



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

June 9, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CenTrust Bank, NA
Charter Number: 24617

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Northbrook, IL 60062

Office of the Comptroller of the Currency
Chicago North Field Office
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Schaumburg, IL 60173

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

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INSTITUTION'S Community Reinvestment Act (CRA) RATING: This institution is rated Satisfactory.

The major factors supporting CenTrust Bank, NA's (CenTrust) rating include:

- The loan-to-deposit ratio is excellent given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the bank's AA.
- A majority of the loans to businesses are small loans and the overall distribution of loans to businesses of different sizes and borrowers of different incomes is adequate.

SCOPE OF EXAMINATION

This is the first CRA examination of CenTrust. The bank opened for business in April, 2006. Our evaluation covered the time period from the bank's opening through April, 2008. Based on the business strategy of the bank and the percentage of number and dollar amount of loans originated, it was determined that commercial lending was the primary loan category. While small business lending received more weight in reaching our overall conclusions, we did analyze consumer lending as well. The bank defines their AA to include a portion of the Lake County Illinois Metropolitan Division and a contiguous segment of the Chicago Metropolitan Statistical Area (MSA). Both areas were evaluated as full scope AAs.

DESCRIPTION OF INSTITUTION

CenTrust is a wholly owned subsidiary of CenTrust Financial, Inc., a one bank holding company. CenTrust is headquartered in Deerfield, IL, approximately 25 miles north of Chicago. CenTrust is a de-novo financial institution which opened for business on April 14, 2006 and as of December 31, 2007 had \$96 million in total assets. The bank has one operating subsidiary, a secondary market funded residential real estate mortgage origination company. The mortgage company was established in late 2007. Due to the broker nature of the mortgage company and the newness to the bank, the mortgage company's lending performance was not included in this CRA evaluation.

CenTrust offers traditional loan and deposit products and services with the emphasis being business banking. Consumer loans are primarily made on an accommodation basis for the bank's commercial clients. The bank has operated from a temporary office located on the second floor of an office building in Deerfield Illinois. The bank's permanent site is in the process of being finished. CenTrust is scheduled to move to their new location in June, 2008.

There are no financial circumstances, legal constraints, or other factors that would hinder CenTrust's ability to help meet the credit needs of their community.

DESCRIPTION OF ASSESSMENT AREA(S)

CenTrust has delineated their AA as a portion of the Lake County Illinois, a Metropolitan Division of the Chicago MSA and a contiguous portion of the Chicago MSA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The AA located in Lake County Illinois consists of 46 census tracts. In the bank's Lake County Illinois Metropolitan Division AA, there are no low-income census tracts, two (4%) moderate-income, four middle-income (9%) and 40 upper-income (87%) census tracts. Less than 3% of the AA's businesses are located in the moderate-income census tracts. Sixty-nine percent of the businesses have less than \$1 million in annual gross revenues and 61% have 1-4 employees. In the Lake County Metropolitan Division AA, 8% of the households are low-income households and another 8% are moderate-income households. Two percent of the AA's households are below the poverty level.

The Chicago MSA AA consists of 214 census tracts. There is one (less than 1%) low-income census tract, 12 (6%) moderate-income, 89 middle-income (42%) and 111 upper-income (52%) census tracts. Less than 1% of the AA's businesses are located in the low-income census tract and less than 6% are located in the moderate-income tracts. Sixty-seven percent of the businesses have less than \$1 million in annual gross revenues and 58% have 1-4 employees. In the Chicago MSA AA, 16% of the households are low-income households and 15% are moderate-income households. Five percent of the AA's households are below the poverty level.

Competition among financial institutions in the AA is strong. CenTrust competes with several large national and regional banks that are well established in their delineated community. According to the Federal Deposit Insurance Corporation's June 30, 2007 deposit market share report, CenTrust ranks 68th out of 82 financial institutions in their AA with a 0.10% of the deposit market share.

The community contact made during this examination identified the need for credit education, affordable housing, traditional consumer loans, as well as small business credit. The contact stated that all pressing credit needs in the community are being met by area financial institutions and that the area is experiencing the same financial hardships in the region/nation with higher than normal foreclosure rates and a relative slowdown in the local economy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

This CRA evaluation period covers the two years CenTrust has been open for business: April, 2006 through April, 2008. The loan to deposit ratio, lending performance factors, consumer complaints, and compliance with applicable fair lending laws and regulations were considered for the entire evaluation period. A full scope review was performed for both the Lake County Illinois Metropolitan Division portion of the bank's AA as well as the contiguous segment of the Chicago MSA that the bank delineates as their AA.

Loan-to-Deposit Ratio

CenTrust's quarterly average loan-to-deposit ratio is excellent given the bank's size, financial condition, and AA credit needs. CenTrust's quarterly average loan-to-deposit ratio for the evaluation period from April 14, 2006 to March 31, 2008 was 124 percent. The most recent loan to deposit ratio (March 31, 2008) was 93 percent. The quarterly loan-to-deposit ratio for other similar financial institutions ranged from 77 percent to 95 percent over the evaluation period.

Lending in Assessment Area

CenTrust Bank's record of lending within its AA is reasonable as a majority of the bank's loans sampled during our examination were originated within the delineated AA. The loan sample selected to review for the Lake County Metropolitan Division were all 48 loans we identified as being in Lake County Illinois. The sample selected for the Chicago MSA equaled 30% and 60% of the bank's remaining loan portfolio, commercial (61) and consumer (30) loans respectively. See the breakdown by loan type, number and dollar amount of loans in Table 1 below.

Table 1 – Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial	52	57.8	38	42.2	90	23,214	56.6	17,813	43.4	41,027
Consumer	34	69.4	15	30.6	49	8,786	92.9	671	7.1	9,457
Total	86	61.9	53	38.1	139	32,000	63.4	18,484	36.6	50,484

Source: Loan sample.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Business Loans:

The overall lending to borrowers of different incomes and to businesses of different sizes is adequate. Given the bank's focus on business banking, more weight was given to the performance for business lending. In addition, the volume of loans is greater in the Chicago MSA AA compared to the Lake County Metropolitan Division AA. Therefore, more weight was given to the bank's lending performance in the Chicago MSA.

Lake County Metropolitan Division

Lending to businesses with gross annual revenues of \$1 million or less in the Lake County Metropolitan Division is poor. The percentage of the bank's loans to businesses with gross annual revenues of \$1 million or less in the Lake County Metropolitan Division AA is significantly below the percentage of the businesses with gross annual revenues of \$1 million or less located in the Lake County Metropolitan Division AA. See Table 2 below.

Table 2 - Borrower Distribution of Loans to Businesses Lake County Metropolitan Division AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.7	7.7	23.6	100%
% of Bank Loans in AA by #	28.6	71.4	0	100%
% of Bank Loans in AA by \$	5.5	94.5	0	100%

Source: Loan sample; Dunn and Bradstreet data.

The distribution of loans to businesses by loan size in the Lake County Metropolitan Division AA is adequate. Fifty-seven percent of the banks business loans in the Lake County Metropolitan Division AA are \$500,000 or less. See Table 2A below.

Table 2A - Borrower Distribution of Loans to Businesses by Loan Size Lake County Metropolitan Division AA		
Loan Size (000's)	Number of Loans	Percent of Number
\$0 - \$100,000	3	21.4
\$100,001 - \$250,000	1	7.1
\$250,001 - \$500,000	4	28.6
\$500,001 - \$1,000,000	2	14.3
Over \$1,000,000	4	28.6

Source: Loan sample.

Chicago MSA

Lending to businesses with gross annual revenues of \$1 million or less in the Chicago MSA AA is good. The percentage of the bank's loans to businesses with gross annual revenues of \$1 million or less in the Chicago MSA AA is close to the percentage of the businesses with gross annual revenues of \$1 million or less in Chicago MSA AA. See Table 3 below.

Table 3 - Borrower Distribution of Loans to Businesses Chicago MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	66.6	8.6	24.9	100%
% of Bank Loans in AA by #	57.9	42.1	0.00	100%

% of Bank Loans in AA by \$	44.2	55.8	0.00	100%
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Source: Loan sample; Dunn and Bradstreet data.

The distribution of loans to businesses by loan size in the Chicago MSA AA is good. Eighty-four percent of the banks business loans in the Chicago MSA AA are \$500,000 or less. See Table 3A below.

Table 3A - Borrower Distribution of Loans to Businesses by Loan Size Chicago MSA AA		
Loan Size (000's)	Number of Loans	Percent of Number
\$0 - \$100,000	11	28.9
\$100,001 - \$250,000	13	34.2
\$250,001 - \$500,000	8	21.1
\$500,001 - \$1,000,000	4	10.5
Over \$1,000,000	2	5.3

Source: Loan sample.

Taking into consideration the bank's composite good performance in making small loans to businesses and the overall adequate performance in lending to businesses with gross annual revenues of \$1 million or less, the bank's distribution of loans to small businesses is adequate.

Consumer Loans:

Lake County Metropolitan Division

Lending to low- or moderate-income consumers in the Lake County Metropolitan Division AA is poor. While the bank did not make any loans to low- or moderate-income borrowers in their Lake County Metropolitan Division AA, it should be recognized that the bank has only made a total of 13 consumer loans in the Lake County Metropolitan Division AA. See Table 4 below.

Table 4 - Borrower Distribution of Consumer Loans Lake County Metropolitan Division AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	7.9	0	8.4	0	11.8	15.4	71.9	76.9

Source: Loan sample and U.S. Census data. 7.7% of the consumer loans in our sample did not have revenue data available.

Chicago MSA

Lending to consumers with low or moderate- income levels in the Chicago MSA AA is adequate. While the bank’s lending performance to low-income borrowers in the Chicago MSA AA is poor, the percentage of loans made to moderate-income borrowers in the Chicago MSA AA is close to the percentage of the AA area’s moderate-income households and is considered good. See Table 5 below.

Table 5 - Borrower Distribution of Consumer Loans Chicago MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	15.6	0	15.1	14.3	19.8	19.1	49.5	61.9

Source: Loan sample and U.S. Census data. 4.7% of the consumer loans in our sample did not have revenue data available.

The overall lending to consumers with low- and moderate-income levels in the Lake County Metropolitan MSA AA and the Chicago MSA AA is adequate.

Geographic Distribution of Loans

Business Loans:

Overall, the bank's business lending in low- and moderate-income geographies is poor. The bank did not originate any business loans in low- or moderate-income census tracts in either AA. Our analysis was based on the commercial loan samples selected within each AA. It is noted that business opportunities in the low- and moderate-income delineated areas are minimal. In addition, as this bank is a de-novo financial institution, initial loan production has been more geographically scattered as it has been primarily reliant upon prior relationships with the bank’s loan officers. See Tables 6 and 7 below.

Table 6 - Geographic Distribution of Loans to Businesses Lake County Metropolitan Division AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	NA	NA	2.9	0	9.5	7.1	87.6	92.9

Source: Loan sample and U.S. Census data.

Table 7 - Geographic Distribution of Loans to Businesses Chicago MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	0.8	0.00	5.8	0.00	44.2	50.0	49.2	50.0

Source: Loan sample and U.S. Census data.

Consumer Loans

The geographic analysis of consumer loans was based on the loans from our sample of consumer loans that were originated within the bank's AA during the evaluation period. Overall, CenTrust's geographical distribution of consumer loans to low- and moderate-income geographies is adequate.

There are no low-income census tracts in the Lake County Metropolitan Division and the bank's lending performance in moderate-income census tracts exceeded the percentage of the AA households in moderate-income tracts. The geographic distribution of consumer loans within the Lake County Metropolitan Division is excellent. The bank did not originate any loans in the low- or moderate-income census tracts within the Chicago MSA. The geographic distribution of consumer loans in the Chicago MSA is poor. See Tables 8 and 9 below.

Table 8 - Geographic Distribution of Consumer Loans Lake County Metropolitan Division AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	NA	NA	5.1	7.7	10.4	15.4	84.5	76.9

Source: Loan sample and U.S. Census data.

Table 9 - Geographic Distribution of Consumer Loans Chicago MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.5	0	5.8	0	47.4	19.1	46.3	80.9

Source: Loan sample and U.S. Census data.

Responses to Complaints

CenTrust has not received any written comments or complaints regarding its performance in its efforts to help meet the credit needs of their delineated AAs during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.