



Comptroller of the Currency
Administrator of National Banks

Small Bank

PUBLIC DISCLOSURE

February 8, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Barrington Bank & Trust Company, N.A.
Charter Number 23216**

**201 S. Hough Street
Barrington, IL 60010**

**Office of the Comptroller of the Currency
85 West Algonquin Road, Suite 340
Arlington Heights, IL 60005**

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.

GENERAL INFORMATION

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

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Barrington Bank and Trust Company, N.A. (Barrington)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of February 16, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.*

This evaluation covers the period since December 19, 1996, the date the bank opened. This is the bank's first CRA examination.

INSTITUTION'S CRA RATING: This institution is rated: Satisfactory Record of Meeting Community Credit Needs.

Barrington has a reasonable loan to deposit ratio and the majority of the loans are made to borrowers within the assessment area. Barrington extends loans to individuals of various income levels and businesses of different sizes. The bank has not received any CRA-related complaints since its inception.

Description of Institution

Barrington is a subsidiary of Wintrust Financial, a six-bank holding company which is headquartered in Lake Forest, Illinois. Wintrust also owns an insurance premium finance company and a trust company. The bank totals \$120 million in assets and has a single office which is located in Barrington, Illinois. Competition in the assessment area is strong. Key competitors include Harris Bank Barrington and First National Bank of Chicago.

As of December 31, 1998, the bank had \$78 million in outstanding loans. The loan portfolio was comprised of \$8 million in residential real estate loans (10% of the total), \$35 million in commercial loans (45%), and \$35 million in consumer loans (45%). There are no legal or financial impediments which impact the bank's ability to meet the credit needs of the community. However, Barrington is a new institution which opened December 19, 1996. It has shown steady growth since its inception.

Description of Assessment Area

The bank's assessment area (AA) consists of eleven census tracts which include parts of Lake and Cook Counties, Illinois. It is situated approximately 35 miles northwest of Chicago. The AA is located in the Chicago MSA. All census tracts are upper-income tracts. The Department of Housing and Urban Development calculates the 1998 median income for this area as \$75,006. There are approximately 23,495 households in the AA. Of that total, 6% are low-income households, 6% are moderate-income, 13% are middle-income, and 75% are upper-income. The AA represents the area where the bank originates the majority of its loans and collects most deposits. It meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income areas.

Although many residents work outside the Barrington area, there are several major employers including Uarco, Quaker Oats, GE Capital, and Good Shepherd Hospital. The local economy is strong and the housing market is very active. The housing market provides limited opportunities for first time home buyers, as the median home price is significantly higher than the MSA median. The median home price for the area is \$222 thousand as compared to the MSA median of \$123 thousand. The area has experienced some new housing growth as several subdivisions have been developed. However, most of those home prices begin at \$300 thousand.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan to Deposit Ratio

Barrington's loan to deposit ratio is reasonable. The bank has an average quarterly loan to deposit ratio of 59% for the period March 31, 1997 to December 31, 1998. The ratio has shown steady growth each quarter, since the bank opened. The loan to deposit ratio was 72% at December 31, 1998. In addition, the bank originated 217 residential mortgage loans totaling \$49 million in 1998, which are not reflected in the loan to deposit ratio.

Lending in the Assessment Area

Barrington makes a majority of its loans in the assessment area. Approximately 78% of the number of loans sampled were made to borrowers in the assessment area. The sample included 89 home equity lines of credit and mortgages originated in 1998.

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

The distribution of lending to borrowers of various income levels is reasonable. Approximately 31% of the residential real estate loans sampled were made to middle- and -moderate income borrowers. This is commensurate with the fact that 20% of the households in the AA are in the middle- and -moderate income categories.

A substantial majority of Barrington's commercial loans are made to small businesses with revenues of less than \$1 million annually. Approximately 90% of the commercial loans sampled were made to small businesses.

Geographic Distribution of Loans

All census tracts in the bank's assessment area are upper-income tracts. Therefore, an analysis of the geographic distribution of loans would not be meaningful.

Compliance with Fair Lending Laws and Regulations

We conducted a fair lending examination using real estate loans made in 1998. Based upon this review, we found no evidence of illegal discrimination.

Response to Complaints

Barrington has not received any CRA-related complaints since the prior examination.