. Its market share for any given product type is low because it is a relatively small institution operating in a large assessment area with substantial competition for loans from financial institutions and other specialty lenders.

During the two-year evaluation period, Pullman provided 450 small business loans totaling \$99.3 million, 408 mortgage loans totaling \$50.5 million, and 683 consumer loans totaling \$13.4 million. In addition, 60 loans with specific community development purposes totaling \$22.1 million were made during this time period. Pullman is a recognized leader in community development efforts on the south side of Chicago.

Assessment Area Concentration

A substantial majority of Pullman's HMDA-reportable mortgage, small business, and consumer loans were made in its assessment area in 2003 as illustrated in Exhibit 3, which shows that 96% of the number and dollar amount of such loans were made in this area. A review of 340 loans made in the last six months of 2002 and 372 loans made in the first six-months of 2004 indicates a similarly high percentage of loans made in the assessment area.

| Exhibit 3 Pullman Bank and Trust Company Lending Inside and Outside the Assessment Area January 1, 2003 – December 31, 2003 | | | | | | | | |
|--|------------|-------------|---------------|-------------|-----------|------------|--------------|-------------|
| LOAN TYPE | Inside | | | | Outside | | | |
| | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| HMDA – Home purchase | 17 | 85.0 | 2,130 | 84.9 | 3 | 15.0 | 379 | 15.1 |
| HMDA – Home improvement | 141 | 98.6 | 3,326 | 96.2 | 2 | 1.4 | 130 | 3.8 |
| HMDA – Home refinance | 14 | 93.3 | 2,776 | 93.1 | 1 | 6.7 | 206 | 6.9 |
| HMDA – Multifamily | 26 | 100.0 | 20,349 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| Total HMDA-related | 198 | 97.1 | 28,581 | 97.6 | 6 | 2.9 | 715 | 2.4 |
| Total small business loans | 227 | 97.4 | 50,772 | 96.5 | 6 | 2.6 | 1,858 | 3.5 |
| Total consumer | 369 | 94.1 | 7,701 | 90.0 | 23 | 5.9 | 858 | 10.0 |
| TOTAL LOANS | 794 | 95.7 | 87,054 | 96.2 | 35 | 4.3 | 3,431 | 3.8 |

Note: Affiliate loans are not included.

Geographic Distribution

The geographic distribution of HMDA-reportable mortgage, small business, and consumer loans, especially in low- and moderate-income geographies, is excellent. Refer to Tables 2 through 6 and 13A in Appendix C, which illustrate the geographic distribution of loans made in 2003.

For each of the three categories of HMDA-reportable home loans (i.e., purchase, home improvement, and refinance), the percentage of loans made by the bank in low- and moderate-income census tracts in 2003 greatly exceeds both the percentage of owner-occupied housing units in these geographies and the aggregate's comparable lending percentages. It should be noted, however that the number of loans made for purchase and refinance is relatively small, which could provide some distortions when analyzing performance. Any potential distortions can be reduced if these two loan purposes are combined with home improvement loans and analyzed together. The result of doing this provides the same result, i.e., 12.2% of the 172 loans in 2003 were made in low-income census tracts, while 45.3% were made in moderate-income census tracts. These percentages are well above demographic percentages and aggregate lending data. The bank's lending performance for the last six months of 2002 and for the first six months of 2004 is consistent with 2003 based on a review and analysis of loan data for these periods.

The bank's multifamily loan activity in 2003 is also small overall (26 loans), but 22 of them, or 84.6%, were made in low- and moderate-income census tracts. Similarly, 6 out of 7 multifamily loans made in the last six months of 2002, and 9 out of 10 multifamily loans made in the first six months of 2003 were made in low- and moderate-income areas. Despite the low volume, it is clear that the bank is making a strong effort in providing such loans in low- and moderate-income census tracts in the assessment area.

An analysis of small business loans made by the bank supports the same conclusion. One-third of these loans in 2003 were made in low- and moderate-income geographies, which is excellent in light of the fact that 14% of the aggregate's loans were made in low- and moderate-income census tracts. In addition, the bank's performance also compares favorably with demographic data, which shows that 16.6% of all businesses operating in the assessment area are located in low- and moderate-income census tracts. Loan data for the six-month periods of 2002 and 2004 show that 26.3% and 27.5%, respectively, of the bank's small business loans were made in low- and moderate-income areas.

Finally, a review of consumer loans made by the bank during the review period reveals that 46.9%, 64.2%, and 58.8% of loans made in the last six months of 2002, all of 2003, and the first six months of 2004, respectively, were made in low- and moderate-income geographies. This is an excellent loan distribution compared to the fact that 28.2% of all households in the entire assessment area reside in low- and moderate-income census tracts. Aggregate data is not available for consumer loans.

Thus, by all measures for the various loan types reviewed, Pullman's lending in low and moderate-income census tracts is excellent.

Distribution of Loans by Income Level of the Borrower

The distribution of loans among borrowers of different income levels and businesses of different revenue sizes is excellent. Refer to Tables 8 through 11 and 13B in Appendix C, which summarize the distribution of loans made in 2003 based on borrower income characteristics.

In 2003, 57.0% of the bank's 172 HMDA-reportable home mortgage loans, regardless of purpose, were made to low- and moderate-income borrowers. By comparison, aggregate lending to low- and moderate-income borrowers ranged from 19.5% to 30.0%, depending on loan purpose, and was 21.3% for all HMDA purposes combined. The bank's performance is also deemed excellent when its lending percentages are compared with demographic data, which shows that 38.2% of the families in the assessment area are low- and moderate-income and 7.9% are living in poverty.

A review of small business loans reveals that almost 54% of loans made in 2003 were to businesses with annual revenues of \$1 million or less. The bank's percentages for the six-month periods of 2002 and 2004 were 47.5% and 45.9%, respectively. By comparison, aggregate data for 2003 indicates that 32.6% of small business loans made by all other lenders in this assessment area were to businesses with this level of annual revenues. Furthermore, 44.4% of the bank's small business loans in 2003 were in amounts of \$100,000 or less, with 72.2% being in amounts of \$250,000 or less. In other words, a significant majority of CRA-reportable small business loans are in smaller dollar amounts, where small businesses typically have greater needs. A review of the bank's small business lending for the last six months of 2002 and the first six months of 2004 reveal a pattern that is consistent with the 2003 data.

Consumer loan data during the two-year evaluation period also shows a very strong effort in providing loans to borrowers in the lower income tiers. For 2003, 62.3% of the consumer loans evaluated in this performance analysis were to low- and moderate-income borrowers. The six-month periods of 2002 and 2004 reveal similarly high percentages of 68.5% and 63.2%, respectively. This indicates an excellent effort by the bank in light of the fact that approximately 39% of households in the assessment area are low- and moderate-income.

Community Development Lending

Pullman is a leader in providing community development loans in its assessment area, especially in the low- and moderate-income neighborhoods on Chicago’s south side. During the two-year evaluation period, the bank originated a total of \$22.1 million in community development loans and loan commitments. Providing affordable housing for low- and moderate-income people was the primary purpose of \$18.0 million of these funds, with community services targeted to low- and moderate-income people accounting for the remaining \$4.1 million. The majority of these community development loans, \$19.7 million, represents new disbursements of funds during the evaluation period, while the remaining \$2.4 million represents new unfunded commitments and loans made in a prior period that were renewed during the current evaluation period. Some of the more significant community development loans are discussed in Exhibit 4.

| Exhibit 4 | |
|--|--|
| Pullman Bank and Trust Company | |
| Significant Community Development Loans | |
| July 1, 2002 – June 30, 2004 | |
| Amount | Description |
| \$3,500,000 | Working capital line of credit to a nonprofit organization that provides community services and group homes for people with disabilities, such as mental retardation, cerebral palsy, and autism, in DuPage County and portions of Cook County. |
| \$1,500,000 | Revolving line of credit to be used for construction of new single family homes in the Englewood neighborhood. |
| \$1,121,786 \$577,436 | The bank made a commitment to fund up to \$1.75 million which represents a 5% participation in mortgage loans made by a local affiliate of a nationally recognized nonprofit organization that works to rebuild low- and moderate-income neighborhoods through construction and rehabilitation of housing. This is a non-revolving commitment. During this evaluation period, \$629,214 has been funded, with a net book balance outstanding at June 30, 2004 of \$577,436 as a result of loan repayments. \$1,121,786 is the unfunded portion of the original commitment. |
| \$11,106,219 | 35 loans made to individuals, corporations, and others to acquire and/or rehab multifamily housing units in low- and moderate-income areas as affordable housing for local residents, who are predominantly low- and moderate-income. |
| \$2,000,000 | Revolving loan commitment to a local organization that provides mortgage loans for multifamily affordable housing for low- and moderate-income residents in six counties in the Chicago area. |
| \$250,000 | Line of credit used to rehabilitate seven townhouses as affordable housing in the Historic Pullman neighborhood. |
| \$250,000 | Line of credit to rehabilitate three houses in Roseland. |
| \$200,000 | Line of credit to a nonprofit organization that provides health and other human services to an underserved low- and moderate-income community |

Pullman demonstrates flexibility and innovativeness in its lending activities by its willingness to participate in government-assisted loan programs, such as those offered by the SBA. In 2003, the bank funded three SBA 7A loans totaling \$286,000. More importantly, the bank provides loans that are used to build new affordable housing and to acquire and renovate existing housing in several economically challenged neighborhoods, working closely with local community groups and other organizations to improve conditions in these areas. These projects often have higher credit risk associated with them and frequently require extensive efforts on the part of the parties involved for the projects to reach fruition because of various economic, zoning, and other hindrances. Examples of such projects, which are included in Exhibit 4, where the bank provided financing are:

- Bernard Place – This is a new single family homes development in a low-income census tract in the Englewood neighborhood around St. Bernard Hospital. Phase I involved the construction of four homes on adjoining home sites. Phase II, which has not yet begun, will include the construction of an estimated 14 additional homes. A construction line of credit for \$1,500,000 has been provided for this project.
- Historic Pullman District Townhouse Restoration – During the previous evaluation period, the bank and PBII committed funds to the acquisition and rehabilitation of seven townhouses in a moderate-income census tract in this historic district. The properties were acquired and the bank provided construction financing, which continued into the current evaluation period, to restore the properties. All seven properties have now been sold. During this evaluation period, the available line of credit was \$250,000.
- Roseland Pilot Preservation Project – Pullman provided a construction line of credit of \$250,000 for the rehabilitation of three houses on a troubled street in a low-income area of Roseland. This project started during the previous evaluation period and was completed during the current period.

The bank previously provided \$750,000 in loans to the Neighborhood Housing Services' (NHS) Chicago Family Housing Fund Participation 2002, which, in turn, provided first mortgage financing for 1-4 family properties in low- and moderate-income census tracts of Chicago. Funds were outstanding under this loan at the start of this evaluation period, but the loan has now been paid in full.

INVESTMENT TEST

Pullman's performance on the investment test is rated "outstanding." Between the bank and its subsidiary, PBII, there are a variety of continuing investments carried over from the previous examination, as well as new investments, grants, and donations made during the current evaluation period, which are summarized as follows:

| | |
|-------------|--------------------------|
| \$3,003,519 | Continuing investments |
| \$1,131,312 | New investments |
| \$699,856 | New grants and donations |

Refer to Table 14 in Appendix C for a summary of qualified investments. The more significant investments made by the bank are discussed in Exhibit 5.

| Exhibit 5 | | | |
|--|---------------|----------------------|--|
| Pullman Bank and Trust Company | | | |
| Significant Community Development Investments of the Bank | | | |
| July 1, 2002 – June 30, 2004 | | | |
| | Amount | Name | Description |
| Commitment | \$2,000,000 | Chicago Equity Fund | This is a nonprofit real estate investment limited partnership that focuses on financing low-income multifamily housing in Chicago. This investment has a book value of \$860,772 at June 30, 2004. |
| Previously funded | \$2,000,000 | 1994 | |
| Funded this period | \$0 | | |
| Unfunded at 6/30/04 | \$0 | | |
| Commitment | \$1,000,000 | Chicago Equity Fund | Similar to the preceding investment. The bank committed \$1 million to this investment; funding began in this evaluation period. |
| Previously funded | \$0 | 2002 | |
| Funded this period | \$112,551 | | |
| Unfunded at 6/30/04 | \$887,449 | | |
| Commitment | \$500,000 | Chicago Reinvestment | This fund invests in owner-occupied housing and historic building rehabilitations in Chicago area neighborhoods and other communities that need revitalization. |
| Previously funded | \$0 | Fund 2003 | |
| Funded this period | \$13,124 | | |
| Unfunded at 6/30/04 | \$486,876 | | |
| Commitment | \$750,000 | NHS Chicago Family | NHS provides first mortgages on 1-4 family dwellings in low- and moderate -income areas. |
| Previously funded | \$279,250 | Housing Fund | |
| Funded this period | \$470,750 | | |
| Unfunded at 6/30/04 | \$0 | | |
| Commitment | \$100,000 | NHS: Normal Pilot | This program involves a total pool of \$2 million that will be used to assist victims of predatory lending by refinancing debt and negotiating prepayment penalties. |
| Previously funded | \$0 | Program | |
| Funded this period | \$60,272 | | |
| Unfunded at 6/30/04 | \$39,728 | | |
| Commitment | \$1,000,000 | Prairie Capital III | This is a Small Business Investment Company (SBIC) that provides venture capital to small businesses in start-up and growth situations. |
| Previously funded | \$0 | | |
| Funded this period | \$150,000 | | |
| Unfunded at 6/30/04 | \$850,000 | | |
| Commitment | \$0 | ShoreBank | Pullman has two certificates of deposit, maturing in 2005 and totaling \$1 million, in this Community Development Financial Institution (CDFI), which serves many neighborhoods on Chicago's south and west sides. |
| Previously funded | \$1,000,000 | | |
| Funded this period | \$0 | | |
| Unfunded at 6/30/04 | \$0 | | |
| Commitment | \$600,000 | South Chicago | This is a 50% participation in a program that provides grants to qualified neighborhood residents for home improvements up to \$15,000 in the South Chicago neighborhood. The investment has a book value of \$501,449 at June 30, 2004. |
| Previously funded | \$600,000 | Redevelopment Area | |
| Funded this period | \$0 | (TIF/NIF) | |
| Unfunded at 6/30/04 | \$0 | | |

PBII was originally established in 1999 as an FBOPC subsidiary, but became a subsidiary of the bank in 2000 in a corporate restructuring. This company was founded to help meet community development needs in the Chicago area. Under the leadership of President Saul H. Klibanow, PBII is a catalyst for improvement in economically depressed areas of Chicago, especially in the Pullman, Roseland, Englewood, and South Chicago neighborhoods. It typically becomes partners with community based nonprofit groups, such as NHS, NHS Redevelopment Corporation, St.

Bernard Housing Development Corporation, Westwood Community Development Corporation, and local churches and community organizations, to identify projects that can revitalize decaying neighborhoods, and to bring these projects to fruition. PBII frequently underwrites feasibility studies and other soft costs necessary to get a project going and eventually makes equity investments in the various projects. Specific PBII equity investments are discussed in Exhibit 6.

| Exhibit 6 | | | |
|--|------------------------------------|---|---|
| Pullman Bank and Trust Company | | | |
| Significant Community Development Investments of PBII | | | |
| July 1, 2002 - June 30, 2004 | | | |
| | Amount | Name | Description |
| Previous funding Funded this period Balance at 6/30/04 | \$85,500 \$0 \$0 | Historic Pullman Townhouse Project | Equity investment to acquire 8 townhouses in a joint venture with NHS Redevelopment Corp. One townhouse was sold as is, but the other 7 were renovated and eventually sold in November 2003. |
| Previous funding Funded this period Balance at 6/30/04 | \$140,846 \$0 \$0 | Roseland Pilot Preservation Project | Equity investment to acquire and rehab 3 houses between 105 th and 107 th and Edbrook in a joint venture with NHS Redevelopment Corp. Acquired in 2001, the properties were rehabbed in the current evaluation period and sold in 2004. |
| Previous funding Funded this period Balance at 6/30/04 | \$145,235 \$0 \$0 | Westwood Model Home Project | In 2000, PBII provided the capital to build a model home in the Englewood community. Built in conjunction with Westwood CDC and a local church on one of 12 home sites on the west side of Harvard in the 7200 block, it served as the catalyst for development of new affordable single-family homes on the other 11 sites. The model home was sold in April 2003. |
| Previous funding Funded this period Balance at 6/30/04 | \$5,327 \$140,000 \$145,327 | Market Rate Homes Development | This was a joint venture with St. Bernard Housing Development Corp. and Urban Equities Development & Construction Corp. to develop four homes at 64 th and Harvard. PBII's investment was repaid in the latter half of 2004. |
| Previous funding Funded this period Balance at 6/30/04 | \$12,140 \$107,976 \$109,475 | 11260 Champlain | This represents PBII's purchase of a home in Pullman to reclaim the property from a predatory lender. Improvements were made to the home, which is now being leased back to the original homeowner. |
| Previous funding Funded this period Balance at 6/30/04 | \$0 \$28,907 \$0 | 10461 S. Corliss | PBII was named receiver in 2003 for this dilapidated property in North Pullman, a designated Redevelopment Area. Funds were used to make necessary structural improvements and tear down a garage. The property was sold in May 2004. |
| Previous funding Funded this period Balance at 6/30/04 | \$0 \$16,800 \$16,800 | 63 rd and Halsted Redevelopment | PBII, working in conjunction with the Chicago Dept. of Planning, local aldermen, and others, has funded a study regarding the redevelopment of a site at 63 rd and Halsted, adjacent to the bank's Chicago city branch. |
| Previous funding Funded this period Balance at 6/30/04 | \$0 \$30,932 \$30,932 | Central Englewood Development | PBII, working with several local churches, has funded a demographic study and an architectural plan for certain properties in the Englewood neighborhood to be developed or renovated as affordable housing. |

As noted above, the bank has made grants, donations, and donations in kind totaling \$699,856 during the two-year evaluation period. These include contributions to local churches, groups, charities, and other organizations for various purposes that fall within the meaning of community development in the CRA. Some of these activities deserve specific mention:

- \$107,500 to the Pullman Bank Scholarship Program, which provides scholarships to low- and moderate-income students for college expenses.
- \$100,000 to St. Bernard Hospital under its \$250,000 commitment over five years for the purchase of a mobile pediatric care unit that will serve the Englewood neighborhood and other nearby low- and moderate-income areas. \$150,000 of this commitment remains unfunded at June 30, 2004.
- \$10,361 to St. Bernard Hospital for the purchase of medical equipment to be used in the mobile pediatric care unit.
- \$86,800 that represents foregone rental income in the building that houses the bank's main office. Full-time year-round space in the building is provided to two local groups, Calumet Area Industrial Council and Greater Roseland Development Council at discounted rents. Foregone rents amount to \$43,400 per year based on market rents in the area.
- \$60,000 to Greater Roseland Family YMCA as the final disbursements under a \$100,000, five-year commitment for its Child Learning Center. This YMCA serves primarily low- and moderate-income persons based on the neighborhood where it is located.
- \$34,500 to LINK Unlimited for scholarships and mentors for needy African-American students.
- \$85,000 to the United Way, which primarily serves low- and moderate-income people
- \$19,800 to NHS in support of its many efforts to provide affordable housing in low- and moderate-income neighborhoods.
- \$25,000 to Teamwork Englewood for its New Communities Program that is identifying and implementing redevelopment and revitalization efforts in the Englewood neighborhood.
- \$10,000 to Operation Hope, which facilitates new investments in inner-city neighborhoods through homeownership and small business loans, and which provides economic literacy training to students age 10-20.

It should also be noted that Pullman has made a significant investment in the Englewood neighborhood since the previous examination with the recent construction of a new drive-up/walk-up banking facility near its Chicago City branch on West 63rd Street. This demonstrates the bank's continuing commitment to this economically challenged community.

While the volume of investments, grants, and donations is significant, it is the diversity of these transactions, as well as the innovativeness, flexibility, and complexity of many of them that is especially noteworthy. This can be seen most clearly in the activities of PBII, which is a leader in the community in assembling coalitions, joint ventures, and various partnerships to effect positive changes in certain neighborhoods of Chicago, and then making equity investments in the projects to help ensure their success. PBII and the bank often develop creative solutions to affordable

housing problems, and are strong supporters of educational opportunities for low- and moderate-income minority residents residing in the area through the bank's own college scholarship program and through donations to other educational programs offered by others in the community.

SERVICE TEST

Pullman's performance on the service test is rated "outstanding." Retail services are excellent, with one-half of the bank's branches being located in low- and moderate-income census tracts, banking hours that are consistent among all branches, a good alternate delivery system of ATMs and other ways to access the bank, and various other products, services, and programs that meet the banking needs of the community. Refer to Core Table 16 for the distribution of the branch and ATM delivery systems. Furthermore, the bank and its affiliate provide an excellent level of community development services to local organizations and groups in the assessment area.

Retail Services

As previously noted, Pullman operates eight banking offices. Although 38% of census tracts and families in the assessment area are classified as low- and moderate-income, 50% of the bank's branches are located in low- and moderate-income census tracts. Specifically, the main location in the Pullman neighborhood, the Chicago City (Englewood) branch, and the South Chicago branch are all located in low-income census tracts, and the East Side branch is located in a moderate-income census tract. There have been no branch openings or closings since the previous examination. As noted above, however, the bank has recently opened a new drive-up/walk-up banking facility at its Chicago City office.

Hours of operation are consistent at all eight offices, including banking hours on Saturday and extended hours on Friday evening. Thus, residents of low- and moderate-income communities are not inconvenienced in their access to banking services relative to residents of other communities where the bank maintains offices. Bi-lingual (English/Spanish) tellers and retail bankers are available at the Main, East Side, Lansing, South Chicago, Dolton, and Chicago City offices, and various product disclosures are now available in Spanish in addition to English.

Alternate delivery systems are available in addition to traditional banking offices. Pullman currently maintains 11 ATMs that have 24-hour accessibility, including four in low-income and two in moderate-income census tracts. One of these latter ATMs is an off-site machine in the Roseland neighborhood. ATMs are located at seven of the eight branches, the South Chicago office being the one exception. Pullman account holders with ATM cards have free use of any of the 25 ATMs operated by FBOPC affiliates.

The bank offers on-site banking services for one and one-half hours every Tuesday at the Norwood Park Nursing Home, which includes senior and disabled citizens. A "Call Center," which includes

Spanish- and Polish-speaking staff, is available Monday through Saturday during hours that approximate the branches' normal banking hours. This free service provides customers assistance with account balancing and completing applications for bank products, answers to questions, and other services. In addition, a free Bi-lingual Bank-by-Phone service is available 24 hours per day and allows customers to transfer funds between accounts, verify certain account balances, and obtain current interest rates. "eRetail Banker" is an Internet banking product that allows registered customers to conduct a number of banking activities, including bill payment services, 24 hours per day using a personal computer.

All bank products and services are available at all locations (with the exception that South Chicago has no ATM). Included in these products is a non-interest-bearing "Free Checking Account" that can be opened for \$100, has no monthly or per check fees, and allows four free monthly transactions at non-proprietary ATMs. This product benefits lower income residents of the community by eliminating costly fees often associated with a checking account. The bank has opened 1,143 of these accounts since its introduction in October 2003, of which 59% were to residents of low- or moderate-income census tracts.

There is also a "Basic Business Checking Account" that has no monthly service fee if the average collected balance is at least \$5,000; a \$15 monthly fee applies on smaller balances. This low-cost account is suitable for small businesses with minimal check writing activity because up to 50 transactions may be processed each month without additional charge.

"Pullman Partners" is a bank-at-work program which allows employees of participating Pullman Bank commercial customers to open a free checking account at their employment location if they have direct deposit of their paychecks. Many of these companies are in low- or moderate-income census tracts and many of their employees are low- or moderate-income. Six companies have been involved in this program and others are considering it.

Pullman is also a participant in the State of Illinois "Bank at School" program which educates students in middle and high schools about banking issues and encourages them to open deposit accounts. Currently, six schools have participated in this program and several other schools are looking at future participation.

The bank accepts Matricula Consular Cards at all of its locations as a primary form of identification for opening new accounts, which makes bank products available to people who may not have been able to establish a banking relationship in the past.

Pullman, working with the Center for Economic Progress, has established a "Tax Counseling Project" (TCP) during tax season. TCP participants who open a savings account will have \$5 contributed into the account by the bank and the normal quarterly fee will be waived for the first six months.

A variety of mortgage loan products are offered through an affiliated financial institution. Representatives from this institution are routinely stationed at Pullman banking offices to facilitate taking mortgage applications. Furthermore, loan personnel receive additional compensation for originating mortgage loans secured by property in low- and moderate-income census tracts, loans originated in conjunction with approved down payment assistance programs, and VA/FHA loans where the total household income does not exceed the HUD median income for the area. In addition to conventional and FHA/VA mortgage loan products, loan applications are considered for other specialty programs, such as New Homes for Chicago, Mortgage Credit Certificate Program, Illinois Housing Development Authority, Illinois State Bond Assist Program, and City of Chicago Bond Assist Program, among others.

Community Development Services

Directors, officers, and employees of the bank and PBII provide an excellent level of community development services through their involvement as board members, officers, committee chairmen, and in other roles for community organizations. Examples of such positions and organizations include:

- Board member of the Chicago State University Foundation
- Chairman of the Board of West Suburban Hospital Foundation
- Advisory board member of Rebuilding Together
- Member of the central board of directors of Neighborhood Housing Services, Inc.
- Member of Development Committee for Capital Campaign for the Roseland YMCA
- Chief Crusader of the Community Chest/United Way
- Founder and board member of Community Investment Corporation
- Liaison for South Chicago Housing Task Force
- Partner for the NHS Redevelopment Corporation for a Pullman area rehabilitation project
- Organizer and director of Teamwork Englewood
- Board Member of the Historic Pullman Foundation
- Member of the Pullman Factory Task Force
- Board member of Roseland Community Hospital
- Board member of Roseland YMCA
- Board member of Roseland Business Development Council
- Board member of South Side Help program
- Secretary and committee member of Edison park Chamber of Commerce
- Board member of Greater Roseland Community Development Corporation
- Board member of Southland Community Development Corporation
- Member of the Economic Development Committee of the Southland Chamber of Commerce
- Member of Roseland Community Development Task Force
- President of Central City Scholarship Foundation
- Board member of Greer Residential Center for Homeless Teenage Mothers
- Treasurer and board member of the Economic Development Council

- Vice Chairman of Calumet Area Industrial Commission
- Board member of the Ray Graham Association for People with Disabilities
- Member of West Englewood Housing Services of Chicago
- Director of NEV Corp. – Englewood Enterprise Community Cluster
- Assistant Treasurer and board member of Greater Englewood Business Association
- Treasurer of the South Chicago Chamber of Commerce
- Director of the Southeast Chicago Development Commission
- Director of Chicago Family Health Center
- Director of South East Alcohol and Drug Abuse Center
- Advisory committee member of Metropolitan Family Services South Chicago Center
- Member of the board, Finance Committee, and Loan Committee of the Roseland Chapter of Neighborhood Housing Services, Inc.
- Member of board and Management Oversight Committee of the Clinic in Altgeld

Pullman Bank has sponsored an Affordable Housing Program (AHP) grant with the Federal Home Loan Bank of Chicago (FHLBC) that was approved and closed in February 2004.

Of special interest is the role played by PBII and its president, Saul Klibanow, in working with community groups and in putting together various collaborations to implement community development initiatives. Typically, these collaborations and projects take many months and even years of discussion, planning, studies, approvals, and negotiations before coming to fruition. Once a project is undertaken, PBII typically funds an equity investment, which is considered in the investment test portion of the CRA performance evaluation. The bank may provide loans to support these projects, which would be considered in the lending test portion of the performance evaluation. Until then, the time and effort spent in putting these projects together can be considered under the service test. Examples of projects currently in various stages of pre-development and other community development services provided by PBII include:

- Bernard Place Phase II is a project to construct approximately 14 single family homes near St. Bernard Hospital in Englewood. The project had been temporarily delayed because the site plan had to be redesigned to accommodate oversights in the original plan. Work on the agreement with St. Bernard Housing Development Corporation is now complete, the architect has been selected, and planning is under way. Construction could begin in summer 2005.
- Central Englewood Development is a new partnership involving St. Bernard Hospital, Greater Englewood Parish United Methodist Church, New Birth Church of God in Christ, and Zion Temple Baptist Church. PBII has been working with these parties to put together this partnership and to identify potential new affordable housing projects in Englewood.
- Teamwork Englewood, formed in April 2003, is a nonprofit organization that is the result of PBII's work on strategic planning in this neighborhood. Teamwork Englewood is a joint effort of the MacArthur Foundation, The Local Initiatives Support Corporation of Chicago (LISC), and the City of Chicago. It will become the leading agent for Englewood's New

Communities Program and is responsible for leading a planning process in the community and translating it into an action plan. The goal is to bring the diverse elements of the community together. The MacArthur Foundation and LISC provide two full-time employees for one year for Teamwork Englewood, and Pullman Bank has dedicated newly renovated office space at its Chicago City office for this organization. An executive director and other employees have been hired and a board of directors has been constituted.

- PBII is working on a project to create a joint venture with Lakefront SRO, NHS, and Greater Englewood United Methodist Church to develop vacant land at 64th and Green in Englewood. Lakefront SRO would build affordable rental housing for families and single residents, PBII would build new for-sale housing for moderate- and middle-income families, and the other two participants would provide rehabilitation of existing houses, as well as providing homebuyer counseling services to area residents.
- PBII is acting as a consultant and project manager for a joint venture with St. Bernard Hospital and the Antioch Missionary Baptist Church that would redevelop the area at 63rd and Stewart in Englewood.
- The Roseland New Homes Phase II joint venture project with NHS Redevelopment Corporation at 106th and Michigan Avenue has been delayed, pending the finalization of a partnership agreement and final approval from Chicago's Department of Housing. The plan is still viable, and the delay is expected to be temporary.
- PBII has provided mentoring and guidance to the Roseland Community Development Corporation in their preparation of an application for the New Homes of Chicago project at 107th and Throop.
- PBII has been working with the Department of Planning and Development and Pullman Bank regarding redevelopment of the southwest corner of 63rd and Halsted and exploring the possibility of a joint venture with a local entrepreneur.
- PBII is working on a major redevelopment project in the North Pullman area, which has been designated an Official Redevelopment Area by Chicago's Department of Planning and Development. PBII is working in conjunction with the Mead Corporation on developing a revitalization plan for this area. The Historic Pullman Committee is being formed with members of local businesses, including Jays Foods, Inc., Keebler Company, and Ryerson Steel to support this project. One result of these efforts is that PBII was named receiver by the Department of Planning and Development for a troubled property at 10461 Corliss in North Pullman. PBII has also been approached to deal with another distressed property at 10431-33 Corliss.
- PBII is providing mentoring and guidance to the Children's Home and Aid Society in its attempt to develop a community center and early childhood development services for western Englewood.
- Mr. Klibanow has been appointed to the Advisory Committee of the Holland Apartments at 107th and State. It is a low- and moderate-income SRO housing facility in the Roseland area.
- PBII has been involved in two projects with the Claretian Housing Development Corporation in the South Chicago neighborhood, and with the Neighborhood United

Methodist Church and the Village of Maywood on a single family homes project in Maywood.

- PBII has been working with Catholic Charities Senior Housing Development Corporation in connection with an SRO housing project for homeless veterans by assisting them in the sale of Illinois State Housing Tax Credits and sponsoring an AHP grant with the FHLBC. Pullman has committed to purchase the tax credits.
- PBII has sponsored the Ray Graham Association's request for a \$450,000 AHP grant with the FHLBC, which has been approved.

There are other instances similar to those described above that provide further evidence of PBII's efforts to provide improvements to local communities that are consistent with community development purposes under the CRA.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. The bank has implemented fair lending policies, procedures, and training programs and regularly conducts internal reviews for compliance with policies and procedures. The bank is in compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts.

CRA APPENDIX A

SCOPE OF EXAMINATION

| SCOPE OF EXAMINATION | | | |
|---|-------------------------------|--|---|
| TIME PERIOD REVIEWED | July 1, 2002 – June 30, 2004 | | |
| FINANCIAL INSTITUTION Pullman Bank and Trust Company Chicago, IL | | | PRODUCTS REVIEWED <ul style="list-style-type: none"> • Home mortgage • Small Business • Consumer • CD loans |
| AFFILIATE(S) | AFFILIATE RELATIONSHIP | | PRODUCTS REVIEWED |
| Pullman Bank Initiatives, Inc. | Bank subsidiary | | Investments and Services |

| LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION | | | |
|---|---------------------|------------------|-------------------|
| ASSESSMENT AREA | TYPE OF EXAMINATION | BRANCHES VISITED | OTHER INFORMATION |
| ILLINOIS MD 16974 Chicago- Naperville-Joliet | Full procedures | 3 | None |

CRA APPENDIX B

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Block numbering area (“BNA”): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census tract: Small subdivisions 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. They 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 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,

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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, total

number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography: A census tract or a block numbering area delineated by the U.S. 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: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings 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.

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.

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, branch distribution).

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 lenders in the MSA/assessment area.

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 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

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

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes 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.

Small loans to business: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.

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.

CRA APPENDIX C
CORE CRA TABLES

Table 1A. Lending Volume

| LENDING VOLUME | | State: ILLINOIS | | | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | |
|------------------------------|---|------------------------|---------|---------------------------|---------|----------------------|---------|---|---------|----------------------|---------|---|
| MA/Assessment Area | % of Rated Area Loans (#) in MA/AA ¹ | Home Mortgage | | Small Loans to Businesses | | Small Loans to Farms | | Community Development Loans | | Total Reported Loans | | Market Share of Deposits in AA ¹ |
| | | # | (\$000) | # | (\$000) | # | (\$000) | # | (\$000) | # | (\$000) | |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | |
| 2003 | 100 | 198 | 28,581 | 227 | 50,772 | 0 | 0 | 60 | 22,097 | 485 | 101,450 | 100 |

¹ Loan data is for calendar year 2003.

² Deposit data is as of June 30, 2003.

Table 1B. Lending Volume of Consumer Loans

| LENDING VOLUME | | State: ILLINOIS | | | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | |
|------------------------------|---|------------------------|---------|-------------|---------|---------------|---------|---|---------|--------------------------|---------|---|
| MA/Assessment Area | % of Rated Area Loans (#) in MA/AA ¹ | Total Optional Loans | | Home Equity | | Motor Vehicle | | Other Secured Consumer | | Other Unsecured Consumer | | Market Share of Deposits in AA ² |
| | | # | (\$000) | # | (\$000) | # | (\$000) | # | (\$000) | # | (\$000) | |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | |
| 2003 | 100 | 369 | 7,701 | 132 | 5,174 | 37 | 628 | 126 | 1,567 | 74 | 332 | 100 |

¹ Loan data is as for calendar year 2003.

² Deposit data is as of June 30, 2003.

Table 2. Geographic Distribution of Home Purchase Loans

| Geographic Distribution: HOME PURCHASE | | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | |
|---|---------------------------|-------------------------|-------------------------------------|------------------------|-------------------------------------|--------------|-------------------------------------|---|-------------------------------------|--------------|---|----------|--------|-------|
| MA/Assessment Area | Total Home Purchase Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle -Income Geographies | | Upper-Income Geographies | | Aggregate HMDA Lending (%) by Tract Income ¹ | | | |
| | # | % of Total ² | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 17 | 100.0 | 2.5 | 0.0 | 15.2 | 41.2 | 45.0 | 52.9 | 37.3 | 5.9 | 3.3 | 14.6 | 43.5 | 38.6 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

³ 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 assessment area based on available census information. The figures used for 2003 are based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 3. Geographic Distribution of Home Improvement Loans

| Geographic Distribution: HOME IMPROVEMENT | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | Aggregate HMDA Lending (%) by Tract Income ¹ | | | |
|--|------------------------------|-------------------------|-------------------------------------|--------------|-------------------------------------|--------------|---|--------------|-------------------------------------|--------------|--|----------|--------|-------|
| MA/Assessment Area | Total Home Improvement Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle -Income Geographies | | Upper-Income Geographies | | Low | Moderate | Middle | Upper |
| | # | % of Total ² | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | % Owner Occupied Units ³ | % BANK Loans | | | | |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 141 | 100.0 | 2.5 | 10.7 | 15.2 | 48.2 | 45.0 | 31.9 | 37.3 | 9.2 | 4.0 | 18.1 | 46.2 | 31.7 |

¹ Data is based on OWNER-OCCUPIED aggregate HMDA data.

² Home improvement loans originated and purchased in the MSA/MA as a percentage of all home improvement loans originated and purchased in the rated area.

³ 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 assessment area based on available census information. The figures used for 2003 are based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

| Geographic Distribution: HOME MORTGAGE REFINANCE | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | | |
|---|-------------------------------------|-------------------------|-------------------------------------|--------------|-------------------------------------|--------------|---|--------------|-------------------------------------|--------------|---|----------|--------|-------|
| MA/Assessment Area | Total Home Mortgage Refinance Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Aggregate OWNER-OCCUPIED Lending (%) by Tract Income ¹ | | | |
| | # | % of Total ² | % Owner-occupied Units ³ | % BANK Loans | % Owner-occupied Units ³ | % BANK Loans | % Owner-occupied Units ³ | % BANK Loans | % Owner-occupied Units ³ | % BANK Loans | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 14 | 100.0 | 2.5 | 42.9 | 15.2 | 21.4 | 45.0 | 7.1 | 37.3 | 28.6 | 1.7 | 11.0 | 40.2 | 47.1 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

³ 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 assessment area based on available census information. The figures used for 2003 are based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 5. Geographic Distribution of Multifamily Loans

| Geographic Distribution: MULTIFAMILY LOANS | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | Aggregate HMDA Lending (%) by Tract Income ¹ | | | |
|---|--------------------------|-------------------------|-----------------------------------|--------------|-----------------------------------|--------------|---|--------------|-----------------------------------|--------------|--|----------|--------|-------|
| MA/Assessment Area | Total Multi-Family Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle -Income Geographies | | Upper-Income Geographies | | Low | Moderate | Middle | Upper |
| | # | % of Total ² | % Multi-Family Units ³ | % BANK Loans | % Multi-Family Units ³ | % BANK Loans | % Multi-Family Units ³ | % BANK Loans | % Multi-Family Units ³ | % BANK Loans | | | | |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 26 | 100.0 | 11.9 | 30.8 | 24.6 | 53.9 | 36.2 | 11.5 | 27.3 | 3.8 | 13.5 | 38.0 | 34.3 | 14.1 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² Multifamily loans originated and purchased in the MSA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

³ Percentage of Multifamily Units is the number of multifamily housing units in a particular geography divided by the number of multifamily housing units in the assessment area based on available census information. The figures used for 2003 are based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 6. Geographic Distribution of Small Loans to Businesses

| Geographic Distribution: SMALL LOANS TO BUSINESSES | | | | | | | | | | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | |
|---|-------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|------------------------|--------|-------|--|---|--|--|--|
| MA/ Assessment Area | Total Small Business Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Aggregate Small Business Lending (%) by Tract Income ¹ | | | | | | | | |
| | # | % of Total ² | % of Businesses ³ | % BANK Loans ⁴ | % of Businesses ³ | % BANK Loans ⁴ | % of Businesses ³ | % BANK Loans ⁴ | % of Businesses ³ | % BANK Loans ⁴ | Low | Moderate | Middle | Upper | | | | | |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | | | | | | |
| 2003 | 227 | 100.0 | 3.1 | 11.5 | 13.5 | 22.0 | 39.4 | 41.0 | 43.8 | 25.1 | 2.2 | 11.8 | 39.4 | 44.0 | | | | | |

¹ 2003 data is based on aggregate small business data for the entire year.

² Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

³ Data obtained from Dun and Bradstreet. Percentages do not reflect businesses for which revenue was not reported.

⁴ The sum of "Percentage of Bank Loans" for all four geographic income categories may not equal 100% as there may be loans to businesses located in census tracts which have no income designation.

Table 7. Geographic Distribution of Small Loans to Farms has been omitted because the bank had no farm loans in the assessment area during the evaluation period.

Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE | | State: ILLINOIS | | | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | |
|---|---------------------------|-------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---|----------------------------|---------------------------|--|----------|--------|-------|
| MA/Assessment Area | Total Home Purchase Loans | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Aggregate HMDA Lending (%) by Borrower Income ¹ | | | |
| | # | % of Total ² | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 17 | 100.0 | 20.6 | 29.4 | 17.6 | 11.8 | 22.2 | 11.8 | 39.6 | 5.9 | 6.2 | 20.3 | 25.2 | 30.0 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² As a percentage of loans with borrower income information available.

³ Percentage of Families is based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

⁴ Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area. The sum of "Percentage of Bank Loans" for all four borrower income levels may not equal 100% as there may be loans to borrowers for which income information is not available.

Table 9. Borrower Distribution of Home Improvement Loans

| Borrower Distribution: HOME IMPROVEMENT | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | | |
|--|------------------------------|-------------------------|----------------------------|---------------------------|----------------------------|---------------------------|---|---------------------------|----------------------------|---------------------------|--|----------|--------|-------|
| MA/Assessment Area | Total Home Improvement Loans | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Aggregate HMDA Lending (%) by Borrower Income ¹ | | | |
| | # | % of Total ² | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 141 | 100.0 | 20.6 | 36.9 | 17.6 | 22.7 | 22.2 | 19.9 | 39.6 | 17.0 | 10.7 | 19.3 | 29.4 | 31.1 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² As a percentage of loans with borrower income information available.

³ Percentage of Families is based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

⁴ Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area. The sum of "Percentage of Bank Loans" for all four borrower income levels may not equal 100% as there may be loans to borrowers for which income information is not available.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

| Borrower Distribution: HOME MORTGAGE REFINANCE | | | State: ILLINOIS | | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | | |
|---|-------------------------------------|-------------------------|----------------------------|---------------------------|----------------------------|---------------------------|---|---------------------------|----------------------------|---------------------------|--|----------|--------|-------|
| | Total Home Mortgage Refinance Loans | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Aggregate HMDA Lending (%) by Borrower Income ¹ | | | |
| MA/Assessment Area | # | % of Total ² | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | % of Families ³ | % BANK Loans ⁴ | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | | | | | | | | | | | | | | |
| 2003 | 14 | 100.0 | 20.6 | 35.7 | 17.6 | 14.3 | 22.2 | 0.0 | 39.6 | 7.1 | 4.8 | 14.7 | 22.4 | 35.7 |

¹ 2003 data is based on aggregate HMDA data for the entire year.

² As a percentage of loans with borrower income information available.

³ Percentage of Families is based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

⁴ Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area. The sum of "Percentage of Bank Loans" for all four borrower income levels may not equal 100% as there may be loans to borrowers for which income information is not available.

Table 11. Borrower Distribution of Small Loans to Businesses

| Borrower Distribution: SMALL LOANS TO BUSINESSES | | | | State: ILLINOIS | | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | |
|---|---------------------------------|-------------------------|---|---------------------------|--|-------------------------|---|-------------------------------------|--|
| MA/Assessment Area | Total Small Loans to Businesses | | Businesses With Revenues of \$1 million or less | | % Loans by Original Amount Regardless of Business Size | | | Aggregate Lending Data ¹ | |
| | # | % of Total ² | % of Businesses ³ | % BANK Loans ⁴ | \$100,000 or less | >\$100,000 to \$250,000 | >\$250,000 to \$1,000,000 | All | % With Revenues of \$1 Million or Less |
| CHICAGO (FULL REVIEW) | | | | | | | | | |
| 2003 | 227 | 100.0 | 80.2 | 53.7 | 44.4 | 27.8 | 27.8 | 206,273 | 32.6 |

¹ 2003 data is based on aggregate small business data for the entire year. Percentages do not include loans to borrowers for which income information is not available.

² Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

³ Businesses with revenues of \$1 million or less as a percentage of all businesses. (Dun and Bradstreet)

⁴ Businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 12. Borrower Distribution of Small Loans to Farms has been omitted because the bank had no farm loans in the assessment area during the evaluation period.

Table 13A. Geographic Distribution of Consumer Loans

| Geographic Distribution: CONSUMER LOANS | | | State: ILLINOIS | | | | Evaluation Period: FROM JULY 1, 2002 TO JUNE 30, 2004 | | | |
|--|----------------------|-------------------------|------------------------------|--------------|------------------------------|--------------|--|--------------|------------------------------|--------------|
| Geographic Distribution | Total Consumer Loans | | Geographic Distribution | | | | | | | |
| | | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | |
| | # | % of Total ¹ | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans |
| CHICAGO (FULL REVIEW) | | | | | | | | | | |
| 2003 | 369 | 100.0 | 6.7 | 11.9 | 21.5 | 52.3 | 41.0 | 27.4 | 30.8 | 8.4 |

¹ Consumer Loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

² Percentage of Households is based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 13B. Borrower Distribution of Consumer Loans

| Borrower Distribution: CONSUMER LOANS | | | State: ILLINOIS | | | | Evaluation Period: FROM JULY 1, 2002 TO JUNE 30, 2004 | | | |
|--|----------------------|-------------------------|------------------------------|--------------|------------------------------|--------------|--|--------------|------------------------------|--------------|
| Borrower Distribution | Total Consumer Loans | | Borrower Distribution | | | | | | | |
| | | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | |
| | # | % of Total ¹ | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans | % of Households ² | % BANK Loans |
| CHICAGO (FULL REVIEW) | | | | | | | | | | |
| 2003 | 369 | 100.0 | 22.8 | 37.4 | 16.5 | 24.9 | 19.4 | 18.7 | 41.3 | 11.4 |

¹ Consumer Loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

² Percentage of Households is based on 2000 census information for MSA 1600, which was the bank's defined assessment area that year.

Table 14. Qualified Investments

| QUALIFIED INVESTMENTS | | State: ILLINOIS | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | |
|----------------------------------|---------------------------------------|------------------------|----------------------------|---|-------------------|-----------|-----------------------------------|-----------|
| MA/Assessment Area: | Prior Period Investments ¹ | | Current Period Investments | | Total Investments | | Unfunded Commitments ² | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | # | \$(000's) |
| CHICAGO (FULL REVIEW) | | | | | | | | |
| Chicago | 9 | 3,004 | 10 | 1,131 | 19 | 4,135 | 4 | 2,264 |

¹ "Prior period investments" are investments made in a previous evaluation period that remain outstanding as of the examination date. Prior Period investments reported at book value at the end of the evaluation period.

² Unfunded Commitments" are legally binding commitments that are tracked and recorded by the bank's financial reporting system.

Table 15. Branch Openings/Closings have been omitted as the institution has neither opened nor closed any branches since the previous examination.

Table 16. Distribution of Branch and ATM Delivery System

| DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM | | | | | | | | State: ILLINOIS | | Evaluation Period: JULY 1, 2002 TO JUNE 30, 2004 | | | | | | | |
|--|---|----------------------------|--|--|----------|--------|-------|------------------------|----------------------------|---|----------|------------|-------|--|----------|--------|-------|
| | Deposits | Branches | | | | | | ATMs | | | | Population | | | | | |
| MA/ Assessment Area | % of Rated Area Deposits in AA ¹ | # of Bank Facilities | % of Rated Area Branches in AA | Location of Branches by Income of Geography (%) | | | | # of Bank ATMs | % of Total Bank ATMs | Location of ATMs by Income of Geography (%) | | | | % of Population within each Geography ² | | | |
| | | | | Low | Moderate | Middle | Upper | | | Low | Moderate | Middle | Upper | Low | Moderate | Middle | Upper |
| CHICAGO (FULL REVIEW) | 1000 | 8 | 1000 | 37.5 | 12.5 | 37.5 | 12.5 | 11 | 1000 | 36.4 | 18.1 | 36.4 | 9.1 | 7.6 | 23.5 | 39.5 | 29.4 |

¹ Deposit data as of June 30, 2003.

² Based on 2000 census information.