



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

July 28, 2003

### Community Reinvestment Act Performance Evaluation

**MB Financial Bank, N. A.  
Charter Number: 13684  
801 West Madison Street  
Chicago, Illinois 60607**

**Office of the Comptroller of the Currency  
Chicago South Field Office  
7600 County Line Road Unit 3  
Burr Ridge, Illinois 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 **MB Financial Bank, N. A.** with respect to the Lending, Investment, and Service Tests:

Performance Levels	MB Financial Bank, N.A. 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 levels reflected excellent responsiveness by MB to the credit needs of its Assessment Area (AA).
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- The bank's level of community development lending was excellent.
- The distribution of borrowers reflects excellent penetration among retail customers of different income levels and businesses of different sizes.
- The bank has an excellent level of qualified community development investments and grants, often in a leadership position, and exhibits excellent responsiveness to credit and community economic development needs.
- The bank's delivery systems are readily accessible to all portions of the AA.
- The bank is a leader in providing community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental 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.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage,

small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**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 Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those

branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One 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:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## **Description of Institution**

MB Financial Bank, N.A. (MB), with assets of \$3.4 billion as of March 31, 2003, is a full service commercial bank headquartered in Chicago, Illinois. MB is a wholly owned subsidiary of MB Financial, Inc. (MBFI), a \$4.3 billion, multi-bank holding company headquartered in Chicago, Illinois.

At March 31, 2003, MBFI was the holding company for three banking subsidiaries and two capital trust subsidiaries. The banking subsidiaries were MB, Union Bank, N.A. in Oklahoma City, Oklahoma, and the recently acquired South Holland Trust and Savings Bank, in South Holland, Illinois.

MB, the largest of the banks, resulted from the November 2001 merger of the former Manufacturers Bank and the former Illinois subsidiaries of the MidCity Financial Corporation, which included Mid-City National Bank of Chicago, the First National Bank of Morton Grove and the First National Bank of Elmhurst.

MB is an intrastate bank with 32 banking center locations consisting of 30 full service locations and two limited service facilities serving all of Cook and DuPage Counties, both of which are in the Chicago Metropolitan Area (MA). Sixteen of the Bank's offices are located in Chicago, fourteen in suburban Cook County and two in DuPage County. The bank also has 57 ATM locations, 52 of them are within the assessment area (AA).

MB maintains a wholly owned subsidiary, MB Financial Community Development Corporation (CDC). The Bank utilizes the CDC, which possesses common management and directors, to facilitate some of its community development lending, investment and service initiatives within the assessment area. All of the CDC's activities were solely attributable to MB and were considered in the bank's CRA performance evaluation.

As a result of significant merger activity as described below, the bank also owns other subsidiaries. MB has three insurance subsidiaries, three leasing subsidiaries, an asset management subsidiary, a real estate investment trust subsidiary, an investment services subsidiary, a facilities management subsidiary, a subsidiary for other real estate owned and a deferred exchange subsidiary. All subsidiaries are one hundred percent owned by MB except two of the lease subsidiaries, which are sixty percent owned by MB. Subsidiary financial data is consolidated into the bank's financial information.

### **Merger Activity During the Evaluation Period**

MB is the result of significant merger activity that took place during the evaluation

period. The November 2001 merger of Manufacturers Bank and the Mid-City Banks brought together two of the oldest middle-market, community-focused banks in the Chicago area. Mid-City was founded in 1911 and Manufacturers Bank was founded in 1934. Prior to the November 2001 merger, each organization expanded through a number of acquisitions.

Manufacturers Bank had grown substantially in the past several years. It acquired Peterson Bank in 1995 and U.S. Bank in 1997. In February 1999, Manufacturers Bank merged with Avondale Federal Savings Bank. In May 2001, First Savings and Loan Association of South Holland was acquired and merged into Manufacturers Bank. The resulting institution held approximately \$1.4 billion in assets.

The Mid-City National Bank, the largest bank held by the MidCity Financial Corporation, also had expanded through numerous acquisitions. In 1984, the Mid-City National Bank assumed the deposit liabilities of the failed United of America Bank and in 1991, the bank assumed the deposit liabilities of the failed Clyde Federal Savings Association. During 1995, the bank acquired Peoples Federal Savings and Loan and in 1999, Damen National Bank was acquired. Each institution was merged into the Mid-City National Bank.

MidCity Financial Corporation was also involved in several acquisitions during this time frame. The First National Bank of Morton Grove was acquired by the holding company during 1982. The First National Bank of Elmhurst was acquired in 1986. In November 2001, both of these banks were merged into Mid-City National Bank.

On November 7, 2001, Manufactures Bank, The First National Bank of Morton Grove and The First National Bank of Elmhurst were merged into Mid-City National Bank. Mid-City National Bank, the surviving bank, was renamed MB Financial Bank, N.A. on November 15, 2001, one week after the merger.

On April 5, 2002, MB acquired and merged the First National Bank of Lincolnwood, a \$240 million bank based in Lincolnwood, Illinois.

A description of the merger activity during the evaluation period is as follows:

- 6/30/99 - Damen National Bank merged into Mid-City National Bank
- 5/14/01 – First Savings and Loan of South Holland merged into Manufacturers Bank
- 11/7/01 – Manufacturers Bank merged into Mid-City National Bank
- 11/7/01 – First National Bank of Morton Grove merged into Mid-City National Bank
- 11/7/01 – First National Bank of Elmhurst merged into Mid-City National Bank
- 11/15/01 – Mid-City National Bank changed its name to MB Financial Bank, N.A.
- 4/5/02 – First National Bank of Lincolnwood was merged into MB Financial

Bank, N. A.

Data from the non-surviving banks was considered for the entire year of the merger. The surviving bank elected to file a consolidated LAR for the entire year and the non-surviving bank's AA overlapped or was part of the surviving bank's AA.

As a full service commercial bank, MB offers a full range of commercial banking products including credit, deposit, cash management, leasing and investment products.

MB's business strategy includes delivering competitive personalized service to privately owned small to middle market businesses as well as to individual customers in the neighborhoods where the bank has locations.

MB Financial Bank reported \$3.4 billion in total assets, \$2.3 billion in total loans, \$2.7 billion in total deposits and \$255 million in Tier One Capital according to the March 31, 2003 Report of Condition. Net loans represented 69 percent of total assets. The composition of the bank's net loan portfolio was allocated as follows: \$1.5 billion or 64 percent real estate loans, \$814 million or 35 percent commercial and industrial loans, and \$49 million or one percent other loans.

There were no financial or legal impediments that affect the bank's ability to provide lending, investment and services within its AA.

The last CRA examination was dated March 30, 1998 and covered the period from January 1, 1996 through December 31, 1997. This previous examination was based on the former Mid City National Bank charter and was rated Satisfactory.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period of home mortgage loans and loans to small businesses and farms was January 1, 1998 to December 31, 2002. The evaluation period of consumer loans was January 1, 1998 to December 31, 2000 and from January 1, 2002 to December 31, 2002. The evaluation period for community development (CD) loans, the Investment Test and the Service Test, was January 1, 1998 to July 28, 2003.

For the Lending Test, MB's origination and purchase of home mortgage loans, small loans to businesses, consumer loans and CD loans were evaluated. Loans to small farms were not evaluated because the low volume of these loans would not yield any meaningful analysis. For the Investment Test, current balances of qualified investments made in prior periods and qualified investments made in the current period were evaluated. For the Service Test, the geographic distribution of branches, the bank's record of opening and closing branches, and retail and CD services were evaluated.

Market share data for home mortgage loans and small loans to businesses were based on 2001 aggregate data, which were the most current data available at the time the bank's CRA performance was evaluated.

### **Data Integrity**

As part of this CRA evaluation, we tested a representative sample of MB's publicly filed data on home mortgage loans and small loans to businesses for accuracy. This evaluation was based on accurate loan, investment and community development services data.

The review included loans originated in 1998 through 2002. We found significant errors in the 1998 and 1999 Home Mortgage Disclosure Act (HMDA) data and in the 1998, 1999, 2001 and 2002 small business data. The bank reviewed its data and made necessary corrections. We tested a sample of the revised data and determined that it was accurate and reliable. We used the corrected 1998 and 1999 home mortgage loan data and the publicly filed home mortgage loan data for 2000, 2001 and 2002. We used the publicly filed 2000 small business data and the corrected 1998, 1999, 2001 and 2002 small business data.

The bank elected to have its consumer loans evaluated. We tested the accuracy of the bank's consumer loan data from 1998 through 2002. We found significant errors in the 2001 and 2002 data. The bank corrected its 2002 data and we tested a sample of the revised data. We found it to be accurate and reliable. The bank elected not to correct its 2001 consumer data. We used the 1998, 1999, 2000 and corrected 2002 consumer data.

We reviewed the bank's lists of qualified investments, CD loans, and CD services. We determined that some items did not meet the definition of a qualified investment, CD loan, or CD service. We used corrected lists for our evaluation analyses.

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

The bank has one assessment area, the Chicago AA. It includes all of Cook and DuPage Counties in the Chicago MA in the state of Illinois. This AA received a full scope review. See Appendix A for more information.

### **Ratings**

The bank's overall rating is based on its one AA, which received a full-scope review. The Lending Test was weighted more heavily than the Investment Test and Service Test.

### **Other**

During this examination, we conducted two community contact interviews in the Chicago AA. Both contacts were community groups located in the City of Chicago. Both contacts stated that affordable housing and commercial development were primary credit needs within the community. The contacts also stated that the area banks are active in the community. Both contacts mentioned MB as an active participant within 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. Based on the full-scope review, the bank's performance in the Chicago AA is excellent.

#### **Lending Activity**

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

Lending levels reflected excellent responsiveness by MB to the credit needs of its AA.

Approximately 75 percent of the bank's total home mortgage loans, small loans to businesses and consumer loans that were originated and purchased over the evaluation period were within the bank's AA. Approximately 28 percent of these loans were home mortgage loans, 45 percent were small loans to businesses and 27 percent were consumer loans. Among the home mortgage loans, approximately 47 percent were for refinance, 26 percent for home purchase, 15 percent for home improvement and 12 percent for multi-family. In view of these statistics, we gave the most weight in our analysis to small loans to businesses.

MB was one of the top 15 financial institutions in terms of deposits in the bank's AA. Based on June 30, 2002 FDIC deposit statistics, MB had a deposit market share of 1.7 percent and ranked 12th of 225 banks with branches in the bank's AA. The top five banks were large regional banks with a combined deposit market share of 46 percent.

Based on 2001 aggregate HMDA market share data, MB ranked 123<sup>rd</sup> out of 955 lenders making home mortgage loans in the bank's AA, which places the bank in the 87<sup>th</sup> percentile with a 0.15% market share. Seven of the top eight lenders were large nationwide mortgage lenders and together account for 25 percent of the market share. The bank ranked 13<sup>th</sup> out of 324 lenders making small business loans in the bank's AA, which places the bank in the 96<sup>th</sup> percentile with a 1.17% market share. The top seven small business lenders were nationwide credit card lenders.

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

The geographic distribution of loans reflected excellent penetration throughout the AA. This analysis was based on the bank's lending performance in the Chicago AA,

which contains 272 low-income and 340 moderate-income geographies. The volume of small loans to farms was insignificant and therefore an analysis of their distribution would not be meaningful.

### ***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 MB's home mortgage loans reflected an excellent distribution among low- and moderate-income geographies in the Chicago AA.

The geographic distribution of home purchase loans in the Chicago AA was excellent. The geographic distribution of home purchase loans to both low-income and moderate-income geographies exceeded the percentage of owner-occupied housing units located in low-income and moderate-income geographies. The bank's market share in low-income geographies significantly exceeded the bank's overall market share. The bank's market share for moderate-income geographies was below its overall market share.

The geographic distribution of home improvement loans was excellent. The geographic distribution of home improvement loans to both low-income and moderate-income geographies exceeded the percentage of owner-occupied housing units located in both low-income and moderate-income geographies. The bank's market share in both low-income and moderate-income geographies significantly exceeded the bank's overall market share.

The geographic distribution of refinance loans was excellent. The geographic distribution of refinance loans to both low-income and moderate-income geographies exceeded the percentage of owner-occupied housing units located in both low-income and moderate-income geographies. The bank's market share in low-income geographies was significantly below the bank's overall market share. The bank's market share in moderate-income geographies equaled the bank's overall market share.

### ***Multi-Family Loans***

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of multi-family loans.

The geographic distribution of multi-family loans in the Chicago AA was excellent. The percentage of multi-family loans in low-income geographies was near to the percentage of multi-family units located in low-income geographies. The percentage of multi-family loans in moderate-income geographies significantly exceeded the percentage of multi-family units located in moderate-income

geographies. The bank's market share in both low-income and moderate-income geographies was slightly less than its overall market share.

### ***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 geographic distribution of small loans to businesses in the Chicago AA was excellent. The geographic distribution of small loans to businesses in both low-income and moderate-income geographies significantly exceeded the percentage of businesses located in both low-income and moderate-income geographies. The bank's market share in both low-income geographies and in moderate-income geographies significantly exceeded its overall market share.

### ***Consumer Loans***

Refer to Table 13 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans in the Chicago AA was good. The geographic distribution of consumer loans in low-income geographies exceeded the percentage of households located in low-income geographies. The geographic distribution of consumer loans in moderate-income geographies was below the percentage of households located in moderate-income geographies.

### ***Lending Gap Analysis***

Reports detailing MB'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. No unexplained conspicuous gaps were identified in the bank's AA.

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

A majority (75 percent) of small loans to businesses, home mortgage loans and consumer loans that were originated and purchased by MB over the evaluation period were within its AA. Sixty-three percent of the bank's small loans to businesses, 86 percent of the bank's home mortgage loans and 91 percent of consumer loans were within the bank's AA. The inside/outside ratio analysis was performed at the bank level and included all bank originations and purchases. This performance was positively factored into the overall analysis of the bank's geographic distribution of lending by income level of geography.

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

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different sizes. This analysis is based on the bank's lending performance to low- and moderate-income borrowers and to businesses with revenues less than one million dollars in the Chicago AA. The volume of small loans to farms was insignificant and therefore an analysis of their distribution would not be meaningful.

### ***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 borrower distribution of MB's home mortgage loans reflected an excellent distribution among low-, moderate-, middle- and upper-income borrowers in the Chicago AA.

The borrower distribution of home purchase loans in the Chicago AA was good. The distribution of home purchase loans to low-income borrowers was below the percentage of low-income families living in the Chicago AA. However, nearly 12 percent of the households are below the poverty level making it difficult for residents to purchase homes. The distribution of home purchase loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families living in the Chicago AA. The bank's market share to low-income borrowers exceeded its overall market share to all borrowers. The bank's market share to moderate-income borrowers was below its overall market share.

The borrower distribution of home improvement loans was excellent. The distribution of home improvement loans to low-income borrowers met the percentage of low-income families living in the Chicago AA. The distribution of home improvement loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. The bank's market share to low-income borrowers exceeded its overall market share. The bank's market share to moderate-income borrowers was below its overall market share.

The borrower distribution of refinance loans was excellent. The distribution of refinance loans to low-income borrowers was significantly below the percentage of low-income families. However, nearly 12 percent of households are below the poverty level making it difficult for residents to purchase and subsequently refinance homes. The distribution of refinance loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families living in the Chicago AA. The bank's market share to low-income borrowers was below the

bank's overall market share. The bank's market share to moderate-income borrowers exceeded its overall market share.

### ***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 borrower distribution of small loans to businesses in the Chicago AA was good. The distribution of small loans to businesses with less than \$1 million in gross revenue was below the percentage of small businesses. The bank's market share to businesses with less than \$1 million in gross revenue significantly exceeded its market share to all businesses regardless of revenue. The bank ranked 13<sup>th</sup> out of 324 lenders, which places the bank in the 99<sup>th</sup> percentile. The top seven lenders were credit card issuers who, combined, accounted for 63 percent of the total market share.

The fact that no revenue information was reported for approximately 26 percent of these loans adversely affects this comparison. Collection of revenue information is optional, however the absence of revenue information has an unknown effect on the bank's true lending performance to small businesses.

### ***Consumer Loans***

Refer to Table 13 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans in the Chicago AA was excellent. The distribution of consumer loans to both low-income borrowers and moderate-income borrowers significantly exceeded the percentage of both low-income and moderate-income households located in the Chicago AA.

### **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 (CD) lending.

CD lending had a positive effect on the Lending Test conclusions. The bank's volume of CD lending was responsive to the ample opportunities in the AA.

The bank's level of CD lending was excellent. During the evaluation period, MB originated 34 CD loans in the AA totaling \$51.8 million. This represents 20 percent of Tier One Capital, which represents a significant allocation of bank resources.

- A \$2.3 million loan was made to a local redevelopment corporation to fund the construction of the Gateway Centre Apartments, a 120 unit affordable housing residential complex for seniors. This project is also funded by advances from the Illinois Housing Development Authority, the City of Chicago Home Loan program and an allocation of Low-Income Housing Tax credits.
- The bank originated a \$1.5 million loan to finance the interim warehousing of loans made by Neighborhood Lending Services, Inc (NLS) to individual owner-occupant borrowers under various programs of Neighborhood Housing Services of Chicago. NLS is a non-profit corporation, Illinois Residential Mortgage licensee and subsidiary of Neighborhood Housing Services of Chicago involved in neighborhood housing revitalization in low- and moderate-income neighborhoods throughout the City of Chicago.
- MB originated a \$900,000 revolving line of credit to a not-for-profit organization to provide short-term residential and outpatient treatment and detoxification services to individuals experiencing alcohol and drug related illness, homelessness, prenatal care to unwed mothers and general support services to low-income families in Chicago. Services provided include assessment, education, counseling referral and aftercare. The funds are used to bridge cash flow gaps due to payment delays from their revenue sources, which include Medicaid payments and State of Illinois and City of Chicago funding sources.
- The bank made 12 loans totaling \$28.3 million to Medicaid funded nursing home facilities serving a low- to moderate-income population. Residents are low- or no-income individuals supported by Medicaid.

### **Product Innovation and Flexibility**

MB utilizes two direct loan programs to augment its lending initiatives to provide financing to customers, individuals and small businesses. Because of the low volume of loans, these programs had a neutral impact on the evaluation of the bank's lending performance.

- Illinois First Time Homebuyers Program -The program offered through the Illinois Housing Development Authority (IHDA) and the State of Illinois provides access to special financing and terms for first time homebuyers. First time homebuyers may obtain mortgage loans at below market rates, which are subsidized by IHDA. At July 28, 2003, the bank had 2 loans outstanding totaling \$189 thousand.
- DuPage Homeownership Center: Dupage Homestead Program -This loan program is targeted and available to low- to moderate-income individuals in DuPage County, purchasing their first home. The program involves subsidized

layers of financing, including 19 percent of the purchase price financed at 0 percent interest and 23 percent of the purchase price at 4 percent. The bank has not granted any loans during the evaluation period.

## **INVESTMENT TEST**

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

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Based on the full scope review, MB'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.

During the evaluation period of January 1, 1998 through July 28, 2003 the bank's qualified investments and donations in its AA totaled \$18.5 million or 7.2 percent of Tier One Capital, which represents a significant allocation of bank resources. Of the \$18.5 million, investments made during the current evaluation period totaled \$13 million, investments made prior to January 1, 1998 that are still on the bank's books totaled \$5 million, and grants totaled \$500 thousand.

Many of the bank's investments were complex. Many involved multiple layers of financing from a variety of entities and/or more sophisticated investment vehicles, such as low-income housing tax credits.

The primary credit needs of the Chicago AA are affordable housing for low- and moderate-income individuals and economic development. These investments are very responsive to the identified credit needs of the community.

Some of the more significant qualifying investments and donations that were made during this evaluation period follow:

- MB invested \$1.9 million with Community Investment Corporation, a 25 year-old Chicago based non-profit mortgage banking organization, which provides financing for acquisition and rehabilitation or new construction of multi-family affordable housing in the six county metropolitan Chicago area.
- MB has an equity investment of \$260 thousand with Chicago Equity Fund 95 Limited Partnership, a low-income housing tax credit "LIHTC" project. The purpose of the limited partnership is to acquire limited interests in partnerships engaging in the acquisition, rehabilitation or new construction of multi-family housing for low-income households located in various

neighborhoods in the City of Chicago. This is considered a complex investment.

- MB invested \$47 thousand with Neighborhood Housing Services (NHS), a Neighborhood Ownership Recovery Mortgage Assistance Loan Program (NORMAL). Loan pools originated by NHS through NHS' NORMAL program secure this investment. Loans in the NORMAL program are used to refinance sub-prime loans and to combat the pattern of predatory lending throughout the City of Chicago.
- MB invested \$606 thousand with NHS Lending Services, which is secured by loan pools originated by NHS through different NHS Loan Programs including: Chicago Family Housing fund, NeighborLoans, Chicago Home Improvement Program (CHIP), and First Mortgages-NHS Neighborworks.
- MB invested \$1.8 million with Neighborhood Lending Services (NLS). Proceeds were used to support working capital for warehousing of first mortgage assets, interim financing for redevelopment and temporary working capital pending cash receipt of pledges at fiscal year end. Funds were also used to purchase new and existing residential loans secured by 1st and 2nd mortgages originated through various borrower origination programs. This is considered a complex investment.

MB also made a total of 223 cash contributions and donations totaling \$527 thousand to community development organizations. Some of the notable qualifying grants and donations are as follows:

- \$171 thousand to Neighborhood Housing Services - This non-profit organization provides services and financing for the purchase and rehabilitation of affordable housing in low- and moderate-income neighborhoods in Chicago.
- \$22 thousand to McDermott Foundation, Inc - This foundation provides short-term residential and outpatient treatment to men and women experiencing alcohol and drug related illnesses, homelessness, prenatal care to unwed mothers and general help and services to low-income families.
- \$18 thousand to Duncan YMCA - This organization services low-income residents of the west side of Chicago. This donation primarily provided funds to support the day care center.

## **SERVICE TEST**

The bank's performance under the Service Test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Chicago AA is excellent.

## **Retail Banking Services**

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

MB's delivery systems are readily accessible to all portions of the AA. MB operates thirty-two branches in the AA. Of these, five are located in low-income geographies, which exceeds the percentage of the population that resides in low-income geographies. Two branches are located in moderate-income geographies, which is below the percentage of the population in those geographies. However, both of these branches are accessible to a larger low- and moderate-income population. In both instances, the geography where the branches are located is surrounded by low- and moderate-income geographies.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. MB has not opened any full-service office locations during this evaluation period. The bank has closed two branches located in upper income geographies in the Chicago suburbs. These branch closings did not have a significant impact on the bank's accessibility for low- and moderate-income persons.

MB's banking services and hours do not vary in a way that inconveniences portions of the AA, particularly low- and moderate-income individuals.

The distribution of automated teller machines (ATMs) is good. MB operates 57 ATMs in the AA. Twenty-seven are full-service and thirty are cash dispensing and funds transfer only. Ten percent of the cash dispensing ATMs and 16 percent of the deposit taking ATMs are located in low-income geographies. Twelve percent of the population lives in low-income geographies. Forty of the ATMs are located at or in the vicinity of various MB branch locations. Of the 17 ATMs that are located offsite, ten are located at off-track betting establishments throughout Illinois.

MB's alternate delivery systems include telephone banking, an automated telephone system, and Internet banking. However, MB 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**

MB is a leader in providing community development services which are highly responsive to community needs. The bank has been involved with an excellent number of community development activities within its assessment area. In many instances representatives of the bank have acted in a leadership capacity. Involvement has been in organizations that have as their primary purpose affordable housing,

community services targeted to low- or moderate-income persons, and economic development by financing small business and revitalization of low-or moderate-income neighborhoods. Several examples are detailed below:

- Affordable Housing Program of the Federal Home Loan Bank - The bank has established itself as one of the leading facilitators of Affordable Housing Program (AHP) subsidies through the Federal Home Loan Bank (FHLB). Under this program, funds are provided to community organizations and other entities that develop affordable housing projects through the support of FHLB members. As a lead bank, the Bank plays a critical role in the success of securing these subsidies through the provision of technical assistance, completing the extensive application and monitoring the project. Since January 2001, the Bank has prepared and submitted applications for grants on behalf of 14 organizations totaling \$1.3 million.
- Regional Redevelopment Corporation and Regional Redevelopment Corporation of the South Suburbs - The president of the MB CDC has served as the chair of the Single Family Housing committee and as a member of the finance committee. These non-profit corporations serve low-income housing and home ownership needs. They develop new senior housing under the Section 202 (low income) HUD programs, rehabilitate existing FHA foreclosed properties, and build new single-family homes for sale to low-income qualified households. These corporations focus on the Riverdale neighborhood of the City of Chicago and the Village of Riverdale, Dolton, South Holland, Harvey and other small cities in the immediate south suburbs.
- Neighborhood Housing Services of Chicago, Inc. - This non-profit organization serves low- and moderate-income housing and home ownership needs in low- and moderate-income neighborhoods in the City of Chicago. The program originates loans, develops residential properties, and provides neighborhood redevelopment guidance in 13 low-income neighborhoods. They also provide credit counseling and anti-predatory lending guidance to low- and moderate-income households throughout the city. The president of the CDC and another bank officer are members of four committees, including the Finance Committee. He is also the Vice President in Charge of Resource Development for this organization.
- Taherah Towers, Inc. - A bank officer sits on the Finance Committee of this non-profit organization. The organization provides shelter and counseling services for the homeless in Chicago.
- Greater Southwest CDC - The bank's CDC president assisted this organization by developing a financial plan for a Community Development Financial Institution (CDFI) application. This non-profit organization provides financial and housing counseling to low- and moderate-income households, manages economic

development programs to reclaim land for factories. The organization also develops programs to deal with foreclosure intervention and housing abandonment.

- OAI, Inc. and Erie Neighborhood House - These non-profit organizations provide training for low- and moderate-income individuals for bank teller and customer service positions. Bank employees teach and participate in developing curriculum.
- Resurrection Project - This non-profit organization is involved in a number of community development activities within the Pilsen neighborhood. A bank officer sits on the loan committee of one of the organization's affordable housing programs.
- Accion Chicago - This organization provides micro lending for small businesses and entrepreneurs who do not qualify for bank financing. A bank officer serves on the loan committee.
- Berywn Development Council - This organization provides alternative financing for small businesses. A bank officer serves as a loan committee member.

In addition, the president of the bank's CDC participates on several national community development organizations and committee boards. Examples of these activities are listed below:

- Federal Reserve Bank - He participates in the Mortgage Credit Access Partnership, the Credit Scoring Best Practices Guide Committee, and Small Capital Access Partnership (SECAP). He also participates on the Consumer Advisory Council on the Community Affairs and Housing Committee and the Compliance and Community Reinvestment Act Committee.
- National Anti-Predatory Lending Task Force - The task force provides education and other programs to prevent predatory lending from adversely impacting low- and moderate-income households. He participates as a Board member for this organization.
- National Community Development Loan School (Federal Reserve Bank of San Francisco) - This school instructs lenders and community leaders in the fundamentals of commercial/residential lending. The CDC President is on the Curriculum Advisory Committee and is an instructor for the school.

## 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 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 Consumer and CD Loans): 01/01/1998 to 12/31/2002 Consumer Loans 01/01/1998 to 12/31/2000 and 01/01/2002 to 12/31/2002 Investment and Service Tests and CD Loans: 01/01/1998 to 7/28/2003	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
MB Financial Bank, N. A. (MB) Chicago, Illinois	Home mortgage loans, small business loans, consumer loans, CD loans, CD investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
MB Financial Community Development Corporation (CDC)	Bank Subsidiary	Community Development Loans, Investments and Services.
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Chicago AA - Cook and DuPage Counties in Chicago MA #1600	Full-Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

<b>Market Profiles for Areas Receiving Full-Scope Reviews</b>	
Cook and DuPage Counties in Chicago MA .....	B-1

## Chicago AA

Demographic Information for Full-Scope Area: Chicago AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,468	18.53	23.16	35.49	21.25	1.57
Population by Geography	5,886,733	11.80	21.75	40.03	26.39	0.04
Owner-Occupied Housing by Geography	1,250,724	3.61	14.32	47.17	34.91	0.00
Businesses by Geography	277,752	5.13	12.41	38.12	42.64	1.69
Farms by Geography	2,841	1.69	7.43	43.61	46.92	0.35
Family Distribution by Income Level	1,466,804	21.67	17.68	23.39	37.26	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	577,170	20.90	30.61	37.11	11.39	0.00
Median Family Income	42,758	Median Housing Value		\$124,745 3.82 %		
HUD Adjusted Median Family Income for 2002	75,400	Unemployment Rate				
Households Below the Poverty Level	11.53%					

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

Source: 1990 U.S. Census, and 2002 HUD updated MFI.

## DESCRIPTION OF ASSESSMENT AREA

MB is headquartered in Chicago, Illinois. The main location is west of the downtown area of the city. The bank's branches are located within the city and in a number of suburban areas. The bank's AA consists of portions of the Chicago MA 1600. It contains two counties and 1,468 geographies. This is a majority (83 percent) of the geographies within the MA. As noted in the above table, there are a significant number of low- and moderate-income geographies in the bank's AA. MB's AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

As of June 30, 2002, 100 percent of MB's deposits were derived from this AA. Over the evaluation period, 86 percent of the home mortgage loans, 63 percent of the small loans to businesses, and 91 of consumer loans were derived from this AA.

MB's deposits in the AA total approximately \$2.8 billion. Based on FDIC deposit market share data as of June 30, 2002, this equates to a 1.7 percent deposit market share, ranking MB as the 12th largest deposit taking institution in the AA. The leading deposit taking institution has a 16.3 percent deposit market share.

Competition within this market is strong. A large number of other financial and non-financial institutions compete in this market, including nationwide, regional and small and medium sized community banks. In addition, a number of large non-bank financial institutions operate in the market, such as mortgage lenders. The 2001 aggregate HMDA data shows a total of 955 lenders competing in the AA.

The employment base and primary industries in the AA are service oriented (40 percent), followed by retail trade (16 percent). A majority of the businesses in the area employ between one and four employees. Seventy-four percent of the small businesses in this AA report gross revenues of \$ 1 million or less. The largest employers in the AA include Chicago Public Schools, City of Chicago, Jewel-Osco, Cook County, and Ameritech.

The unemployment rate for the Chicago MA is high at 6.7 percent as of June 2003. This is higher than both the national unemployment rate of 6.2 percent as of July 2003 and the State of Illinois rate of 6.3 percent in June 2003. In addition, a large percentage of households in the AA live below the poverty level (11.53 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 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 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 Multi-Family Loans** – See Table 2
- 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.
- 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.

**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 MSA/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 MSA/assessment area.

**Table 14. 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 bank's financial reporting system.

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

Institution ID: 10000013684 MB FINANCIAL BANK, NA

Table 1. Lending Volume

LENDING VOLUME												
Geography: CHICAGO AA												
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% 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>												
Chicago AA	100.00	1,807	333,109	2,963	634,815	1	17	34	51,800	4,805	1,019,741	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 1998 to July 28, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 10000013684 MB FINANCIAL BANK, NA

Table 1. Other Products

LENDING VOLUME		Geography: CHICAGO AA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002								
MA/Assessment Area (2002):	% 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>														
Chicago AA	100.00	1,791	90,153	23	4,720	764	62,432	307	4,298	0	0	384	8,623	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2002, except that 2001 data was not used.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 10000013684 MB FINANCIAL BANK, NA

**Table 1. Other Products**

LENDING VOLUME		Geography: CHICAGO AA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Chicago AA	313	10,080	0	0	

\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2002, except that 2001 data was not used.

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

Geographic Distribution: HOME PURCHASE															Geography: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Chicago AA	465	100.00	3.61	8.39	14.32	19.14	47.17	40.00	34.91	32.04	0.10	0.20	0.08	0.10	0.08									

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

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

Geographic Distribution: HOME IMPROVEMENT		Geography: CHICAGO AA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002						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>																
Chicago AA	277	100.00	3.61	10.47	14.32	21.30	47.17	41.52	34.91	26.35	0.63	1.17	0.83	0.55	0.51	

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					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>																
Chicago AA	842	100.00	3.61	5.23	14.32	17.10	47.17	46.08	34.91	31.59	0.10	0.06	0.10	0.13	0.08	

\* Based on 2001 Peer Mortgage Data: Central Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															
Geography: CHICAGO AA															
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago AA	223	100.00	16.54	15.70	21.79	32.29	35.84	41.70	25.82	10.31	2.30	2.02	2.02	2.64	2.47

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					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>																
Chicago AA	2,963	100.00	5.13	12.08	12.41	17.27	38.12	34.67	42.64	35.99	1.17	2.52	1.74	1.01	1.02	

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* 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 (2002).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Chicago AA	1	100.00	1.69	0.00	7.43	0.00	43.61	0.00	46.92	100.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2001 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

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

Borrower Distribution: HOME PURCHASE		Geography: CHICAGO AA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					Market Share*				
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**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Chicago AA	465	100.00	21.67	16.59	17.68	24.32	23.39	19.09	37.26	40.00	0.11	0.14	0.09	0.06	0.15

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 5.38% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* 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: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					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>																
Chicago AA	277	100.00	21.67	21.61	17.68	25.64	23.39	24.54	37.26	28.21	0.66	1.00	0.50	0.75	0.55	

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.44% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 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.

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**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CHICAGO AA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					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>																
Chicago AA	842	100.00	21.67	12.15	17.68	27.34	23.39	26.73	37.26	33.78	0.13	0.10	0.14	0.13	0.12	

\* Based on 2001 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.26% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

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**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CHICAGO AA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
Chicago AA	2,963	100.00	74.82	40.50	48.87	21.70	29.43	1.17	1.63

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 25.75% of small loans to businesses originated and purchased by the bank.

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**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: CHICAGO AA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
Chicago AA	1	100.00	89.12	100.00	100.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

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

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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

Geographic and Borrower Distribution: CONSUMER LOANS		Geography: CHICAGO AA								Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000 and January 1, 2002 to December 31, 2002								
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>																		
Chicago AA	1,768	100.00	10.18	10.86	20.49	16.74	41.74	40.50	27.58	31.73	24.87	27.12	16.33	24.51	20.58	20.59	38.23	27.78

\* 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 the 1990 Census Information.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: CHICAGO AA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002				
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>									
Chicago AA	14	4,959	239	13,588	253	18,547	100.00	263	18,547

\* 'Prior Period Investments' means investments made in a previous evaluation 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: CHICAGO AA																	
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2002																	
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>																	
Chicago AA	100.00	32	100	16.67	6.67	33.33	43.33	0	2	0	0	0	- 2	11.80	21.75	40.03	26.39