

# **PUBLIC DISCLOSURE**

December 19, 2016

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Glenview State Bank  
Certificate Number: 12406

800 Waukegan Road  
Glenview, Illinois 60025

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

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.

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Glenview State Bank's (GSB) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

### **The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is less than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans are outside the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans to borrowers of different incomes is reasonable.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test.

### **The Community Development Test is rated Satisfactory.**

- The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the prior evaluation dated September 23, 2013, to the current evaluation dated December 19, 2016. Examiners used the Interagency Intermediate Small Institutions Examination Procedures to evaluate GSB's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile

## **Response to Complaints**

GSB did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

GSB demonstrated adequate responsiveness to the community development needs of its assessment area through a combination of community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities in the assessment area.

The bank's assessment area includes only a portion of the Chicago MD, and as such has fewer community development opportunities than the entire Chicago MD. The bank's assessment area contains only 8.3 percent low- and moderate-income census tracts, with only one low-income census tract. The 2015 MFI for the assessment area is \$102,553; 31 percent higher than the Chicago MD at \$78,276. In addition, the assessment area contains 28.3 percent low- or moderate-income families. These demographics demonstrate that fewer community development opportunities exist within the assessment area. Furthermore, small businesses within the assessment area have decreased 23 percent during the evaluation period, further limiting community development opportunities available.

### **Community Development Loans**

GSB originated 18 community development loans (CDLs) totaling approximately \$17.6 million within its assessment area during the evaluation period. This lending represents 1.4 percent of total assets and 3.4 percent of net loans outstanding as of September 30, 2016. When considering community development opportunities are somewhat limited in the assessment area, this level of CDLs is considered responsive to the credit needs and opportunities within its assessment area. Therefore, community development lending outside the assessment area was considered as well. The bank originated two community development loans totaling approximately \$3.7 million just outside of the bank's assessment area during the review period. Although these loans were located outside the assessment area, they benefited the Chicago MD, a broader regional area that includes the bank's assessment area.

When considering CDLs inside the assessment area plus those within the broader regional area that includes the bank's assessment area, the bank originated or renewed 20 qualified CDLs totaling approximately \$21.3 million. This lending represents 4.1 percent of total loans outstanding as of September 30, 2016. The bank's performance was compared to the averaged performance of five Intermediate Small Banks operating in the Chicago MSA with CRA performance evaluations within the last 12 months. The bank's performance compares reasonably to those banks averaged performance of CDLs totaling \$18.6 million. Their performance represents an averaged ratio of 5.0 percent of average total loans, with a range of 2.1 to 7.2 percent. The following table details the number and dollar volume of GSB's community development loans originated during the review period within the assessment area.

Community Development Lending												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	1	105	3	420	-	-	-	-	-	-	4	525
2015	1	324	5	10,541	3	1,957	-	-	-	-	9	12,822
YTD 2016	-	-	2	3,000	3	1,250	-	-	-	-	5	4,250
<b>Total</b>	<b>2</b>	<b>429</b>	<b>1</b>	<b>13,961</b>	<b>6</b>	<b>3,207</b>					<b>18</b>	<b>17,597</b>

*Source: Bank Records*

Below are notable examples of the bank's community development lending:

- GSB invested \$1 million in a SBA loan fund that provides loans to businesses with an economic development purpose. The investment provided financing to four businesses within the assessment area during the evaluation period.
- GSB originated and renewed six loans totaling approximately \$6.1 million to a qualified community service organization that provides housing, training, and work opportunities for low-income mentally disabled individuals within the assessment area.
- The bank originated two loans totaling approximately \$7.5 million to a healthcare facility that provides nursing home care to primarily low- and moderate-income residents within the assessment area.

### **Qualified Investments**

GSB has six qualified community development investments totaling approximately \$5.2 million, and made 49 donations totaling \$59,400, representing 3.8 percent of total equity capital. Given the community development opportunities and needs in the assessment area, this level of investments demonstrates the bank has been responsive to the community development needs of the assessment area. Therefore, community development investments outside the assessment area were considered as well. The bank invested in two qualified community development investments totaling approximately \$4.5 million located outside the assessment area. Although these were outside of the assessment area, they benefited the Chicago MD, a broader regional area that includes the bank's assessment area.

Overall, when considering all investments inside the assessment area and within the Chicago MD, the bank made eight investments totaling approximately 9.7 million, representing 7.1 percent of total equity capital. The bank's performance compares reasonably to those five Intermediate Small Banks previously mentioned; whose performance averaged approximately \$8.2 million or 9.5 percent of capital. The table below shows the bank's community development investments within the assessment area by year and purpose.