

PUBLIC DISCLOSURE

September 17, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Villa Park Trust & Savings Bank
RSSD # 357740

10 South Villa Avenue
Villa Park, Illinois 60181

Analysis Performed By:
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604

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 CRA RATING: This institution is rated **Satisfactory**.

Villa Park Trust & Savings Bank's lending efforts are reasonable with its size, local competition, and economic conditions in its assessment area. The bank's loan-to-deposit ratio and overall lending within its assessment area are reasonable. The distribution of its home mortgage loans among individuals of different income levels and loans to small businesses also meet the standards for satisfactory performance. A geographic distribution analysis was performed; however it was limited, as there are only middle- and upper-income geographies within the bank's designated assessment area. The examination revealed no patterns or practices intended to discriminate against or discourage applications from any member of a protected class. There were no CRA-related complaints received by either the institution or this Reserve Bank since the previous examination.

The bank's CRA performance was most recently evaluated as of October 6, 1997, at which time it was rated *satisfactory*.

DESCRIPTION OF INSTITUTION

Villa Park Trust & Savings Bank, with total assets of \$195.9 million as June 30, 2001, is located in Villa Park, Illinois. The bank is a subsidiary of Edville Bankcorp, Inc.; a one-bank holding company with total assets of \$197.2 million as of June 30, 2001 also based in Villa Park. The bank operates its main office in Villa Park and an additional full-service branch in Lombard. There are two on-site automated teller machines (ATM) at the main office and a 24-hour drive-up ATM at the Lombard facility. No financial or legal impediments exist that might affect the institution's ability to meet the credit needs of its assessment area.

The bank offers standard credit products to meet the credit needs of its assessment area. The bank's loans and leases as of June 30, 2001 are summarized in the following table:

Loan Type	Amount (\$ 000s)	Percentage (%)
1-4 Family Real Estate	104,376	75.76
Nonfarm-Nonresidential	16,578	12.03
Individual Consumer	8,576	6.23
Small Business & Industrial	7,337	5.33
Construction & Land Development	516	0.37
State & Political Obligations	383	0.28
Totals	137,766	100.00

Residential real estate lending represents the primary loan product followed by nonfarm-nonresidential lending.

Competition within the bank’s assessment area is derived from branches of large financial institutions and a number of local banks, thrifts, and credit unions. The bank’s immediate local competitors include: Fifth Third Bank, Harris Trust & Savings Bank, Continental Community Bank & Trust Company, Amerimark Bank, West Suburban Bank, and Harris Bank Oakbrook Terrace. Villa Park Trust & Savings Bank ranks 28th of 72 FDIC insured institutions in deposit market share in DuPage County.

DESCRIPTION OF VILLA PARK TRUST & SAVINGS BANK’S ASSESSMENT AREA

The bank has defined its assessment area as 33 census tracts in DuPage County, which is located approximately 18 miles west of the Chicago Loop. The bank designated 16 middle- and 17 upper-income geographies as its assessment area. The assessment area encompasses the political boundaries of Addison, Elmhurst, Lombard, Villa Park, Oak Brook, Oakbrook Terrace, and portions of Glendale Heights and Glen Ellyn. The bank’s assessment area represents 28 percent (33/116) of the total census tracts in DuPage County and 2 percent (33/1776) of the tracts in the Chicago Metropolitan Statistical Area (PMSA-1600).

The bank’s defined assessment area has not changed since the previous CRA examination, as of October 6, 1997. The bank’s assessment area has a total population of 186,497, according to 1990 census data.

The Department of Housing and Urban Development estimated the 2001 median family income for the Chicago PMSA to be \$70,500. The following table depicts the distribution of assessment area population by median family income in comparison to the MSA and the State of Illinois.

Table 2 Villa Park Trust & Savings Bank Summary of Population by Median Family Income Level							
	Median Family Income		Percentage of Families – per 1990 Census Data				
	2001 Estimate*	1990 Census	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Below Poverty Level
Assessment Area	N/A	\$53,811	8.0	14.4	25.4	52.2	1.5
PMSA 1600	\$70,500	\$42,758	19.8	17.4	24.0	38.8	8.6
State – Illinois	\$62,600	\$38,664	20.0	17.9	24.2	38.0	9.0

*Department of Housing and Urban Development (HUD) estimate.
 N/A = Not Available

This table illustrates that the 1990 median family income in the bank’s assessment area was higher than both the PMSA and the State. The state and PMSA median family incomes have grown 61.9 percent and 64.8 percent, respectively since 1990. Table 2 also illustrates the relative prosperity of families residing in the bank’s assessment area as evidenced by the higher percentage of upper-

income families compared to the PMSA and the State. Furthermore, families living below the poverty line represent a much small percentage (1.5) of total families residing in the bank's assessment area compared to the PMSA and the State at 8.6 and 9.0 percent, respectively.

The bank's assessment area has 70,805 housing units according to 1990 census data of which 76.7 percent are owner-occupied; 25.6 percent are rental units; and 3.9 percent of the units are vacant. The 1990 census revealed the PMSA has 2,851,754 housing units of which 61.1 percent are owner occupied; 42.6 percent are rental units; and 6.8 percent are vacant. Median gross rent; however, is higher within the assessment area at \$614 per month compared to \$492 in the PMSA, according to 1990 census data.

The median housing value in the assessment area is \$149,809, based on 1990 census data. The following table depicts current average sales prices in the communities within the bank's assessment area.

Community	Average Sale Price (\$)	Average Days on the Market	# of Sales	% Change in Sale Price	
				Since 1994	Since 2000
Addison	202,952	66	299	32.79	8.78
Elmhurst	277,099	68	527	59.51	6.22
Glendale Heights	164,441	58	254	34.68	7.59
Glen Ellyn	302,124	79	508	53.39	7.64
Lombard	191,847	69	510	38.12	6.18
Oak Brook	718,177	102	98	38.85	- 2.95
Villa Park	177,925	60	298	40.48	10.59

(1) Based on survey results published in the October 2001 issue of *Chicago Magazine*

Table 3 illustrates the overall prosperity of the bank's housing market since 1994. Each of the aforementioned areas experienced at least 33 percent increase since 1994. In fact, the City of Elmhurst experienced the largest growth by yielding a 59.5 percentage increase in average home sales prices over the past seven years. Figures retrieved during the 1990 census indicate that approximately 21 percent of the housing stock within the bank's assessment area was built prior to 1950; however, the median age of all properties within this same area was only 24 years indicating a mixture of newer and older housing development. One community representative contacted during the course of this examination indicated that affordable housing designated for low- and moderate-income borrowers is available but limited.

Employment statistics for the communities within the bank's assessment area, DuPage County and the Chicago PMSA have slightly decreased since 1990; unemployment rates as compiled by Illinois Department of Employment Security are presented in the following table.

Table 4 Villa Park Trust and Savings Bank Unemployment Rates by County and Municipality Annual Averages⁽¹⁾			
Municipality	1998 (%)	1999 (%)	2000 (%)
Addison	4.6	4.1	4.3
Elmhurst	2.5	2.4	2.4
Glen Ellyn	3.1	3.2	2.9
Glendale Heights	3.7	3.4	3.5
Lombard	3.1	2.9	3.0
Villa Park	3.5	3.3	3.5
DuPage County	2.7	2.7	2.6
Chicago PMSA	4.3	4.1	4.2

(1) Information compiled by the Illinois Department of Employment Security (information for Oak Brook, Illinois was not available).

The previous table illustrates relative economic stability of the communities within the bank's assessment area compared to DuPage County and the Chicago PMSA in its entirety. The services industry represented the largest percentage of businesses in the bank's assessment area at approximately 40 percent, based on 1990 census data. Retail trade and Finance/Insurance/Real Estate comprised the second and third largest percentage of businesses in the assessment area at approximately 15 and 10 percent, respectively. DuPage County added approximately 8,750 jobs (+1.7%) over the year 2000 increasing to a total of 524,025 jobs, according to information compiled by the Illinois Department of Employment Security. Furthermore, large increases were seen in various industries including electronic machinery, rubber and plastics, wholesale trade, retail trade, and health services. Losses were recorded in communications, utilities, and business services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, percentage of loans originated in the bank's assessment area, the record of lending to borrowers of different incomes and businesses and farms of different sizes, and the bank's record of responding to written CRA-related complaints. To determine CRA performance, these standards are analyzed and evaluated within the context of the bank's assessment area. The examination specifically included a review of the bank's Uniform Bank Performance Report (UBPR) and Consolidated Reports of Condition, its loan portfolio mix, and its 1999, 2000, and 2001 (01/01/01 – 06/30/01) data submissions under the Home Mortgage Disclosure Act (HMDA).

LOAN-TO-DEPOSIT RATIO

The bank's loan portfolio was reviewed to assess the bank's performance in comparison to its national peer group and its local competition. Consolidated Reports of Condition data for the 12 quarters ended June 30, 2001 were used to evaluate the bank's net LTD ratios in relation to its local and national peer group. The June 30, 2001 net LTD ratio for Villa Park Trust & Savings Bank is 75.9 percent compared to 77.2 percent for the nationwide peer group. The 12-quarter average net LTD ratio for Villa Park Trust & Savings Bank is 72.1 percent compared to 74.6 percent for the nationwide peer group. The bank's 12-quarter average LTD ratio is reasonably within the range of its local competitors and its nationwide peer group as illustrated in the following table:

Table 5			
Loan-to-Deposit (LTD) Ratio of Villa Park Trust & Savings Bank, Its Peer Group and Local Competitors			
Institution	Total Assets at 06/30/2001 (\$ 000s)	Loan-to-Deposit Ratio	
		06/30/2001 %	12-Quarter Average Ending 06/30/2001 %
Fifth Third Bank	34,773,651	111.2	112.9
Harris Trust & Savings Bank	20,590,184	87.9	86.9
Continental Community Bank & Trust Co.	191,916	58.9	83.8
Amerimark Bank	123,936	76.1	77.5
Nationwide Peer Group	N/A	77.2	74.6
West Suburban Bank	1,456,324	80.8	72.7
Villa Park Trust & Savings Bank	195,898	75.9	72.1
Harris Bank Oakbrook Terrace	126,976	63.8	61.5

LENDING IN THE ASSESSMENT AREA

The examination included a review of the bank's 1999, 2000, and year-to-date 2001 HMDA-reportable lending originated between January 1, 1999 and June 30, 2001. Real estate loans are the bank's primary product. The results of the this analysis are illustrated in the following table:

Table 6			
Villa Park Trust & Savings Bank			
Number and Percentage of 1999, 2000, and 2001⁽¹⁾ HMDA-Reportable Loans Made Within the Assessment Area			
Loan Type	Total Bank Originations (#)	Total Bank Originations (\$ 000s)	Loans Made Within the Assessment Area

							Originations (#)			Originations (\$ 000s)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Purchase	32	53	15	4,915	6,304	3,764	16	42	6	2,203	4,835	783
Refinance	62	32	50	6,715	3,668	6,458	49	22	41	5,346	2,536	5,278
Multifamily	3	1	0	366	132	0	1	0	0	110	0	0
Totals	97	86	65	11,996	10,104	10,222	66	64	47	7,659	7,371	6,061

(1) 2001 information encompasses those HMDA-reportable loans originated from 1/1/01 – 6/30/01

As the previous table illustrates, the bank originates a majority of its HMDA-reportable loans within its designated assessment area. The bank originated approximately 68 percent, 74 percent, and 72 percent of its HMDA-reportable loans within its assessment area during 1999, 2000 and 2001, respectively. Additionally, the bank originated approximately 64 percent in 1999, 73 percent in 2000, and 59 (2) percent in 2001 of its total dollars within its assessment area. Villa Park Trust & Savings Bank is one of 593 HMDA reporters within the Chicago PMSA, which indicates the strong level of competition within the bank’s market area. Furthermore, a sample of 63 small business loans from January 1, 2001 through July 31, 2001 indicated the bank originated 51 or approximately 81 percent within its assessment area. Therefore, the number of both HMDA-reportable loans and dollars originated in the bank’s assessment area and the number of small business loans originated within the assessment area reflects a good responsiveness to area credit needs and represents a satisfactory rating for this criterion.

GEOGRAPHIC DISTRIBUTION

Although there are no designated low- or moderate-income geographies located in the bank’s assessment area, the geographic distribution of HMDA-reportable lending reflects a reasonable dispersion of loans in both middle- and upper-income census tracts. In 1999, the bank originated approximately 74 percent of its HMDA-reportable loans inside its assessment area in middle-income tracts and 26 percent in upper-income tracts. In 2000, the bank originated approximately 70 percent in middle-income tracts and 30 percent in upper-income tracts. These figures are

reasonable since approximately 48 percent of the tracts are designated as middle- and 52 percent are designated as upper-income geographies, based on information compiled during the 1990 census. The bank’s geographic distribution of small business loans is also reasonable.

Villa Park Trust & Savings Bank meets the standards for satisfactory performance relative to this criterion.

(2) Villa Park Trust & Savings Bank’s percentage of dollars originated inside its assessment area is slightly skewed due to the fact that the bank made a large dollar loan (\$2 Mil) outside of its assessment area in April 2001. Excluding this loan, which is much larger than the bank customarily makes, the bank originated approximately 75 percent of its dollars inside its assessment area, which is very comparable to its percentages in 1999 and 2000.

LENDING DISTRIBUTION BY BORROWER'S INCOME OR BUSINESS REVENUE

The bank's lending to borrowers of different income and businesses of different sizes reflects an adequate level of penetration. The following tables and narrative illustrates the distribution of the bank's HMDA-reportable lending by borrower income characteristics and small business lending based on information compiled from the bank's Consolidated Reports of Condition.

Table 7										
Villa Park Trust & Savings Bank										
Borrower Income Analysis										
HMDA-Reportable Loans in the Assessment Area⁽¹⁾										
Borrower Income Designation	Bank's HMDA-Reportable Lending						Aggregate Lending Data⁽²⁾			
	1999		2000		2001⁽³⁾		1999		2000	
	#	%	#	%	#	%	#	%	#	%
Low	4	6.15	3	4.69	5	10.64	431	5.34	374	6.30
Moderate	13	20.00	13	20.31	8	17.02	1,768	21.92	1,345	22.67
Middle	22	33.85	24	37.50	17	36.17	2,332	28.91	1,711	28.84
Upper	26	40.00	24	37.50	17	36.17	3,120	38.68	2,317	39.05
N/A ⁽⁴⁾	0	0.00	0	0.00	0	0.00	416	5.15	186	3.14
Totals	65	100.00	64	100.00	47	100.00	8,067	100.00	5,933	100.00

(1) Table does not include bank or aggregate originations for multi-family loans.
 (2) Aggregate lending data includes all loan originations of all HMDA-reportable lending within the bank's designated assessment area, excluding Villa Park Trust & Savings Bank's loan originations. Aggregate statistics are not available mid-year and will therefore not be included in this analysis for 2001.
 (3) Includes activity reported from January 1 through June 30, 2001.
 (4) Income figures not available.

As the previous table illustrates, Villa Park and Savings Bank's distribution of lending to low- and moderate-income borrowers is at or near the aggregate of all market lenders. The bank's lending to borrowers of different income levels reflects a consistent penetration of loans based on the demographics of the assessment area, which includes approximately eight percent low-income families and 14 percent moderate-income families, based on 1990 census data. The bank's lending to low- and moderate-income borrowers is adequate given the demographics of the market and the aggregate number of originations within the assessment area.

The bank's small business lending is very strong. The bank originates the majority of its reported small business loans in amounts of \$100,000 or less, amounts typically needed by small businesses. The following table illustrates the distribution of the bank's reportable small business loans by size in 1999, 2000, and 2001 from the Call Report.

Table 8 Villa Park Trust & Savings Bank Distribution of Small Business Loans by Amount Currently Outstanding^(*)						
Original Loan Amount	1999		2000		2001	
	# of Loans	Dollar Amount Outstanding (\$ 000s) at 6/30/99	# of Loans	Dollar Amount Outstanding (\$ 000s) at 6/30/00	# of Loans	Dollar Amount Outstanding (\$ 000s) at 6/30/01
Less than or equal to \$100,000	251	4,815	236	5,219	234	5,099
Greater than \$100,000 and less than or equal to \$250,000	23	3,286	28	3,406	30	4,360
Greater than \$250,000 through \$ 1,000,000	21	8,812	28	12,319	25	13,243
TOTAL	295	16,913	292	20,944	289	22,702
*Based on information compiled via the bank's June 30 Consolidated Reports of Condition (Schedule RC-C) *Totals include loans secured by non-farm nonresidential properties and small business and industrial loans						

The bank's small business lending reflects a strong level of penetration in loan amounts typically needed by small businesses. Villa Park Trust & Savings Bank has continued to maintain its dollar outstanding balances from 1999 through 2001. The number of reported loans has experienced a nominal decrease since 1999; however, the amount outstanding has actually increased approximately 34 percent during the sample period as of the June 30, 2001 call report.

The bank's distribution of loans among borrowers of different income levels and small businesses meets the standards for satisfactory performance. This review recognizes the bank's generally strong lending performance and management's proactive response to the identified credit needs of the assessment area.

RESPONSE TO COMPLAINTS

No CRA-related complaints have been received by the bank or this Reserve Bank since the previous examination as of October 6, 1997.

GENERAL

Management has developed adequate policies and procedures supporting nondiscrimination in lending activities. The institution is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. Interviews with community representatives revealed no evidence of discriminatory lending activities.