



## LARGE BANK

---

Comptroller of the Currency  
Administrator of National Banks

---

Washington, DC 20219

### Public Disclosure

March 31, 2000

### Community Reinvestment Act Performance Evaluation

Bank One, N.A., Illinois  
Charter Number: 8

One Bank One Plaza  
Chicago, Illinois 60670

Office of the Comptroller of the Currency

Large Bank Division  
250 E Street, S.W.  
Washington D.C. 20219-0001

**NOTE:** 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.

## Table of Contents

Overall CRA Rating.....	2 - 3
General Information.....	4
Definitions and Common Abbreviations.....	5 - 6
Description of Institution.....	7
Scope of Evaluation.....	8 - 9
Fair Lending Review.....	10
<b>Conclusions with Respect to Performance Tests</b>	
Lending Test.....	11 - 16
Investment Test.....	17 - 18
Service Test.....	19 - 22
<b>Appendix A: Scope of Evaluation.....</b>	<b>23</b>
<b>Appendix B: Market Profiles for Areas Receiving Full-Scope Reviews.....</b>	<b>24 - 27</b>
<b>Appendix C: Tables of Performance Data.....</b>	<b>28 - 37</b>

## Overall CRA Rating

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

The following table indicates the performance level of **Bank One, N.A., Illinois** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Bank One, NA, Illinois Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

### Lending Test

- An adequate level of lending. We noted a good volume of small loans to businesses and adequate home mortgage and community development lending. A good volume of home improvement lending is noted, but home purchase lending is poor. Refinance lending is adequate due to significant lending activity in 1999.
- A good geographic distribution of loans. The geographic distribution of home mortgage loans is good due to good distributions of home improvement and refinance loans, and an excellent distribution of the small number of home purchase loans made by the bank. The distribution of small loans to businesses is adequate due to the poor volume of lending in low-income areas offsetting the good volume in moderate-income census tracts.
- An adequate distribution of lending by borrower income level. The good borrower distribution in home improvement and refinance lending was offset by an adequate distribution of home purchase loans and a lack of information to analyze small loans to businesses.

- Adequate product innovation and flexibility. Multiple products and programs with the potential to address the credit needs of low- and moderate-income individuals and areas were noted. However, information was not available to evaluate the impact or effectiveness of the products. This performance criteria had a neutral impact on the Lending Test rating.
- Adequate community development lending. The volume of community development loans was adequate and the loans addressed the significant need for affordable housing and economic development.

#### Investment Test

- An adequate volume of investments. Investments made during the evaluation period represented a modest 27% of the total.
- A modest level of complexity was noted in the bank's investments.
- The bank's investments adequately respond to the need for small loans to businesses and the need for affordable housing.

#### Service Test

- Access to the bank's services is adequate. Access to bank services is somewhat less convenient from low- and moderate-income areas, but considered reasonable due to performance context issues related to the history of banking in Illinois. The bank's record of opening and closing branches modestly improved access to services from low- and moderate-income areas, and the bank's community development services positively contributed to this conclusion.

## General Information

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

*This document is an evaluation of the CRA performance of **Bank One, N.A., Illinois** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 31, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. 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. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States 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 United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports

of their mortgage lending activity. The reports include such data as the race, gender, and the income of 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 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% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 United States 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% and less than 120% of the MFI.

**Moderate-Income** - Income at least 50% and less than 80% of the MFI.

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

**Small Loans to Farms** - Loans with original amounts of \$500 thousand 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 noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

Bank One, N.A., Illinois (BONAI), headquartered in Chicago, Illinois, is a wholly owned subsidiary of Bank One Corporation (BOC), which is also headquartered in Chicago, Illinois. As of December 31, 1999, BOC had total assets of \$269 billion, making it the fifth largest bank holding company in the United States. BOC provides a full range of consumer and commercial financial products and services and operates banking offices in 15 states: Arizona, Colorado, Delaware, Florida, Illinois, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Texas, Utah, West Virginia and Wisconsin. The Corporation operates more than 1,800 Banking Centers and an extensive network of automatic teller machines (ATM's) nation-wide. It has subsidiaries in 33 states and international offices on five continents.

BONAI is the largest bank in Illinois and ranks first in the state in terms of deposits. As of December 31, 1999, BONAI reported total assets of \$93.9 billion, total loans of \$53.6 billion, and a loan-to-deposit ratio of 97%. Foreign deposits comprise a significant percentage of the bank's deposit base. If we eliminate the bank's foreign deposits (approximately \$29 billion) and foreign loans (approximately \$7 billion) from the balance sheet, the net loan-to-deposit ratio would increase to 176%. Tier 1 capital totals \$5.7 billion. BONAI operates 178 banking centers and 664 ATM's throughout the Chicago area. As of December 31, 1999, BONAI's loan portfolio consisted of 25% loans to depository institutions, 34% commercial and industrial loans, 11% loans secured by real estate, 15% foreign loans, 2.5% loans to individuals and 12% all other loans. The reader should note that affiliated companies extend consumer related mortgages and credit card loans to BONAI's customers.

In determining the size and capacity of BONAI for CRA evaluation purposes, we specifically considered operating subsidiaries of the bank. Two of the bank's operating subsidiaries contributed to the CRA performance of the bank, and none of the subsidiaries impaired the bank's abilities to meet the credit needs of its community. There were an additional three affiliated, non-bank entities that contributed to the bank's CRA performance. Refer to Appendix A for identification of the entities and the activities they contributed.

There are no significant financial barriers limiting BONAI's ability to meet the identified credit needs within its assessment area.

At the beginning of the evaluation period, the bank's name was First National Bank of Chicago (FNBC) and it was a wholly owned subsidiary of First Chicago NBD Corporation (FCNBD). In October of 1998, BOC and FCNBD merged. In September of 1999, the Chicago area branches of Bank One, Illinois, NA were transferred to FNBC and the bank's name was changed to BONAI.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The last evaluation of the bank was dated November 3, 1997. The current evaluation assesses the bank's performance from October 1, 1997 to March 31, 2000. The start of the evaluation period is prior to the date of the last performance evaluation because that evaluation only considered loans and investments made through September 30, 1997.

BONAI is a full service bank and provides loans to large national and international corporations and to local small businesses. Our lending analysis included small loans to businesses, home mortgage loans and community development loans. BONAI elected not to take credit for the mortgage lending activities of affiliates, including Bank One Mortgage Company. Affiliate mortgage lending was not attributed to BONAI because another affiliate, American National Bank and Trust Company of Chicago, took credit for that lending in the Chicago MSA.

### Data Integrity

The scope of this examination included a review of the accuracy of the bank data analyzed to develop our conclusions and ratings. The data tested for accuracy included data available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses. We also reviewed the accuracy of non-public data for qualified investments, community development loans, and community development services.

The following significant errors were noted in the bank's small loans to businesses data:

1. The bank's 1999 small loans to businesses data contained loans ineligible for reporting because of a personal purpose or due to being secured by residential real estate. These ineligible loans represented 10% of our sample. Management was unable to remove the ineligible loans from the data files and the uncorrected numbers are reflected in the tables within this report. However, we considered this over-reporting when developing our conclusions regarding the volume of lending by the bank. We judgmentally adjusted the volume of small loans to businesses data we considered for 1999.
2. We identified a 10% error rate in the business revenue data reported in 1999. Higher error rates for revenue data had been noted in previous years. We used the small loans to business data reported by the bank in our

analysis, but did not consider the revenue data in the evaluation. As a result of this exclusion we did not develop a conclusion regarding the distribution of small loans to businesses by income level of borrower.

The bank's qualified investments, community development loans and community development services information was found to be accurate.

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

BONAI delineated one assessment area within the Chicago Metropolitan Statistical Area (MSA) for CRA purposes. BONAI's assessment area includes all of Cook, DuPage, Kane, Lake, McHenry, and Will Counties. The bank's assessment area does not include the entire Chicago MSA. There were no changes in the assessment area delineation during the evaluation period. For our review, we have selected the Chicago assessment area for a full scope review. The data contained in the tables in Appendix C was evaluated for this area and additional information was developed concerning credit and community development needs, and opportunities for community development activities. A detailed analysis was performed of the geographic distribution of lending to determine if there were any significant, unexplained gaps in the bank's lending. Individual community development loans and services and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership and responsiveness to identified needs. The Service Test analysis included an analysis of the location of bank branches to gauge accessibility.

### **Ratings**

The bank's overall rating is based on its performance in the Chicago assessment area.

Under the Lending Test, the bank's small business lending was given the most weight because this product had the largest number of loans and dollar volume advanced. Home improvement lending received heavier consideration because this product had the second largest number of loans extended. Refinance lending was significant, but home purchase lending was nominal and performance with this product did not receive much consideration.

**Other**

The OCC maintains an ongoing dialog with many community based organizations throughout the Chicago MSA. These organizations serve communities within the bank's assessment area by helping small business owners prepare business plans, by making small loans to small businesses, implementing community redevelopment plans in conjunction with municipal and state authorities, helping LMI individuals qualify for home mortgages and developing affordable housing. We used our dialog with these organizations to help identify credit and community development needs within the area and the level of opportunities for banks to participate in community development activities.

## **Fair Lending Review**

We reviewed BONAI's HMDA data to determine whether any potentially discriminatory lending patterns were apparent that would warrant more detailed comparative loan file reviews. We analyzed the disposition of Black and Hispanic home mortgage applications the bank received in 1998 and 1999, and compared it to the 1998 aggregate HMDA data for all mortgage lenders. The 1999 aggregate data had not been released at the time of this review. We reviewed denial rates and denial disparities for Blacks and Hispanics, the bank's market share of loans to minorities compared to its overall market share, and the bank's record of lending to minority areas.

We concluded that no additional fair lending work was warranted at this time. We found the bank's denial rates to be high, but the denial disparities for home purchase and refinance lending were below the disparity rates noted in the aggregate data. The bank's minority lending market share was greater than its overall market share, and we noted good rates of lending to minority areas.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

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

Overall performance under the Lending Test is adequate. This conclusion is based on adequate performance in Chicago.

#### **Lending Activity**

Refer to Tables 1 - 5 in Appendix C for the data used in this analysis.

The overall volume of lending is adequate.

The volume of home mortgage lending is adequate overall, however, a poor volume of home purchase lending is noted. For this product, the bank's 1998 market rank and market share are significantly lower than the bank's first place deposit market rank and 13.7% deposit market share. The low volume is due partially to the exclusion of affiliate lending for this charter.

Mortgage loans made by the affiliated mortgage company were attributed to another Bank One charter in the Chicago MSA. Refinance lending was adequate due to an increase in lending in 1999. The bank ranked 179<sup>th</sup> in the assessment area in 1998, but the number of loans made increased from 283 in 1998 to 2,484 in 1999. The bank's volume of home improvement loans is good. The loan market rank for this product approaches the bank's deposit market rank.

Small business lending volume is good in Chicago. Small farm lending volume is adequate. The market rank for small loans to businesses approximates the deposit market rank for the assessment area. The market share for this product is lower than the bank's deposit market share, but BONAI is the largest local small business lender. This conclusion takes into account the over-reporting of small loans to businesses by the bank in 1999.

Refer to the data integrity comment for details. The market rank for small farm loans is somewhat lower than the deposit market rank for the bank, but this type of lending is not a focus of the bank or an identified need of the assessment area.

There is an adequate volume of community development loans in Chicago. During the evaluation period, the bank extended 71 community development loans in Chicago and the dollar amount extended represents 1.6% of Tier 1 capital. We use the volume of loans as a percentage of Tier 1 capital to assist in gauging the volume of community development lending.

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

The overall distribution of loans by income level of geography is

good.

There were no unexplained gaps in lending for the charter. The products with poor volumes had weak penetration across areas of different income levels and these areas were not considered to be gaps in lending.

The reader should note that in developing our conclusions, more consideration was given to the percentage distribution of loans than to market share data. The emphasis on the percentage distribution data results from the fact that the lending data used in this calculation covered the entire evaluation period, whereas market share data was only for 1998.

### **Home Mortgage Loans**

Refer to Tables 2, 3, and 4 in Appendix C for the data used in this analysis.

The geographic distribution of home purchase loans is excellent. The percentage of loans in low- and moderate-income tracts exceeds the percentage of owner-occupied units in those tracts. However, due to the nominal volume of loans, this product was given less weight in developing our conclusion for geographic distribution. The analysis of market share for the product is not meaningful due to the negligible market share.

Chicago reflects a good geographic distribution of home improvement loans. The percentage of home improvement loans in both low- and moderate-income areas exceeds the percentage of owner-occupied units in those areas and is excellent. The market share data, however, indicates poor performance with the market share in both low and moderate-income tracts substantially below the bank's overall market share for this product. We combined these two measures for a conclusion of good geographic distribution for this product.

Geographic distribution for refinance loans in Chicago is good with excellent performance in low-income tracts and good performance in moderate-income tracts. The percentage of bank loans in low-income areas exceeds the percentage of owner-occupied units in those areas, while the percentage of bank loans in moderate-income tracts is close to the percentage of owner-occupied units. The bank's performance in moderate-income census tracts was given more weight because these census tracts contain a significantly higher percentage of the assessment areas owner-occupied units. The market share analysis for this product was not meaningful due to the negligible market shares.

### **Small Business Loans**

Refer to Table 5 in Appendix C for the data used in this

analysis.

The geographic distribution of small loans to businesses is adequate in Chicago. The percentage of small loans to businesses in low-income areas is poor, and is substantially lower than the percentage of businesses in low-income areas. In moderate-income areas the geographic distribution is good being slightly lower than the percentage of businesses in moderate-income areas. The bank's performance in moderate-income census tracts was given more weight in the analysis because these census tracts contain a significantly higher percentage of the assessment area's businesses. The bank's market share information reflects a stronger overall performance. The market share percentage in low-income tracts is good, as it is slightly lower than the overall market share for small business loans. The performance in moderate-income tracts is excellent as the market share in these tracts exceeds the overall market share.

#### ***Small Farm Loans***

Refer to Table 6 in Appendix C for the data used in this analysis.

There were an insufficient number of small farm loans to perform a meaningful analysis.

#### ***Lending Inside Versus Outside of the Assessment Area***

The bank's focus on lending within its assessment area is excellent. We noted that 95% of the reportable loans made by the bank were within its assessment area.

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

The distribution of loans by income level of borrower is adequate. The distribution of home mortgage loans by income level of borrower is good in Chicago. As noted earlier, we did not have the information to analyze the distribution of small loans to businesses or farms by income level of borrower. This omission tempered the performance in home mortgage lending and resulted in the overall conclusion stated above.

The reader should note that our analysis of lending by borrower income level took into account the percentage of individuals within the assessment area living below the poverty level and the affordability of housing. These variables impacted our expectations regarding the level of home mortgage lending to low-income borrowers.

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

Refer to Tables 7, 8 and 9 in Appendix C for the data used in this analysis.

Borrower distribution for home purchase loans is adequate in Chicago. The percentage of loans to low-income borrowers is substantially below the percentage of families in this income category and even considering the reduced borrowing capacity of this group, the bank's performance is poor. For moderate-income borrowers, performance is adequate with the distribution of loans somewhat lower than the number of families in this income category. When affordability of housing is taken into account, more weight is given to the performance in moderate-income tracts, where performance is adequate. Market share information for home purchase loans was not meaningful due to the negligible volume of lending by the bank in 1998. As noted in the geographic distribution analysis, nominal weight is given to the bank's performance in home purchase lending due to the low volume.

Borrower distribution of home improvement loans is good. The percentage distribution of home improvement loans by borrower income level is excellent. The percentage of bank loans to moderate-income borrowers significantly exceeded the percentage of families in that income category. The percentage of loans to low-income borrowers was excellent also when the affordability of housing was taken into account. The market share data reflected weaker performance. For moderate-income borrowers, the bank's market share was slightly lower than the bank's overall market share and good. However, lending to low-income borrowers is adequate when measured by market share.

The bank's refinance lending in Chicago reflects good borrower distribution. Excellent performance is noted in lending to moderate-income borrowers. The percentage of loans to moderate-income families exceeds the percentage of families in that category. The percentage of loans to low-income borrowers is slightly lower than the percentage of families and reflects good performance. Market share analysis was not meaningful due to the negligible market share for refinance lending.

### ***Small Business Loans***

Refer to Table 10 in Appendix C for the data used in this analysis.

A conclusion was not developed for this aspect of the bank's lending performance. This situation is the result of data integrity issues noted earlier. We did note in the assessment area that a moderate percentage of the bank's small loans to business were in amounts of \$100,000 or less. However, loan size is not a reliable indicator of the extent that the bank's small loans to businesses were made to small businesses.

### ***Small Farm Loans***

Refer to Table 11 in Appendix C for the data used in this

analysis.

For the same reasons explained above, this aspect of the bank's lending performance was not analyzed. We did note that a moderate percentage of the bank's small farm loans were in amounts of \$100,000 or less. However, loan size is not a reliable indicator of the extent that the bank's small loans to farms were made to small farms.

### **Community Development Lending**

The volume of community development lending is adequate and has a somewhat positive impact on lending activities. The bank's lending was primarily related to the development of affordable housing and there is a significant need for that type of lending.

In Chicago, 67% of dollars extended in community development loans were for the development of affordable housing, 20% for economic development, 9% for the revitalization or stabilization of low- and moderate-income areas and 4% related to community development services. During the evaluation period, the bank's lending helped create and/or retain 2,023 affordable housing units and 400 low- and moderate-income jobs. Examples of community development loans follow.

#### ***Gateway Park***

This project involved the acquisition of land and construction of an industrial/manufacturing building, located in the Greater Southwest Industrial Corridor Redevelopment Project Area. The bank provided the construction loan. The land is classified as a Brownfield as it was previously a dumping site for automotive and construction debris. The park is expected to create 400 new jobs, a majority being for low- and moderate-income individuals. The developer has committed to providing job-training programs.

#### ***Avalon Park***

The bank provided financing for the Avalon Park project, funds of which were used for the construction of 21 homes in a low-income area. Thirteen of the 21 homes are affordable for low- and moderate-income individuals with a price range up to \$175,000. The City of Chicago-Department of Housing donated nine of the 21 lots. This loan originated in the bank's Neighborhood Lending Unit whose mission is to provide affordable housing to low- and moderate-income individuals. This project is responsive to the need of affordable housing in low-income areas.

### **Product Innovation and Flexibility**

BONAI's efforts to provide flexible lending products is adequate and this performance criteria has a neutral impact on the overall Lending Test rating. In

addition to offering an array of consumer and business loan products, the bank offers two products that specifically target low- and moderate-income individuals or areas. The first is the Bank One Affordable Dream Mortgage introduced in 1999. The

program is geared to low- and moderate-income borrowers who have limited cash for down payment and closing costs. The program requires that a minimum investment of \$500 or one percent of the home's sale price be made by the borrower with the remaining amount of the down payment and closing costs allowed to be paid from other sources. The minimum down payment is three percent, and private mortgage insurance is not required. We could not give the program positive consideration at this time because information regarding its impact was not available.

In conjunction with affiliated Bank One Mortgage Corporation, a down payment assistance program was established with a commitment for \$150,000 annually for six years. The funds are for low- and moderate-income borrowers to use in purchasing homes in low- and moderate-income neighborhoods in Chicago and Southern Suburban Cook County. These funds can also provide assistance for borrowers with disabilities who have incomes up to 100% of the median. Assistance is available in amounts between \$1,500 and \$2,500 through the program. This product also does not have information regarding its impact on low- and moderate-income areas or borrowers and did not receive positive consideration. We noted that BONAI is the lead lender in the Illinois Department of Commerce and Community Affairs (DCCA) Capital Access Program for small businesses, but did not have information to evaluate its impact on low- or moderate-income areas. The program functions as a pooled insurance program to help mitigate the risks of loans that would traditionally be unbankable. The State of Illinois and the borrower contribute a percentage of the loan amount to a pool that is accessed if the loan is not repaid. This guarantee allows the bank to make more flexible small business loans. In 1998 there were 149 loans for \$4 million originated using this product, and in 1999, 185 loans for \$8.6 million were made.

The bank offers the SBA's Express, Low-Doc, 504, and 7A programs. However, information could not be provided on how these programs resulted in lending to low- and moderate-income areas or borrowers.

## **INVESTMENT TEST**

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

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

BONAI's performance under the Investment Test is adequate, and this conclusion results from the bank's adequate performance in the Chicago assessment area.

### **Dollar Amount of Qualified Investments**

The volume of qualified investments is adequate. We noted that the majority of the dollars invested originated prior to the evaluation period and that only 27% is attributed to the current evaluation period. More weight is given to current period investments in developing our conclusions. To assist in gauging the relative volume of investments, we calculated the amount of investments as a percentage of Tier 1 capital. Presently, the bank's investments represent 1.6% of Tier 1 capital. Our conclusion also considered the fact that there are significant community development needs in the Chicago assessment area and an abundance of opportunities for investment.

### **Innovativeness or Complexity of Qualified Investments**

We noted a few complex investments, but none with innovative characteristics. A large number of investments were made indirectly through equity funds or an affiliated small business investment corporation and are not considered complex. We considered two investments complex and one moderately complex. One of the complex investments involved the renovation of an emergency medical facility in the southern part of Chicago. The development involved the formation of a limited liability company, the coordination of multiple layers of financing and compliance with certification standards. Primarily low- and moderate-income individuals use the facility and 12 low- and moderate -income jobs were created as a result. Other examples of community development projects follow.

#### ***South Loop Apartments***

This South Loop neighborhood project involved the construction of a building creating 207 affordable single room occupancy units. Of the 207 units, all are for low-income individuals. However, 97 are targeted for homeless and/or disabled individuals and receive funds from the Supportive Housing Program and Housing Opportunities for People with AIDS. These programs limit rental rates to 30% of the resident's adjusted income. Ten of the 97 units are further targeted for those with AIDS and have monthly rents set at \$270. A job and education training center is also provided. This project was complex due to the involvement of several lenders, tax credits and various government agencies.

#### ***Chicago Roseland LLC***

This project involved the acquisition and rehabilitation of a two-story abandoned building. Eleven affordable rental units were created and helped to stabilize the targeted Roseland neighborhood. This project is subsidized and includes Section 8 funds. The bank also provided a construction loan. The involvement of state and federal funds makes this project moderately complex.

**Responsiveness of Qualified Investments to Credit and Community Development Needs**

The responsiveness of the bank's investments to the area's most pressing needs is adequate. Loans for small businesses and affordable housing were identified needs within the assessment area. Close to 72% of the bank's investments supported economic development through Small Business Investment Corporation investments. Management indicated that 196 jobs were created and/or retained as a result of these investments. Another 24% of the bank's investments were for the creation, retention and/or support of affordable housing. A total of 5,554 housing units were created or retained through these investments and 23% of the units resulted from investments made during the evaluation period.

## **SERVICE TEST**

### **Conclusions for Assessment Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is adequate. In Chicago, delivery systems provide adequate accessibility to geographies and individuals of different income levels. The level of community development services in Chicago is adequate.

### **Retail Banking Services**

Refer to Table 13 in Appendix C for the data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### **Accessibility of Delivery Systems**

The accessibility of the bank's delivery systems is adequate. The percentage of branches in both low- and moderate-income areas is adequate in relation to the percentage of the assessment area's population living in those areas despite being lower than those percentages. Performance context factors considered in arriving at this conclusion include the historical limitation on branch banking in Illinois through 1993 and the subsequent expansion through mergers and acquisitions. These factors have contributed to an uneven distribution of branches and a greater presence in the suburbs than the city of Chicago. We note that the bank's branch distribution has improved slightly since the last examination due to the opening of branches in grocery stores within the city of Chicago.

Although not shown in the Table 13, the distribution of automated teller machines (ATMs) is similar to the branch distribution. ATMs located in low- and moderate-income areas represent 6.0% and 8.1% of total ATMs, respectively. At branches shared with American National Bank & Trust (ANB), between two and five full service ATMs are available at each site. About 65% of the bank's ATMs are accessible 24 hours a day, 69% are at branch locations and 85% are deposit-taking machines.

Maps showing bank branches and ATM locations were reviewed as part of our analysis to determine the accessibility to delivery systems. We found four clusters of low- and moderate-income areas with less convenient access to a bank branch or ATM. The two largest clusters are within the city of Chicago. One is Northwest of downtown and the other South of downtown and East of the Dan Ryan Expressway. The bank does have a loan center that is being considered for conversion to a full service branch within the area Northwest of downtown Chicago. These clusters are the result of the performance context issues noted above rather branch closings, but continued efforts to improve access from these areas is warranted. North Chicago and Thornton are the location of the other two clusters of low- and moderate-income census tracts. The accessibility to bank branches from these two areas is not dissimilar to many other suburban

locations.

Access to banking services is promoted in a number of ways. During the evaluation period the bank operated Community Loan Centers in the Bronzeville and North Lawndale areas. The Bronzeville center opened in the summer of 1999, but the North Lawndale center was merged into a nearby banking facility. The centers provide consumer, home mortgage and business banking services in very poor communities. Outreach programs and educational banking services addressing access to credit are also available. Through the first nine months of 2000, the Bronzeville office made 15 real estate loans totaling \$2,590,000 in low- and moderate-income areas.

Bank One participates in the U.S. Small Business Administration's Community Express program designed to spur economic development and job creation in inner city and rural communities with venture capital, commercial loans and technical assistance. Technical assistance is provided to loan applicants through the bank's partnership with several Chicago area community development organizations. In 1999, Bank One originated 14 loans totaling \$806,000. Through the first 11 months of 2000, 12 loans totaling \$ 511,400 were made.

Other alternative delivery systems include a 24-hour bilingual, telephone loan application service, Internet banking, a mobile banking facility and Bank at Work program. Bank One Loan-by-Phone allows a consumer to apply for a home equity loan or line of credit, an installment loan or a credit card. Internet banking allows a consumer or business to open a deposit account, apply for a loan and access other banking and financial information. In 1997, 1998 and first half of 1999, the bank operated a mobile banking facility that provided retail and small business banking services in 20 low- and moderate-income Chicago neighborhoods. These were areas where the bank had no banking facilities. Through a partnership with the Women's Business Development Center (WBDC), WBDC counselors and bank employees also presented workshops on starting a small business and financing options at locations in southern Cook County. The Bank One at Work program introduces Bank One products and services to employees of area businesses. Bank sales executives conduct presentations at the company's place of business and distribution new account kits via the company's personnel office. The bank could not provide specific data to support how effective these systems are in reaching low- and moderate-income individuals. Therefore, these services were not considered when drawing our conclusions.

### ***Changes in Branch Locations***

The bank's record of opening and closing branches has improved the accessibility to banking services, including services for low- and moderate-income areas. Two of the bank's 32 new branches were opened in low-income areas and four in

moderate-income areas, though one of the four subsequently closed. All six branches were opened in Dominick's stores and the one that closed was the result of the store closing. There were no other branch closings in low- or moderate-income areas. Of the branches opened, three share office quarters with American NB&T, three are stand-alone facilities, and the remaining branches were opened in Dominick food stores. There were 12 branches closed during the evaluation period and 11 were in middle- and upper-income areas.

### **Reasonableness of Business Hours and Services in Meeting Assessment Area Needs**

The reasonableness of branch hours and services is good, including those in low- and moderate-income areas. All but two branches have Saturday hours. All food store branches have consistent hours and maintain Saturday and Sunday hours. During the week, hours are mostly 8:00 a.m. through as late as 8:00 p.m.

One branch in a low-income area in Joliet, IL is not open to customers on Wednesdays, but Wednesday closings are customary in that area. However, loan and investment services are available by appointment on Wednesdays. No banking services are offered to the public at one branch in downtown Chicago. It is accessible only to bank employees and is used as office space.

The bank has full service and express branches, a few drive-up only facilities and food store branches. Express branches have all deposit and loan services offered through full service branches with the exception of teller-assisted transactions. At these locations, customers use ATMs to conduct inquiries, deposits and withdrawals. Food store branches offer full banking services, unless it is an express branch location. The bank also shares ten banking facilities with ANB.

### **Community Development Services**

The bank's responsiveness to the community development services needs of the Chicago area is good and this performance criteria contributes positively to the bank's overall service test activities.

### ***Innovativeness and Responsiveness of Community Development Services Provided***

BOC's responsiveness to identified needs is good in Chicago. The bank's services respond to affordable housing, economic development and community service needs of low- and moderate-income individuals. In addition, a low-cost checking account was designed to reach those with no previous banking experience.

The Alternative Banking program began in the spring of 1999 to increase access to banking services by those individuals who do not ordinarily use banks. Bank One offers this program through six branches located in low- and moderate-income areas in Chicago. An individual may open a checking or saving account

with as

little as \$10 and no or a flawed credit history. The program also includes basic banking and credit repair programs, conducted in conjunction with job training community organizations. Since its inception, 600 accounts have been opened.

***Extent of Community Development Services Provided***

The bank provided an adequate level of community development services to organizations and individuals in Chicago. Services were provided to or in conjunction with 47 organizations that address low-and moderate-income housing, economic development and other community development needs. Thirty-five employees provided such services and most hold leadership positions as Board or committee members in the organizations. One employee in particular was involved with thirteen community development organizations during the evaluation period. The bank hosted, co-sponsored and participated in six workshops addressing affordable housing or small business lending. Other services provided include technical assistance for financial services and affordable housing, serving on a task force to help identify affordable housing alternatives, helping to structure and administer small business loan funds, and speaking at workshops geared to small business owners. Specific examples of community development services follow:

- A bank employee serves on the investment committee of the Community Reinvestment Fund developed by the Chicago Equity Fund. Committee members evaluate investment opportunities for the Fund. The purpose of the fund is to make investments in affordable housing, historical rehabilitation and commercial ventures in Chicago's low- and moderate-income areas.
- The bank is represented on the loan committee of the Community Investment Corporation. This non-profit mortgage lender targets certain areas for the purchase and rehabilitation of multi-family rental units to increase the supply of affordable housing in the Chicago region.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan 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): 10/01/97 to 12/31/99 Investment and Service Tests and CD Loans: 10/01/97 to 03/31/00	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Bank One, NA, Illinois (BONAI) Chicago, Illinois	Home Purchase and refinanced loans, home improvement loans, small business loans, Community development loans, investments, and services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Banc One Community Development Corporation Banc One Capital Funding Corporation First Chicago Equity Corporation  First Chicago Neighborhood Development Corporation First Chicago Leasing corporation	Subsidiary of Bank One, NA, Illinois Holding Company Subsidiary Holding Company Subsidiary Holding Company Subsidiary Subsidiary of Bank One, NA, Illinois	Community Development loans and equity investments Community development loans and services Community development related equity investments Community development related equity investments Community development related equity investments
<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	Full-Scope	MSA 1600

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

---

### **Table of Contents**

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

Chicago MSA.....	24
------------------	----

**Chicago MSA**

Demographic Information for Full-Scope Area: Bank One, NA, Illinois (Chicago)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	1,738	16.0	21.4	37.6	23.4	1.6
Population by Geography	7,261,176	9.8	19.8	41.9	28.5	0.0
Owner-Occupied Housing by Geography	1,595,050	2.9	12.7	47.9	36.5	0.0
Businesses by Geography	260,281	5.0	12.1	40.1	41.5	1.3
Farms by Geography	4,749	1.0	4.2	52.4	42.1	0.3
Family Distribution by Income Level	1,827,143	19.9	17.3	23.9	38.9	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	680,883	18.0	29.0	40.0	13.0	0.0
Median Family Income HUD Adjusted Median Family Income for 1999 Households Below the Poverty Level	= \$42,758 = \$63,800 = 10.48%	Median Housing Value Unemployment Rate November 30, 1999			= \$124,096 = 3.53%	

Source: 1990 U.S. Census and 1999 HUD updated MFI.

BONAI's assessment area includes six of the nine Counties in the Chicago MSA, including Cook, DuPage, Kane, Lake, McHenry, and Will Counties. In terms of deposit market share, BONAI is the largest bank in the MSA with a market share of 13.7% according to the June 30, 1999, FDIC Deposit Market Share reports. The next largest financial institution, LaSalle Bank, NA, Illinois ranks second with a 9.0% deposit market share.

The suburban portion of the bank's assessment area is predominantly middle- and upper-income communities. There are numerous financial institutions operating in these areas and competing for customers. The credit and community development needs that are present result from the high cost of living in general, the cost of housing, and the lack of land for development in many areas. The needs are not conspicuously concentrated in any single part of the bank's assessment area. They are dispersed throughout it, as is the low- and moderate-income population of the area. The high cost of housing creates the need for affordable rental housing and makes it difficult to obtain home ownership. There is a need for technical assistance and financing for start-up businesses. Additionally, some of the older suburbs are attempting to revitalize their commercial districts.

There are a wide variety of community organizations addressing

these needs and thus significant community development opportunities. For example, there are 13 Community Development Financial Institutions, 12 HUD-certified housing counseling agencies and 9 Small Business Development Centers located in the suburbs.

The city of Chicago is included in the bank's assessment area. It is an area of significant credit needs and numerous community development opportunities including the following.

- Small business loans - Community development organizations in every Chicago neighborhood help small businesses develop business plans, improve management systems and obtain financing. Financial institutions can participate in these efforts with term loans from \$25,000 - \$150,000 and with small lines of credit, especially for minority-owned construction companies.
- Commercial Real Estate - Commercial streets in Chicago neighborhoods have many mixed-use buildings. Community development organizations report that financing improvements to these properties can be difficult, but is very important to improving the appearances of and investment prospects in low- and moderate-income communities.
- Residential Mortgages - Community organizations are particularly concerned with the need for conventional loans from prime lenders for home improvements, refinancing of purchase money mortgages, and home equity loans for consumer purchases. They also report significant, continuing demand for loans with flexible qualifying criteria for home purchases. The need for flexible, affordable financing is particularly important to communities that traditionally have been low-income but now are attempting, with development projects, to attract a wider mix of residents.
- Assistance to Community Development Financial Institutions (CDFIs) - Chicago has a large number of CDFIs that serve the credit needs of individuals and organizations whose projects do not fit conventional bank criteria, but may do so in the future. CDFIs active in Chicago include small business micro loan funds and community development loan funds. The needs of credit unions designated by the National Credit Union Administration as serving a low-income population especially came to our attention. All of these nonprofit organizations require cash donations to help support their operations. They also need in-kind donations of equipment and expertise, and they need deposits, loans, equity grants and near-equity investments.
- Assistance to Nonprofit Community Organizations - Many social service agencies also serve community development needs, and many of these organizations provide financial literacy education, which can help banks expand their markets into low- and moderate-income neighborhoods. These

organizations express a need for cash donations and for in-kind donations of expertise to design and deliver these financial literacy programs. They also are seeking participants for Individual Development Account programs.

Chicago also has many other resources available, such as well-endowed foundations and university-based institutes that provide assistance to community organizations. These resources can support community development endeavors of banks and community organizations. The Federal Home Loan Bank, for example, has funds available that can help banks meet the credit needs described above while remaining within traditional bounds of safety and soundness.

The information above was developed through ongoing contacts and relationships with a variety of community-based organizations in the assessment area. We also reviewed information from contacts that have been made in conjunction with other CRA examinations performed by the OCC and other bank regulatory agencies. There were no community contacts made exclusively for this examination.

## Appendix C: Tables of Performance Data

---

### 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.

**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 rank and 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 Refinance Loans** - See Table 2.

**Table 5. 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 rank and market share information based on the most recent aggregate market data available.

**Table 6. 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 rank and market share information based on the most recent aggregate market data available.

- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 banks financial reporting system.

**Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME											Evaluation	
Period: 10/01/1997 TO 12/31/1999												
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Scope</b>												
Chicago	100.00	8,080	404,181	6,169	864,397	9	1,514	71	94,835	14,329	1,364,927	100.00

\* Deposit Data as of June 30, 1999

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Evaluation	
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Chicago	2.9	5.6	12.7	13.8	47.9	33.8	36.5	46.3	271	0.0	0.1	0.1	0.0	0.0	160	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

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

Geographic Distribution: HOME IMPROVEMENT													Evaluation			
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Chicago	2.9	4.0	12.7	13.7	47.9	42.5	36.5	39.6	3	5.9	3.8	3.6	5.7	8.9	4,951	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

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

Geographic Distribution: HOME MORTGAGE REFINANCE													Evaluation			
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Chicago	2.9	3.2	12.7	11.0	47.9	49.2	36.5	36.5	179	0.1	0.1	0.1	0.1	0.1	2,969	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS Period: 10/01/1997 TO 12/31/1999										Evaluation						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Chicago	4.8	3.0	12.1	10.3	40.3	36.1	41.5	48.9	4	4.6	4.2	4.7	4.0	5.0	6,169	100

\* Based on 1998 Aggregate CRA Data only. Market rank is for all income categories combined.

\*\* Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

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

Geographic Distribution: SMALL FARM Period: 10/01/1997 TO 12/31/1999										Evaluation						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Chicago	0.8	0.0	4.2	0.0	52.4	33.3	42.4	66.7	23	0.5	0.0	0.0	0.8	0.0	9	100

\* Based on 1998 Aggregate CRA Data only. Market rank is for all income categories combined.

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

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE															Evaluation	
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Over all	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Chicago	19.9	5.6	17.3	11.9	23.9	25.0	38.9	53.1	271	0.0	0.0	0.0	0.0	0.0	160	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

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

Borrower Distribution: HOME IMPROVEMENT															Evaluation	
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Over all	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Chicago	19.9	9.6	17.3	18.3	23.9	27.7	38.9	43.7	3	5.9	4.4	4.7	6.3	9.6	4,951	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation						
Period: 10/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Chicago	19.9	8.8	17.3	20.7	23.9	29.7	38.9	38.2	179	0.1	0.2	0.1	0.1	0.1	2,969	100.0

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL BUSINESS										Evaluation	
Period: 10/01/1997 TO 12/31/1999											
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans		
	% Business**	% Bank Loans*	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>											
Chicago	--	--	--	66.8	16.7	16.5	4.6	--	6,169	100	

\* The market consists of all other Small Business reporters in BONAI's assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM										Evaluation	
Period: 10/01/1997 TO 12/31/1999											
MSA/Assessment Area	Farms With Revenues of \$ 1 million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans		
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>											
Chicago	--	--	--	33.3	33.3	33.3	0.5	--	9	100	

\* The market consists of all other Small Farm reporters in BONAI's assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* As a Percentage of Farms with known revenues.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS										Evaluation	
Period: 10/01/1997 TO 3/31/00											
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**			
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)		
<b>Full Scope</b>											
Chicago	103	69,252	210	25,899	313	95,151	100.0	0	0		

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

\*\* "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM														Evaluation Period:			
10/01/1997 TO 12/31/1999																	
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)**				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with Each Geography*			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Scope</b>																	
Chicago	100.0	178	100.0	5.1	6.2	38.8	48.9	12	32	+2	+3	+5	+10	9.8	19.8	41.9	28.5

\* The percentage of the population in the MSA/AA that resides in these geographies.

\*\*Two branches are located in undesignated areas.

