



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Public Disclosure**

**June 06, 2005**

**Community Reinvestment Act  
Performance Evaluation**

**Seaway National Bank of Chicago  
Charter Number: 15459**

**645 East 87th Street  
Chicago, IL 60619**

**Office of the Comptroller of the Currency**

**ADC - Chicago South  
7600 Country Line Road, Unit 3  
Burr Ridge, IL 60527**

*NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.*

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## Overall CRA Rating

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

The following table indicates the performance level of Seaway National Bank (SNB) with respect to the Lending, Investment, and Service Tests:

| Performance Levels        | Seaway National Bank<br>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 when arriving at an overall rating.

The major factors that support this rating include:

- Lending volume within the AA is adequate.
- The distribution of loans among borrowers of different income levels for home mortgage loans and to businesses of different revenue sizes throughout its AA is excellent.
- The distribution of SNB's home mortgage loans and small loans to businesses among different income level geographies is excellent. The distribution of consumer loans among different income level geographies is also excellent.
- Investments reflect excellent responsiveness to the level of opportunities in the AA.
- Accessibility of SNB's offices to geographies and to borrowers of different income levels is excellent. The level of community development services is adequate.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

**Community Development (CD)** - 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.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** - Performance under the lending, investment, and service tests is analyzed considering fully understood 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

**Limited-Scope 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).

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**Median Family Income (MFI)** - The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the MFI.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120 percent or more of the MFI.

## Description of Institution

Seaway National Bank of Chicago (SNB) is a large community bank headquartered in Chicago, Illinois. SNB is a wholly owned subsidiary of Seaway Bancshares, Inc., a one-bank holding company also headquartered in Chicago, Illinois. As of March 31, 2005, both SNB and Seaway Bancshares, Inc. reported total assets of \$346 million. The bank has one affiliate, Seaway Community Development Corporation, a subsidiary of Seaway Bancshares, Inc.

SNB is an intrastate bank with five branches serving the south and northwest sides of Chicago. One of the bank's branches is located at O'Hare International Airport and one is located at Chicago's Midway International Airport. No locations have been closed since the last examination. SNB opened a loan production office (LPO) during 2004 in Waukegan, Illinois.

SNB is a full-service lender offering various loan and deposit products. The bank offers a full range of business loans, conventional mortgages, home improvement loans and consumer loans. As of March 31, 2005, net loans represented 48 percent of total assets and consisted of commercial and commercial real estate loans (38 percent), residential real estate loans (53 percent), multifamily loans (2 percent) and loans to individuals (2 percent). The remaining are construction loans (5 percent).

SNB has been a Community Development Financial Institution (CDFI) since 2001. CDFIs are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. These CDFIs provide a wide range of financial products and services, including mortgage financing for first-time home-buyers, financing for needed community facilities, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing, and financial services needed by low-income households and local businesses. In addition, these institutions provide services that help ensure that credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers.

There were no legal, financial or other factors impeding SNB's ability to help meet the credit needs of the communities it serves. As of March 31, 2005, SNB reported Tier 1 capital of \$27 million.

SNB was rated "Outstanding" at its last CRA evaluation dated July 22, 2002.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding community development (CD) loans, is January 1, 2002 through December 31, 2004. The evaluation period for the Investment Test, the Service Test, and CD loans is July 22, 2002 through June 6, 2005.

Products included in SNB's Lending Test analysis are home mortgage loans, small loans to businesses, consumer loans, and CD loans. The bank elected to include the optional data for consumer lending in this evaluation.

### Data Integrity

The Community Reinvestment Act requires that banks, other than small banks, collect, maintain, and report certain data regarding originations and purchases of small loans to businesses. In addition, the bank is also required to collect, maintain, and report specific data on home mortgage loans under the Home Mortgage Disclosure Act (HMDA).

As part of our evaluation, we performed a data integrity review of the 2002 through 2004 data on home mortgage, small loans to businesses, and consumer loans by comparing information from the bank's loan application registers to actual loan files. We did not find any significant errors in the home mortgage loan data, the small loans to business data and consumer loan data for 2003 and 2004 therefore the data is deemed reliable and this evaluation was based on accurate data. We were unable to perform data integrity on 2002 data therefore 2002 data will not be included in this evaluation.

We also reviewed CD loans, qualified investments and CD services, submitted by SNB's management to determine that they met the regulatory definitions. The review indicated that some of the items submitted by SNB for consideration did not meet the definition or purpose of CD. Therefore, this evaluation was based on only those CD loans, qualified investments and CD services that met the regulatory definitions.

### Selection of Areas for Full-Scope Review

SNB has one assessment area (AA). This AA received a full-scope review and was the basis for this analysis. The ratings are based on conclusions reached in the evaluation of SNB's performance in this full-scope AA.

Refer to Appendix A for additional information regarding the area receiving a full-scope review.

## **Ratings**

The bank's overall rating is based on the bank's one AA which received a full-scope review.

When determining conclusions for the Lending Test, home mortgage and small loans to businesses were weighted more heavily than consumer loans. Consumer loan volume was higher than both home mortgage loans and small loans to businesses during the evaluation period. However, the credit needs of this AA were determined to be home mortgage loans and small loans to businesses.

## **Other**

One community contact from the bank's AA was made during the evaluation. The contact is a director of a local organization that provides funding and community outreach for the rehabilitation of existing homes and foreclosure prevention. The contact indicated that small business financing and affordable housing are credit needs within the AA. Our contact commented that there are many predatory lenders in the area. He also stated that local bank's, though few, are active participants in helping to meet the credit needs of the community.

## Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the lending test is rated Outstanding.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Of the loans originated/purchased during the evaluation period, approximately 65 percent are consumer loans, 8 percent are small loans to businesses, and 27 percent are home mortgage loans. Of the total consumer loans, unsecured consumer loans accounted for 60 percent, other secured consumer loans accounted for 16 percent, motor vehicle loans accounted for 14 percent, and home equity loans accounted for 10 percent. Of the total home mortgage loans, home purchase loans accounted for 35 percent, home refinance loans accounted for 32 percent, home improvement loans accounted for 28 percent, and multifamily loans accounted for 5 percent.

SNB's lending activity in the AA is adequate. Because of the large number of lenders (1104) compared to insured financial institutions (338) within SNB's AA, we weighted the bank's percentile ranking in the loan and deposit markets more heavily than the actual values of market rank and market share.

Information on deposit market share compiled by the FDIC for the year 2004 shows that the bank holds a deposit market share of 0.13 percent and ranks 122 out of 338 deposit taking institutions (64 percentile ranking) in the MSA. The market leader maintains a 10.62 percent market share. The top five institutions in the market hold a combined market share of 33.29 percent.

Based on 2003 HMDA aggregate data, SNB ranks 420th out of 1104 lenders (62 percentile ranking), with 0.01 percent market share in the bank's AA for all HMDA reportable loans. The lender with the highest market share holds 9.82 percent of the market and is a nationwide institution.

The overall market share and rank for specific mortgage lending products reflects the similar trends noted above. SNB ranks 336th out of 896 lenders (63 percentile ranking) originating/purchasing home purchase loans in the AA with 0.01 percent market share. The lender with the largest market share holds 8.03 percent of the market. SNB ranks 508th out of 974 lenders (48 percentile ranking) originating/purchasing home refinance loans in the AA with a 0.001 percent market share. The lender with the largest market share holds 10.62 percent of the market. SNB ranked 89th out of 372 lenders (76

percentile ranking) in home improvement lending in the bank's AA, with 0.19 percent market share. The lender with the highest market share holds 12.05 percent of the market.

Based on 2003 CRA aggregate data, SNB ranks 134th of 352 lenders (62 percentile ranking) originating/purchasing small loans to businesses, with a 0.04 percent market share. Three large nationwide lenders dominate with a combined market share of 49 percent.

Consumer loans accounted for the largest number of loans made by SNB during the evaluation period. Because this data is optional, the information is not available to make a comparison of SNB's market position with other lenders in the market.

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

SNB's distribution of loans among geographies with different income levels is excellent.

Recent revisions to MSA boundaries are effective for loans made in 2004. Data for 2003 and 2004 is listed separately in the tables for these reasons. Because the demographic comparators are different for 2003 and 2004, a separate discussion in the narrative for each year would be necessary, however, the demographic comparators are not significant for SNB's AA and separate discussions will not be made.

Because the bank's market share of home mortgage loans and small loans to businesses is not significant enough to perform a meaningful analysis, we did not consider market share data in evaluating the bank's geographic distribution of loans.

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

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

The overall geographic distribution of home mortgage loans is excellent in the AA.

Home purchase loan geographic distribution is excellent. The percentage of the bank's home purchase loans made in the low-income geographies (during both evaluation years) significantly exceeds the percentage of owner-occupied housing in those geographies. The percentage of the bank's home purchase loans made in the moderate-income geographies (during both evaluation years) also significantly exceeds the percentage of owner-occupied housing units in those geographies. Refer to Table 2 for data information.

Home improvement loan geographic distribution is excellent. The percentage of the bank's home improvement loans made in the low-income geographies (during both evaluation years) significantly exceeds the percentage of owner-occupied housing units in those geographies. The percentage of the bank's home improvement loans made in the

moderate-income geographies also significantly exceeds the percentage of owner-occupied housing units in those geographies. Refer to Table 3 for data information.

Home refinance loan geographic distribution is excellent. The percentage of refinance loans (during both evaluation years) significantly exceeds the percentage of owner-occupied units in the low-income geographies. The percentage of the bank's refinance loans made in the moderate-income geographies (during both evaluation years) also significantly exceeds the percentage of owner-occupied housing units in those geographies. Refer to Table 4 for data information.

### ***Multifamily Loans***

SNB did not make a significant number of multifamily loans during the evaluation period. Therefore, an analysis of these loans was not performed, as it would not be meaningful.

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

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

The bank's geographic distribution of small loans to businesses in the AA is excellent. The percentage of SNB's small loans to businesses made in the low-income geographies (during both evaluation years) significantly exceeds the percentage of businesses in those geographies. The percentage of the bank's small loans to businesses made in the moderate-income geographies (during both evaluation years) also significantly exceeds the percentage of businesses that are in those geographies.

### ***Consumer Loans***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of consumer loans.

The geographic distribution of SNB's consumer loans is excellent. The percentage of the bank's consumer loans in low-income geographies (during both evaluation years) significantly exceeds the percentage of households living in low-income geographies. The percentage of the bank's consumer loans in moderate-income geographies (during both evaluation years) also significantly exceeds the percentage of households living in those moderate-income geographies.

### **Lending Gap Analysis**

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

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

A significant majority (95 percent) of home mortgage loans, small loans to businesses, and consumer loans originated or purchased by SNB over the evaluation period are within the AA. Ninety-four percent of the bank's home mortgage loans, 95 percent of its small loans to businesses, and 97 percent of consumer loans are within its AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geographies.

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

SNB's lending reflects an excellent dispersion among borrowers of different income levels and businesses of different sizes.

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

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

The overall borrower distribution of home mortgage loans is excellent in the bank's AA.

Because the bank's market share of home mortgage loans and small loans to businesses is not significant enough to perform a meaningful analysis, we did not consider market share data in evaluating the bank's borrower distribution of loans.

In evaluating the borrower distribution of home mortgage loans, we considered the large number of households that live below the poverty level (9.67 percent of households during both evaluation years), which is a barrier to home ownership.

The borrower distribution for home purchase loans is excellent. The percentage of home purchase loans made to low-income borrowers during 2003 meets the percentage of low-income families in the AA and is near the percentage during the 2004 evaluation year. Home purchase loans made to moderate-income borrowers (during both evaluation years) significantly exceed the percentage of moderate-income families in the AA. Refer to Table 9 for data information.

The borrower distribution for home improvement loans is excellent. The percentage of home improvement loans made to low-income borrowers during 2003 significantly exceeds the percentage of low-income families in the AA and is near the percentage during the 2004 evaluation year. The percentage of home improvement loans made to moderate-income borrowers (during both evaluation years) significantly exceeds the percentage of moderate-income families in the AA. Refer to Table 9 for data information.

The borrower distribution for home mortgage refinance loans is good. Refinance loans made to low-income borrowers during 2003 is below the percentage of low-income families in the AA and near the percentage of low-income families during 2004. Refinance loans made to moderate-income borrowers is below the percentage of moderate-income families in the AA during 2003 and significantly exceeds the percentage of moderate-income families in the AA during 2004. Refer to Table 10 for data information.

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

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

The bank's distribution to businesses of different sizes is excellent. SNB's small loans to businesses with revenues less than \$1 million (during both evaluation years) exceed the percentage of small businesses in the AA. Refer to Table 11 for data information.

### ***Consumer Loans***

Refer to Table 13 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of consumer loans.

SNB's borrower distribution for consumer loans is adequate. The percentage of consumer loans made to low-income borrowers (during both evaluation years) is below the percentage of low-income households in the AA. The percentage of consumer loans made to moderate-income borrowers is also below the percentage of moderate-income households in the AA during both evaluation years.

### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive effect on the Lending Test conclusions.

SNB originated a loan for \$2.9 million to a non-profit organization to construct a center in a low-income geography that will include numerous educational, vocational and rehabilitative programs for low- and moderate-income individuals. This loan promotes economic development by providing financing to this not for profit business and providing improvements for low- and moderate-income individuals living in a low-income geography.

SNB participated \$2.4 million of a \$12.5 million loan that provided economic development in a low-income geography by financing a small business. The project provided fifty permanent jobs for low- and moderate-income individuals.

SNB provided a \$2.7 million loan to build a school and family life center. The school and center will provide programs and social services to low- and moderate-income individuals in this moderate-income geography.

SNB provided a \$297 thousand loan to a not for profit organization to develop vacant land for affordable housing in a low-income geography. The organization will use tax credits to finance the redevelopment of this property for the affordable housing project.

## **Product Innovation and Flexibility**

Product flexibility had a neutral effect on the Lending Test conclusions. None of these programs is considered innovative.

SNB offers several flexible-lending products in order to serve its AA's credit needs, including below-market interest rates, extended terms, and closing cost assistance. Below is a description of some of the flexible loan programs offered in the AA. The number and dollar totals of loans made during this evaluation period were not available.

- 1% Down Home Loan Program – This program is designed to provide affordable housing by reducing down payment costs. In addition, this program does not require borrowers to purchase private mortgage insurance.
- Private School Tuition Program – This loan program is designed to provide tuition financing for private school education. The school is located within a low-income geography in the AA and the majority of students attending the school are from low- or moderate-income households.
- US Small Business Administration Loan Program – This program provides credit enhancements for small business loans.

## **INVESTMENT TEST**

The bank's performance under the Investment Test is rated Outstanding.

Based on the full scope review, SNB's performance in the AA is excellent. For our review, we focused on the volume and types of investments made by the bank relative to the community development opportunities of the AA. Information gathered from bank management, performance evaluations of similarly situated local financial institutions, and the OCC's local community affairs officer indicated that there are significant investment opportunities in the area.

Refer to Table 13 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

SNB made a total of \$1.2 million in investments and donations in this AA. None of the investments made by the bank are considered innovative or complex.

The following qualifying investments and donations were made during this evaluation period:

*Investments*

\$509 thousand in equity investments to the Community Investment Corporation (CIC). The CIC is a nonprofit mortgage lender that provides financing for the purchase and rehabilitation of multifamily apartment buildings with five or more units in the Chicago metropolitan area. The CIC provides training to help property owners and managers market, manage, maintain and improve rental property affordable to low- and moderate-income individuals. CIC is also a certified community development financial institution (CDFI).

\$302 thousand in equity investments to the Chicago Equity Fund (CEF). CEF is a nonprofit real estate investment fund that finances affordable housing projects by syndicating low-income housing tax credits (LIHTC). CEF operates in the Chicago metropolitan area.

SNB made a \$300 thousand line of credit to the Seaway Community Development Corporation (SCDC). The SCDC's primary mission is to purchase and rehabilitate distressed residential properties in low- and moderate-income geographies within the bank's AA.

SNB also made a total of 9 cash contributions and donations totaling \$25 thousand to community development organizations. Some of the notable qualifying grants and donations are as follows:

- \$11 thousand to a non-profit organization that provides numerous education program opportunities targeted at low- and moderate-income individuals.
- \$8 thousand to an organization that provides after school programs for youth from low- and moderate-income households.
- \$1 thousand to Neighborhood Housing Services – This organization provides numerous services based around achieving home ownership for low- and moderate-income persons.

In addition to the investments listed above, SNB also provides an in-kind donation to Seaway Community Development Corporation. The bank provides rent-free space to this organization to conduct its business.

## **SERVICE TEST**

The bank's performance under the Service Test is rated Outstanding. Based on the full scope review, SNB's performance in the AA is good.

### **Retail Banking Services**

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

SNB's delivery systems are accessible to geographies and individuals of different income levels in the AA. SNB operates six branches in the AA. Of these, one (17 percent) is located in a low-income geography, which exceeds the percentage of the population that resides in low-income geographies (7.64 percent). Two branches (34 percent) are located in moderate-income geographies, which exceed the percentage of the population in those geographies (23.48 percent).

SNB has not closed any full-service office locations during this evaluation period. The bank has opened a loan production office in Waukegan, Illinois during 2004.

Lobby hours and services offered provide good accessibility for the bank's customers. SNB's banking services and hours do not vary in a way that inconveniences portions of the AA.

The distribution of automated teller machines (ATMs) is good. SNB operates 21 ATMs in the AA. Seven are full-service and 14 are cash dispensing and funds transfer only. These ATMs are located at or in the vicinity of various SNB branch locations. Several of the bank's ATMs are located in civic or community venues including City Hall, the Museum of Science & Industry, Jackson Park Hospital and O'Hare International and Midway airports.

SNB's alternate delivery systems include a STARline, which provides 24-hour access to their customer accounts through telephone. SNB, however, does not monitor the usage of this alternative delivery service by low- and moderate-income individuals. Therefore, we did not place significant weight on this alternative service when drawing the Service Test conclusions.

### **Community Development Services**

SNB's performance in providing CD services in the Chicago AA is adequate. CD service needs within the AA are significant. The level of opportunities for CD participation in the AA is high. Bank employees participate in many community organizations (that have a community development purpose) by providing time and their financial expertise. During

the evaluation period, the bank offered CD services on six occasions. Primary services include providing financial expertise to established community service and development organizations through board memberships and technical financial assistance for consumers. Examples of the bank's CD services provided during the evaluation period are listed below.

- The bank's president and executive vice president serve as members of the board of directors for the Seaway Community Development Corporation (SCDC). SCDC's primary mission is to purchase and rehabilitate distressed residential properties in low- and moderate-income geographies.
- SNB officers participated in a City of Chicago summer youth program. The program provided financial literacy workshops to youth throughout the city who are primarily from low- or moderate-income households. SNB officers provided time, expertise and informational materials to these financial literacy workshops that took place at 90 program sites.
- SNB employees participated in a City of Chicago conference focused on the small business owner. SNB employee financial expertise helped attendees of this conference to develop a solid business foundation through an effective and efficient business financial plan.

## APPENDIX A: SCOPE OF EVALUATION

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

|   |  |                          |
|---|--|--------------------------|
| <b>Time Period Reviewed</b>                             | Lending Test (excludes CD Loans): January 1, 2003 to<br>December 31, 2004<br>Investment and Service Tests and<br>CD Loans: July 23, 2002 to June 6, 2005 |                          |
| <b>Financial Institution</b>                            | <b>Products Reviewed</b>   |                          |
| Seaway National Bank<br>Chicago, Illinois               | Home Mortgage Loans, Small Loans to<br>Businesses, Consumer Loans and Community<br>Development Loans   |                          |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>  | <b>Products Reviewed</b> |
| NA  |  |                          |
| <b>List of Assessment Areas and Type of Examination</b> |  |                          |
| <b>Assessment Area</b>                                  | <b>Type of Exam</b>  | <b>Other Information</b> |
| Chicago MSA 1600 AA                                     | Full Scope   |                          |

## Appendix B: Market Profiles for Full-Scope Areas

### Market Profile for Chicago MSA 1600 AA

Institution ID: 1000015459 SEAWAY NATIONAL BANK

#### Seaway NB

| Demographic Information for Full Scope Area: Seaway NB 2000 Census and 2003 HUD updated MFI          |           |                           |   |                  |                 |               |
|--|-----------|---------------------------|---|------------------|-----------------|---------------|
| Demographic Characteristics  | #         | Low<br>% of #             | Moderate<br>% of #  | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 1,875     | 13.01                     | 24.59   | 35.63            | 25.87           | 0.91          |
| Population by Geography  | 8,272,768 | 7.64                      | 23.48   | 39.45            | 29.42           | 0.01          |
| Owner-Occupied Housing by Geography  | 1,920,291 | 2.49                      | 15.18   | 45.04            | 37.29           | 0.00          |
| Business by Geography  | 392,012   | 3.24                      | 13.35   | 38.85            | 44.30           | 0.26          |
| Farms by Geography   | 7,318     | 0.85                      | 6.37  | 53.85            | 38.88           | 0.05          |
| Family Distribution by Income Level  | 2,029,140 | 20.65                     | 17.56   | 22.21            | 39.57           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies                           | 775,416   | 13.89                     | 33.72   | 38.43            | 13.95           | 0.00          |
| Median Family Income<br>HUD Adjusted Median Family Income for 2003<br>Households Below Poverty Level |           | 61,182<br>68,700<br>9.67% | Median Housing Value<br>MSA Unemployment Rate (as of 12/03) |                  | 177,789<br>6.2% |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2003 HUD updated MFI

#### Seaway NB

| Demographic Information for Full Scope Area: Seaway NB 2000 Census and 2004 HUD updated MFI          |           |                           |  |                  |                 |               |
|--|-----------|---------------------------|--|------------------|-----------------|---------------|
| Demographic Characteristics  | #         | Low<br>% of #             | Moderate<br>% of #   | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 1,875     | 12.80                     | 24.59  | 35.47            | 26.24           | 0.91          |
| Population by Geography  | 8,272,768 | 7.59                      | 23.43  | 39.04            | 29.93           | 0.01          |
| Owner-Occupied Housing by Geography  | 1,920,291 | 2.46                      | 15.14  | 44.48            | 37.92           | 0.00          |
| Business by Geography  | 406,285   | 3.20                      | 13.62  | 38.12            | 44.80           | 0.26          |
| Farms by Geography   | 7,546     | 0.93                      | 7.05   | 52.48            | 39.50           | 0.04          |
| Family Distribution by Income Level  | 2,029,140 | 20.54                     | 17.57  | 22.09            | 39.80           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies                           | 773,400   | 13.76                     | 33.62  | 38.09            | 14.52           | 0.00          |
| Median Family Income<br>HUD Adjusted Median Family Income for 2004<br>Households Below Poverty Level |           | 61,062<br>68,799<br>9.67% | Median Housing Value<br>MSA Unemployment Rate (as of<br>12/04) |                  | 177,789<br>5.9% |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2004 HUD updated MFI

## DESCRIPTION OF ASSESSMENT AREA

SNB is headquartered in Chicago, Illinois. The bank is located south of the downtown area of the city, and all of the bank's branches are located within the city. The bank's AA consists of entire Chicago MSA 1600, which contains 9 counties and 1,776 geographies. Recent revisions to MSA boundaries are effective for loans made in 2004. Because the demographic comparators are different for 2003 and 2004, a separate discussion in the narrative for each year was made where necessary. Data for 2003 and 2004 is listed separately in the tables for these reasons as well. You will note that the changes in the demographic comparators in the above tables are not significant.

As noted in the above tables, there are a significant number of low- and moderate-income geographies in the bank's AA. SNB's AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

As of June 30, 2003, 100 percent of SNB's deposits were derived from this AA. Over the evaluation period, 94 percent of the home mortgage loans, 97 percent of the small loans to businesses, and 98 percent of consumer loans were derived from this AA.

SNB's deposits in the AA total approximately \$277 million as of June 30, 2004. Based on FDIC deposit market share data as of June 30, 2004, this equates to a 0.19 percent deposit market share, ranking SNB as the 59th largest deposit taking institution in the AA. The leading deposit taking institution has an 18.88 percent deposit market share.

Competition within this market is strong. Management indicated that 16 banks are primary competitors in this market. Of those 16 banks, 7 are large regional or nationwide institutions. In addition, the 2003 aggregate HMDA data shows a total of 1104 lenders competing in the AA.

The employment base and primary industries in the AA are service oriented (45 percent), followed by retail trade (20 percent). A majority of the businesses in the area employ between one and four employees. Eighty-eight percent of the small businesses in this AA report gross revenues of \$ 1 million or less.

In the area surrounding the bank's branches, most of the area residents commute to downtown Chicago for employment. The primary employers in the areas surrounding the bank's branches include Jewel Foods, American Foods, Home Depot, and SNB.

The unemployment rate for the Chicago MSA is high at 6.2 percent as of December 2004. This is slightly higher than the national unemployment rate of 5.4 percent as of December 2004 and about the same as the State of Illinois rate of 6.0 percent in December 2004 also. In addition, a large percentage of households in the AA live below the poverty level (9.67 percent).

Based on the demographics of the AA and the identified needs of affordable housing and small business financing, unmet credit and community development needs exist in the AA. There are a significant number of opportunities for partnerships within the AA. These conclusions are based on discussions with community contacts, our review of CRA performance evaluations of other financial institutions operating in the AA, and discussions with the OCC's local community affairs officer.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As 12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those

geographies. The table also presents market share information based on the most recent aggregate market data available.

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

originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

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

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

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Table 1. Lending Volume

| LENDING VOLUME  |                                     |               |            |                           |            |                      |            |                               |            |                      |            |                                      |
|---|-------------------------------------|---------------|------------|---------------------------|------------|----------------------|------------|-------------------------------|------------|----------------------|------------|--------------------------------------|
| Geography: ILLINOIS                                     |                                     |               |            |                           |            |                      |            |                               |            |                      |            |                                      |
| Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                                     |               |            |                           |            |                      |            |                               |            |                      |            |                                      |
| MA/Assessment Area                                      | % of Rated Area Loans (#) in MA/AA* | Home Mortgage |            | Small Loans to Businesses |            | Small Loans to Farms |            | Community Development Loans** |            | Total Reported Loans |            | % of Rated Area Deposits in MA/AA*** |
|   |                                     | #             | \$ (000's) | #                         | \$ (000's) | #                    | \$ (000's) | #                             | \$ (000's) | #                    | \$ (000's) |                                      |
| <b>Full Review:</b>                                     |                                     |               |            |                           |            |                      |            |                               |            |                      |            |                                      |
| Seaway NB 2004 Data                                     | 100.00                              | 94            | 8,990      | 22                        | 4,476      | 0                    | 0          | 4                             | 8,400      | 120                  | 21,866     | 100.00                               |
| Seaway NB 2003 Data                                     | 100.00                              | 106           | 10,703     | 35                        | 6,183      | 0                    | 0          | 4                             | 8,400      | 145                  | 25,286     | 100.00                               |

\* Loan Data as of December 29, 2004. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 23, 2002 to December 31, 2004.

\*\*\* Deposit Data as of July 19, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 1. Other Products

| LENDING VOLUME  |                                     |                        |            |                                      |            |               |            |                 |            |               |            |                          |            |                                   |
|---|-------------------------------------|------------------------|------------|--------------------------------------|------------|---------------|------------|-----------------|------------|---------------|------------|--------------------------|------------|-----------------------------------|
| Geography: ILLINOIS                                     |                                     |                        |            |                                      |            |               |            |                 |            |               |            |                          |            |                                   |
| Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                                     |                        |            |                                      |            |               |            |                 |            |               |            |                          |            |                                   |
| MA/Assessment Area                                      | % of Rated Area Loans (#) in MA/AA* | Total Optional Loans** |            | Small Business Real Estate Secured** |            | Home Equity** |            | Motor Vehicle** |            | Credit Card** |            | Other Secured Consumer** |            | % of Rated Area Deposits in AA*** |
|   |                                     | #                      | \$ (000's) | #                                    | \$ (000's) | #             | \$ (000's) | #               | \$ (000's) | #             | \$ (000's) | #                        | \$ (000's) |                                   |
| <b>Full Review:</b>                                     |                                     |                        |            |                                      |            |               |            |                 |            |               |            |                          |            |                                   |
| Seaway NB 2004 Data                                     | 100.00                              | 219                    | 2,199      | 2                                    | 46         | 26            | 863        | 33              | 612        | 0             | 0          | 25                       | 490        | 100.00                            |
| Seaway NB 2003 Data                                     | 100.00                              | 266                    | 4,981      | 7                                    | 760        | 21            | 647        | 37              | 656        | 0             | 0          | 40                       | 1,082      | 100.00                            |

\* Loan Data as of December 29, 2004. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2004 to December 29, 2004.

\*\*\* Deposit Data as of July 19, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

| Geographic Distribution: HOME PURCHASE |                           | Geography: ILLINOIS |                        |              |                             | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                           |              |                          |              |         | Market Share (%) by Geography * |      |      |      |  |
|--|---------------------------|---------------------|------------------------|--------------|-----------------------------|---|---------------------------|--------------|--------------------------|--------------|---------|---------------------------------|------|------|------|--|
| MA/Assessment Area:                    | Total Home Purchase Loans |                     | Low-Income Geographies |              | Moderate-Income Geographies |   | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall | Low                             | Mod  | Mid  | Upp  |  |
|  | #                         | % of Total**        | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans  | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans |         |                                 |      |      |      |  |
| <b>Full Review:</b>                    |                           |                     |                        |              |                             |   |                           |              |                          |              |         |                                 |      |      |      |  |
| Seaway NB 2004 Data                    | 33                        | 100.00              | 2.46                   | 27.27        | 15.14                       | 30.30   | 44.48                     | 33.33        | 37.92                    | 9.09         | 0.01    | 0.04                            | 0.03 | 0.02 | 0.00 |  |
| Seaway NB 2003 Data                    | 36                        | 100.00              | 2.49                   | 8.33         | 15.18                       | 27.78   | 45.04                     | 55.56        | 37.29                    | 8.33         | 0.01    | 0.04                            | 0.03 | 0.02 | 0.00 |  |

\* Based on 2003 Peer Mortgage Data -- IL

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

| Geographic Distribution: HOME IMPROVEMENT |                              | Geography: ILLINOIS |                        |              |                             | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                           |              |                          |              | Market Share (%) by Geography* |      |      |      |      |
|---|------------------------------|---------------------|------------------------|--------------|-----------------------------|---|---------------------------|--------------|--------------------------|--------------|--------------------------------|------|------|------|------|
| MA/Assessment Area:                       | Total Home Improvement Loans |                     | Low-Income Geographies |              | Moderate-Income Geographies |   | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall                        | Low  | Mod  | Mid  | Upp  |
|   | #                            | % of Total**        | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans  | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans |                                |      |      |      |      |
| <b>Full Review:</b>                       |                              |                     |                        |              |                             |   |                           |              |                          |              |                                |      |      |      |      |
| Seaway NB 2004 Data                       | 23                           | 100.00              | 2.46                   | 8.70         | 15.14                       | 60.87   | 44.48                     | 26.09        | 37.92                    | 4.35         | 0.19                           | 0.72 | 0.61 | 0.06 | 0.06 |
| Seaway NB 2003 Data                       | 32                           | 100.00              | 2.49                   | 15.63        | 15.18                       | 59.38   | 45.04                     | 15.63        | 37.29                    | 9.38         | 0.19                           | 0.72 | 0.61 | 0.06 | 0.06 |

\* Based on 2003 Peer Mortgage Data -- IL

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

| Geographic Distribution: HOME MORTGAGE REFINANCE |                                     | Geography: ILLINOIS |                        |              |                             | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                           |              |                          |              | Market Share (%) by Geography* |      |      |      |      |
|--|-------------------------------------|---------------------|------------------------|--------------|-----------------------------|---|---------------------------|--------------|--------------------------|--------------|--------------------------------|------|------|------|------|
| MA/Assessment Area:                              | Total Home Mortgage Refinance Loans |                     | Low-Income Geographies |              | Moderate-Income Geographies |   | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall                        | Low  | Mod  | Mid  | Upp  |
|  | #                                   | % of Total**        | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans  | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans |                                |      |      |      |      |
| <b>Full Review:</b>                              |                                     |                     |                        |              |                             |   |                           |              |                          |              |                                |      |      |      |      |
| Seaway NB 2004 Data                              | 38                                  | 100.00              | 2.46                   | 10.53        | 15.14                       | 55.26   | 44.48                     | 23.68        | 37.92                    | 10.53        | 0.00                           | 0.01 | 0.01 | 0.00 | 0.00 |
| Seaway NB 2003 Data                              | 27                                  | 100.00              | 2.49                   | 7.41         | 15.18                       | 37.04   | 45.04                     | 44.44        | 37.29                    | 11.11        | 0.00                           | 0.01 | 0.01 | 0.00 | 0.00 |

\* Based on 2003 Peer Mortgage Data -- IL

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

| Geographic Distribution: MULTIFAMILY |                         | Geography: ILLINOIS |                        |              |                             | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                           |              |                          |              | Market Share (%) by Geography* |      |      |      |      |
|--------------------------------------|-------------------------|---------------------|------------------------|--------------|-----------------------------|---|---------------------------|--------------|--------------------------|--------------|--------------------------------|------|------|------|------|
| MA/Assessment Area:                  | Total Multifamily Loans |                     | Low-Income Geographies |              | Moderate-Income Geographies |   | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall                        | Low  | Mod  | Mid  | Upp  |
|                                      | #                       | % of Total**        | % of MF Units***       | % BANK Loans | % MF Units***               | % BANK Loans  | % MF Units***             | % BANK Loans | % MF Units***            | % BANK Loans |                                |      |      |      |      |
| <b>Full Review:</b>                  |                         |                     |                        |              |                             |   |                           |              |                          |              |                                |      |      |      |      |
| Seaway NB 2004 Data                  | 0                       | 0.00                | 11.80                  | 0.00         | 24.41                       | 0.00  | 35.74                     | 0.00         | 28.04                    | 0.00         | 0.21                           | 0.14 | 0.41 | 0.11 | 0.00 |
| Seaway NB 2003 Data                  | 11                      | 100.00              | 11.86                  | 9.09         | 24.62                       | 72.73   | 36.16                     | 18.18        | 27.36                    | 0.00         | 0.21                           | 0.14 | 0.41 | 0.11 | 0.00 |

\* Based on 2003 Peer Mortgage Data -- IL

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

| Geographic Distribution: SMALL LOANS TO BUSINESSES |                            | Geography: ILLINOIS |                        |              |                             |              | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |              |                          |              |         | Market Share (%) by Geography* |      |      |      |  |
|--|----------------------------|---------------------|------------------------|--------------|-----------------------------|--------------|---|--------------|--------------------------|--------------|---------|--------------------------------|------|------|------|--|
| MA/Assessment Area:                                | Total Small Business Loans |                     | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies                               |              | Upper-Income Geographies |              | Overall | Low                            | Mod  | Mid  | Upp  |  |
|  | #                          | % of Total**        | % of Businesses***     | % BANK Loans | % of Businesses***          | % BANK Loans | % of Businesses***                                      | % BANK Loans | % of Businesses***       | % BANK Loans |         |                                |      |      |      |  |
| <b>Full Review:</b>                                |                            |                     |                        |              |                             |              |   |              |                          |              |         |                                |      |      |      |  |
| Seaway NB 2004 Data                                | 22                         | 100.00              | 3.20                   | 45.45        | 13.62                       | 45.45        | 38.12   | 9.09         | 44.80                    | 0.00         | 0.02    | 0.11                           | 0.05 | 0.02 | 0.00 |  |
| Seaway NB 2003 Data                                | 35                         | 100.00              | 3.24                   | 14.29        | 13.35                       | 31.43        | 38.85   | 42.86        | 44.30                    | 11.43        | 0.02    | 0.11                           | 0.05 | 0.02 | 0.00 |  |

\* Based on 2003 Peer Small Business Data -- IL

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

\*\*\* Source Data - Dun and Bradstreet (2003).

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Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE |                           | Geography: ILLINOIS      |                           |                              |                           | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                           |                              |                           |                              | Market Share <sup>*</sup> |      |      |      |      |
|--------------------------------------|---------------------------|--------------------------|---------------------------|------------------------------|---------------------------|---|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------|------|------|------|
| MA/Assessment Area:                  | Total Home Purchase Loans |                          | Low-Income Borrowers      |                              | Moderate-Income Borrowers |   | Middle-Income Borrowers   |                              | Upper-Income Borrowers    |                              | Overall                   | Low  | Mod  | Mid  | Upp  |
|                                      | #                         | % of Total <sup>**</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup>                            | % Families <sup>***</sup> | % BANK Loans <sup>****</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup> |                           |      |      |      |      |
| <b>Full Review:</b>                  |                           |                          |                           |                              |                           |   |                           |                              |                           |                              |                           |      |      |      |      |
| Seaway NB 2004 Data                  | 33                        | 100.00                   | 20.65                     | 13.33                        | 17.56                     | 66.67   | 22.21                     | 13.33                        | 39.57                     | 6.67                         | 0.02                      | 0.04 | 0.02 | 0.01 | 0.01 |
| Seaway NB 2003 Data                  | 36                        | 100.00                   | 20.65                     | 20.59                        | 17.56                     | 32.35   | 22.21                     | 14.71                        | 39.57                     | 32.35                        | 0.02                      | 0.04 | 0.02 | 0.01 | 0.01 |

<sup>\*</sup> Based on 2003 Peer Mortgage Data -- IL

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 9.1% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

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

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

| Borrower Distribution: HOME IMPROVEMENT |                              | Geography: ILLINOIS |                      |                  |                           | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                         |                  |                        |                  | Market Share* |      |      |      |      |
|---|------------------------------|---------------------|----------------------|------------------|---------------------------|---|-------------------------|------------------|------------------------|------------------|---------------|------|------|------|------|
| MA/Assessment Area:                     | Total Home Improvement Loans |                     | Low-Income Borrowers |                  | Moderate-Income Borrowers |   | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Overall       | Low  | Mod  | Mid  | Upp  |
|   | #                            | % of Total**        | % Families***        | % BANK Loans**** | % Families***             | % BANK Loans****  | % Families***           | % BANK Loans**** | % Families***          | % BANK Loans**** |               |      |      |      |      |
| <b>Full Review:</b>                     |                              |                     |                      |                  |                           |   |                         |                  |                        |                  |               |      |      |      |      |
| Seaway NB 2004 Data                     | 23                           | 100.00              | 20.65                | 17.65            | 17.56                     | 35.29   | 22.21                   | 17.65            | 39.57                  | 29.41            | 0.21          | 0.60 | 0.33 | 0.10 | 0.09 |
| Seaway NB 2003 Data                     | 32                           | 100.00              | 20.65                | 34.38            | 17.56                     | 34.38   | 22.21                   | 15.63            | 39.57                  | 15.63            | 0.21          | 0.60 | 0.33 | 0.10 | 0.09 |

\* Based on 2003 Peer Mortgage Data -- IL

\*\* As a percentage of loans with borrower income information available.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

| Borrower Distribution: HOME MORTGAGE REFINANCE |                                     | Geography: ILLINOIS |                      |                  |                           |                  | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                  |                        |                  |         | Market Share* |      |      |      |  |
|--|-------------------------------------|---------------------|----------------------|------------------|---------------------------|------------------|---|------------------|------------------------|------------------|---------|---------------|------|------|------|--|
| MA/Assessment Area:                            | Total Home Mortgage Refinance Loans |                     | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers                                 |                  | Upper-Income Borrowers |                  | Overall | Low           | Mod  | Mid  | Upp  |  |
|  | #                                   | % of Total**        | % Families***        | % BANK Loans**** | % Families***             | % BANK Loans**** | % Families***   | % BANK Loans**** | % Families***          | % BANK Loans**** |         |               |      |      |      |  |
| <b>Full Review:</b>                            |                                     |                     |                      |                  |                           |                  |   |                  |                        |                  |         |               |      |      |      |  |
| Seaway NB 2004 Data                            | 38                                  | 100.00              | 20.65                | 16.67            | 17.56                     | 27.78            | 22.21   | 11.11            | 39.57                  | 44.44            | 0.00    | 0.01          | 0.00 | 0.01 | 0.00 |  |
| Seaway NB 2003 Data                            | 27                                  | 100.00              | 20.65                | 8.00             | 17.56                     | 12.00            | 22.21   | 52.00            | 39.57                  | 28.00            | 0.00    | 0.01          | 0.00 | 0.01 | 0.00 |  |

\* Based on 2003 Peer Mortgage Data -- IL

\*\* As a percentage of loans with borrower income information available.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table 11. Borrower Distribution of Small Loans to Businesses**

| Borrower Distribution: SMALL LOANS TO BUSINESSES |                                 | Geography: ILLINOIS |   |                  | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 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    |                          |                            | Market Share * |                         |
|  | #                               | % of Total**        | % of Businesses***                              | % BANK Loans**** | \$100,000 or less                                       | > \$100,000 to \$250,000 | > \$250,000 to \$1,000,000 | All            | Rev\$ 1 Million or Less |
| <b>Full Review:</b>                              |                                 |                     |   |                  |   |                          |                            |                |                         |
| Seaway NB 2004 Data                              | 22                              | 100.00              | 63.89   | 81.82            | 36.36   | 36.36                    | 27.27                      | 0.02           | 0.04                    |
| Seaway NB 2003 Data                              | 35                              | 100.00              | 63.41   | 68.57            | 57.14   | 14.29                    | 28.57                      | 0.02           | 0.04                    |

\* Based on 2003 Peer Small Business Data -- IL

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2004).

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

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Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

| Geographic and Borrower Distribution: CONSUMER LOANS |                         | Geography: ILLINOIS |                        |                 |                             |                 |                           |                 |                          | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                       |                 |                           |                 |                         |                 |                        |                 |
|--|-------------------------|---------------------|------------------------|-----------------|-----------------------------|-----------------|---------------------------|-----------------|--------------------------|---|-----------------------|-----------------|---------------------------|-----------------|-------------------------|-----------------|------------------------|-----------------|
| MA/Assessment Area:                                  | Geographic Distribution |                     |                        |                 |                             |                 |                           |                 |                          |   | Borrower Distribution |                 |                           |                 |                         |                 |                        |                 |
|  | Total Consumer Loans    |                     | Low-Income Geographies |                 | Moderate-Income Geographies |                 | Middle-Income Geographies |                 | Upper-Income Geographies |   | Low-Income Borrowers  |                 | Moderate-Income Borrowers |                 | Middle-Income Borrowers |                 | Upper-Income Borrowers |                 |
|  | #                       | % of Total*         | % of Hhlds**           | % of BANK Loans | % of Hhlds*                 | % of BANK Loans | % of Hhlds**              | % of BANK Loans | % of Hhlds**             | % of BANK Loans   | % of Hhlds*           | % of BANK Loans | % of Hhlds**              | % of BANK Loans | % of Hhlds**            | % of BANK Loans | % of Hhlds**           | % of BANK Loans |
| <b>Full Review:</b>                                  |                         |                     |                        |                 |                             |                 |                           |                 |                          |   |                       |                 |                           |                 |                         |                 |                        |                 |
| Seaway NB 2004 Data                                  | 217                     | 100.00              | 6.62                   | 17.05           | 21.40                       | 44.24           | 40.59                     | 33.18           | 31.38                    | 5.53  | 22.83                 | 12.90           | 16.53                     | 11.06           | 19.36                   | 7.83            | 41.28                  | 7.83            |
| Seaway NB 2003 Data                                  | 259                     | 100.00              | 6.68                   | 15.44           | 21.47                       | 41.70           | 41.07                     | 36.68           | 30.78                    | 5.79  | 22.83                 | 15.83           | 16.53                     | 10.42           | 19.36                   | 8.49            | 41.28                  | 7.34            |

\* Consumer Loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of households is based on 2000 Census Information.

Table 14. Qualified Investments

| QUALIFIED INVESTMENTS                           |                           |           |                            |           |                   |           |            |                        |           |
|---|---------------------------|-----------|----------------------------|-----------|-------------------|-----------|------------|------------------------|-----------|
| Geography: ILLINOIS                             |                           |           |                            |           |                   |           |            |                        |           |
| Evaluation Period: July 23, 2002 TO June 6,2005 |                           |           |                            |           |                   |           |            |                        |           |
| MA/Assessment Area:                             | Prior Period Investments* |           | Current Period Investments |           | Total Investments |           |            | Unfunded Commitments** |           |
|   | #                         | \$(000's) | #                          | \$(000's) | #                 | \$(000's) | % of Total | #                      | \$(000's) |
| <b>Full Review:</b>                             |                           |           |                            |           |                   |           |            |                        |           |
| Seaway NB                                       | 0                         | 0         | 10                         | 1,200     | 10                | 1,200     | 100.00     | 0                      | 0         |

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

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

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

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS |                                |                    |                                | Geography: ILLINOIS                               |       |       |       | Evaluation Period: JANUARY 1, 2003 TO DECEMBER 29, 2004 |                      |   |     |            |     |                                       |       |       |       |
|---|--------------------------------|--------------------|--------------------------------|---|-------|-------|-------|---|----------------------|---|-----|------------|-----|---------------------------------------|-------|-------|-------|
| MA/Assessment Area:   | Deposits                       | Branches           |                                |   |       |       |       | Branch Openings/Closings                                |                      |   |     | Population |     |                                       |       |       |       |
|   | % of Rated Area Deposits in AA | # of BANK Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) |       |       |       | # of Branch Openings                                    | # of Branch Closings | Net change in Location of Branches (+ or -) |     |            |     | % of Population within Each Geography |       |       |       |
|   |                                |                    |                                | Low   | Mod   | Mid   | Upp   |   |                      | Low   | Mod | Mid        | Upp | Low                                   | Mod   | Mid   | Upp   |
| <b>Full Review:</b>   |                                |                    |                                |   |       |       |       |   |                      |   |     |            |     |                                       |       |       |       |
| Seaway NB   | 100.00                         | 6                  | 100                            | 17.00   | 34.00 | 17.00 | 34.00 | 0   | 0                    | 0   | 0   | 0          | 0   | 7.59                                  | 23.43 | 39.04 | 29.93 |

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