

PUBLIC DISCLOSURE

November 10, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Bridgeview Bank Group
21122
7940 South Harlem Avenue
Bridgeview, Illinois 60455**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
Chicago Regional Office
500 West Monroe, Suite 3300
Chicago, Illinois 60661**

NOTE: 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.

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	Bridgeview Bank Group		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

institution's previous evaluation in February 2005, the bank has originated four SBA loans, totaling \$1,034,500.

From a consumer perspective, the bank offers a special unsecured loan program designed for borrowers that have no credit file, but would like to establish credit. Underwriting criteria is more flexible, considering alternate forms of payment histories. Loans are limited to a term or 18 months and loan amounts may not exceed \$3,000. While the bank does not have a mechanism for tracking these loans, bank management estimates that a low volume of credit (less than ten transactions) has been originated under the program.

INVESTMENT TEST

The institution has a significant level of qualified community development investments and grants relative to its capacity and the opportunities within the assessment area. Refer to Appendix C for more specific information with respect to the scope of this test.

Overall, the bank has made or maintained 106 qualified investments totaling \$16,950,270 inside the bank's assessment area since its last CRA evaluation in February 2005. As of March 31, 2008, these investments represented 1.23 percent of assets, 12.43 percent of securities, and 12.43 percent of equity capital. A breakdown of the composition of Bridgeview Bank's community development investments is included below.

- The vast majority of the bank's investment activity (\$13.2 million) was dedicated to its purchase of two bonds that were issued by the Illinois Finance Authority for the benefit of community development projects in its assessment area. The first bond (in the amount of \$5.9 million) was originated in 2006 for the benefit of a local nonprofit organization that integrates individuals with disabilities in the community through affordable housing and employment support. The second bond (at \$7.3 million) was purchased in 2008 and supports acquisition and construction costs incurred by a local college that maintains its main and satellite campuses within low- or moderate-income areas.
- The bank continues to investment in a mutual fund that supports qualified community development projects throughout the nation. In order to receive credit within the assessment area, the fund has earmarked funds supporting a local affordable housing project in amount commensurate with Bridgeview Bank's investment. As it was originally purchased prior to its last evaluation, the bank received credit for the current value of the investment, which stands at \$1,435,278.
- In addition to the aforementioned, the bank continues to invest in three mortgage back securities that were purchased prior to its last evaluation. These investments are qualified, as they are secured exclusively by home mortgages to low- and moderate-income borrowers in the counties that encompass the bank's assessment areas. As of the evaluation date, the value of these three securities in aggregate was \$889,757.
- In 2005, the institution purchased \$1,020,000 in redeemable preferred stock in the Senior Housing Crime Prevention Foundation, Inc. (SHCPF). Under this arrangement, the bank directs SHCPF on which securities to buy; and the bank and SHCPF share in the income earned on the securities. Currently, none of the securities purchased at the direction of the

bank by SHCPF are Community Development related. SHCPF receives 1.875 percent yield on the gross investment to support its crime prevention program in senior housing. While this investment exceeds \$1 million, less than 2 percent of the earnings, just under \$20,000 annually, from the securities purchased are available to benefit low- and moderate-income senior citizens. While this entire investment is given full weight quantitatively, it is given considerably less weight qualitatively, as a relatively modest percentage of the earnings from the securities purchased are available to benefit seniors.

- In 2007, the bank has purchased a \$100,000 certificate of deposits issued by local credit union that primarily serves low- and moderate-income populations and currently maintains a Community Development Financial Institutions (CDFI) designation.
- Ninety-six donations in the aggregate amount of \$298,235 have been made by Bridgeview Bank to organizations or initiatives that carry a community development purpose. These donations focused on local community service and affordable housing initiatives. By year, these donations breakdown as follows:
 - 2005 - \$28,975
 - 2006 - \$62,685
 - 2007 - \$87,805
 - 2008 - \$118,770

Qualitatively, none of the investments made by the institution are considered particularly innovative or complex, although some of the projects and loans supporting by these investments are of this variety. While these initiatives could largely be originated by any private investor with sufficient capital, the bank's qualified activity demonstrates good responsiveness to the diversity of community development needs that exist throughout the assessment area. All of these investments were directed at individuals and areas located in the bank's local community.

SERVICE TEST

Overall, the retail services provided by Bridgeview Bank are considered adequate and are consistent with the needs of the assessment area. In addition to the main office, the institution operates fourteen branches. These facilities coupled with a variety of alternative delivery systems provide convenient access the bank's assessment area. The institution's retail services are augmented with a relatively high level of qualified service activities, which have served to appropriately respond to the community development needs of its assessment area.

Retail Banking Services

Bridgeview Bank's delivery systems are accessible to essentially all portions of the assessment areas. Among its offices, the bank maintains one (or 7 percent) in a low-income census tract, four (or 27 percent) in a moderate-income tract, five (or 33 percent) in middle-income tracts, and five (or 33 percent) in upper-income tracts. With the lowest income segments, the institution's branch concentrations are relatively consistent with the population concentrations in those geographies. More specifically, the assessment area maintains population concentration in low- and moderate-income tracts of 8 and 23 percent, respectively.