

# **PUBLIC DISCLOSURE**

April 5, 2004

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Old Second Bank–Kane County  
RSSD# 582234

749 North Main Street  
Elburn, IL 60119-9426

Federal Reserve Bank of Chicago

230 South LaSalle Street  
Chicago, IL 60604-1413

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

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## INSTITUTION'S RATING

**INSTITUTION'S CRA RATING:** Old Second Bank-Kane County is rated “**SATISFACTORY.**”

The following table indicates the performance level of Old Second Bank-Kane County with respect to the lending, investment, and service tests.

OLD SECOND BANK-KANE COUNTY			
PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	<b>X</b>	<b>X</b>	<b>X</b>
Needs to Improve			
Substantial Noncompliance			

*\* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.*

The major factors supporting the institution's rating are as follows:

### Lending Test

- Overall lending activity reflects good responsiveness to the credit needs of the markets served.
- Lending in the assessment area was strong for farm loans, but adequate for HMDA reportable loans and small business loans.
- The distribution of loans, based on borrower income or annual revenue characteristics, reflects strong penetration among borrowers of different income levels.
- The bank's limited use of innovative and flexible lending practices through its participation in government-assisted loan programs was adequate.

### Investment Test

- The number of qualified charitable donations made in 2002 and 2003. As evidenced by the demographic characteristics of the assessment area and further supported by comments from community representatives, opportunities for qualified community development investments were minimal.

Service Test

- Office locations and hours of operation along with alternate delivery systems (ATMs, telephone banking, and electronic banking) provide customers with reasonable access to the bank's products and services.
- All loan and deposit services are available at each.
- An adequate level of community development services, given the limited opportunities to provide such services in the assessment area.

## **INSTITUTION**

### **DESCRIPTION OF INSTITUTION**

Old Second Bank-Kane County (Old Second), with assets of \$293 million on December 31, 2003, is a wholly owned subsidiary of Old Second Bancorp, Inc., a multi-bank holding company located in Aurora, Illinois with assets of \$1.8 billion. Bank affiliates of Old Second include Old Second National Bank of Aurora (Aurora, IL) and Old Second Bank-Yorkville (Yorkville, IL). The bank converted to a State Member Bank charter on July 1, 2003, and this is CRA evaluation performed by the Federal Reserve Bank of Chicago. This is also its first CRA evaluation as a large bank.

Old Second, a full-service bank headquartered in Elburn, Illinois approximately 40 miles west of Chicago, operates six full-service banking offices, four in Kane County and two in DeKalb County. The bank's automated teller machine (ATM) network includes a full-service ATM at each banking office and two offsite cash dispensing ATMs, one each in Maple Park and Hampshire. In 2000, the parent company restructured its affiliate bank network, which included collapsing the Burlington Bank charter and its one banking office into this bank, and reassigning two Kane County branches of Old Second National Bank to this bank. The bank's name was subsequently changed from Kane County Bank & Trust Company to Kane County Bank, and finally to its present name in 2003. Following this restructuring, Old Second consisted of five banking locations. The sixth location in Sycamore, Illinois (DeKalb County) is a new facility which opened in May 2003.

Old Second is a community institution offering a full range of deposit and loan products to meet the needs of consumers, businesses, farms, and others. Its principal lending focus has been undergoing a shift to residential real estate loans in recent years to meet the changing credit needs of the assessment area, which has experienced population growth and a significant increase in new home construction. Nevertheless, the loan portfolio is diversified, as demonstrated by the December 31, 2003 Report of Condition (Call Report), which is summarized in Exhibit #1:

<b>Exhibit #1</b>			
<b>Old Second Bank-Kane County</b>			
<b>Loan Portfolio at December 31, 2003</b>			
<b>Loan Category</b>	<b>Amount Outstanding</b>	<b>% of Total Loans</b>	<b>% of Total Real</b>

	<b>(\$000)</b>		<b>Estate Loans</b>
Real Estate Secured Loans:			
Construction and land development	39,448	18.5	22.1
Farm land	13,697	6.4	7.7
1-4 family – revolving	28,880	13.6	16.1
1-4 family – other	53,089	24.9	29.7
Multifamily	8,570	4.0	4.8
Nonfarm, nonresidential	34,992	16.4	19.6
Total real estate secured loans	178,676	83.8	100.0
Agricultural loans	14,346	6.7	NA
Commercial and industrial loans	17,880	8.4	NA
Loans to individuals	1,911	0.9	NA
Municipal loans	288	0.2	NA
Other nonconsumer loans	50	0.0	NA
Total All Loans	213,151	100.0	NA

In addition to the mortgage loans reflected in the figures shown in Exhibit #1, the bank makes and sells mortgage loans to its affiliate, Old Second Mortgage Company, for sale into the secondary mortgage market. There were 108 such loans totaling \$16.8 million in 2002 and 260 loans totaling \$38.6 million in 2003. These loans, when combined with the “1-4 family-other” loans shown in Exhibit #1, clearly demonstrate the bank’s emphasis on permanent residential real estate lending.

A review of lending data reported by Old Second in its 2002 and 2003 CRA loan application registers (LARs) reveals a significant level of recent small business and small farm loan activity. Specifically, there were 507 small business loan originations totaling \$50.2 million and 536 small farm originations totaling \$43.6 million during this two-year period. Loans to individuals and revolving loans secured by 1-4 family real estate (i.e., home equity lines of credit), although smaller in outstanding loan balances compared to other loan categories, still represent a significant volume of activity based on the number of transactions conducted. Collectively, this information reveals that Old Second provides loans that meet the credit needs of the various segments of the community.

Deposit data as of June 30, 2003 for FDIC-insured institutions reveals that Old Second has a market share of 3.02%, ranking it ninth of 54 financial institutions with branches in Kane and DeKalb counties. These institutions are diverse, ranging from small local banks and thrifts to large regional banking organizations. Bank management has identified the following institutions, through their office and/or branches, as its principal competitors in the assessment area: Fifth Third Bank (Grand Rapids, MI), The National Bank & Trust Company (Sycamore), Valley Community Bank (St. Charles), Castle Bank, N.A. (DeKalb), American Bank & Trust Co., N.A. (Davenport, IA), Resource Bank, N.A. (DeKalb), Citizens First National Bank (Princeton), LNB National Bank (DeKalb), The American National Bank of DeKalb County (Sycamore), and Harris Bank St. Charles (St. Charles)

There are no factors relative to the bank's financial condition, size, or local economic conditions that would prevent it from meeting the community's credit needs.

**DESCRIPTION OF ASSESSMENT AREA**

Selected demographic information of the bank's assessment area is provided in Exhibit #2.

Exhibit #2 Old Second Bank-Kane County Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families Below Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	2,973	9.9
Moderate-income	0	0	0	0	0	0	4,206	14.1
Middle-income	12	60.0	14,760	49.4	470	3.2	7,438	24.9
Upper-income	8	40.0	15,132	50.6	226	1.5	15,275	51.1
<b>TOTALS</b>	<b>20</b>	<b>100.0</b>	<b>29,892</b>	<b>100.0</b>	<b>696</b>	<b>2.3</b>	<b>29,892</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	0	0	0	0	0	0	0	0
Middle-income	21,322	14,795	47.7	69.4	5,569	26.1	958	4.5
Upper-income	17,947	16,230	52.3	90.4	1,238	6.9	479	2.7
<b>TOTALS</b>	<b>39,269</b>	<b>31,025</b>	<b>100.0</b>	<b>79.0</b>	<b>6,807</b>	<b>17.3</b>	<b>1,437</b>	<b>3.7</b>
	Businesses by Tract & Revenue Size							
	Total Businesses by Tract		Under \$1 million		Over \$1 million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	0	0	0	0	0	0	0	0
Middle-income	1,667	54.8	1,385	54.8	241	56.3	41	48.2
Upper-income	1,374	45.2	1,143	45.2	187	43.7	44	51.8
<b>TOTALS</b>	<b>3,041</b>	<b>100.0</b>	<b>2,528</b>	<b>100.0</b>	<b>428</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>
	<b>Percentage of Total Businesses</b>		<b>83.1</b>		<b>14.1</b>		<b>2.8</b>	

Note: Information about businesses is from 2003 Dun & Bradstreet demographic data; all other information is from 2000 census data.

There were 300 total farms in the assessment area, of which 198 (66%) were located in middle-income census tracts and 289 (96%) had gross annual revenues of \$1 million or less.

The 20 contiguous census tracts that comprise Old Second's assessment area include 10 tracts each in Kane and DeKalb counties in the far western suburbs of the Chicago metropolitan statistical area (MSA 1600). This is a generally affluent area with no low- and moderate-income census tracts. However, 24% of the 29,900 families residing in the assessment area are considered low- and moderate-income; and just 2.3% of assessment area families have an annual income below the poverty level.

The assessment area's population of almost 107,900, based on 2000 census data, represents a 34% increase since 1990. Median family income increased 50% from \$49,408 in 1990 to \$74,314 in 2000,

and 40% of the census tracts in the assessment area are now designated upper-income compared to 26% in 1990. In addition, a greater percentage of families is now considered middle- and upper-income than in 1990 (76% in 2000 v. 73% in 1990).

Homeownership has also been on the rise in the assessment area as evidenced by the fact that 79% of available housing units are now owner-occupied compared to 75% in 1990. The combination of population growth and increased owner-occupancy has spurred an increase of over 37% in the number of housing units available in 2000. There has been a 58% increase to \$192,000 in median housing values between census periods in 2000. The 58% increase in median housing values during the same time period that median family income increased 50% indicates that housing is less affordable in 2000 than in 1990.

The assessment area is becoming more of a bedroom community for people who commute to jobs in the Fox Valley and Schaumburg areas, as well as other parts of greater metropolitan Chicago. There are few new permanent jobs being created in the assessment area, as local municipalities have not been very successful in attracting significant new core businesses. Largest employers in the assessment area are local school districts, Northern Illinois University (NIU), Valley Ambulatory Surgery Center, and several small manufacturing companies. Other than NIU, these entities generally employ 50-200 people. Unemployment rates in both Kane and DeKalb Counties for January 2004 were 8.1% and 7.0%, respectively, which are nominally lower than the rates for January 2003. These figures are generally consistent with the surrounding counties.

Three community representatives who were contacted during the examination indicated that community development opportunities within the assessment area were few. This limited opportunity is primarily the result of the general demographics of the area. Local financial institutions, including Old Second, have been doing a good job in meeting the diverse financial needs of the assessment area.

## **SCOPE OF EXAMINATION**

This performance evaluation covers the period January 1, 2002 through December 31, 2003. Old Second is being evaluated under Large Bank Performance Standards, which include the lending, investment, and service tests.

Performance on the lending test included an analysis of Old Second's mortgage lending activity, as reported in the 2002 and 2003 Home Mortgage Disclosure Act (HMDA) LARs, and its small business and small farm lending activity, as reported in its 2002 and 2003 CRA loan data. This data was used to evaluate overall lending activity, lending inside the assessment area, and the distribution of loans based on the borrower's income or business revenues. A geographic distribution of loans was not done due to the absence of any low- or moderate-income census tracts in the assessment area. The bank's participation in various government-assisted or similar



loan programs was also evaluated, and aggregate lending data for 2002 was used for comparative purposes.

Performance on the investment test included a review and evaluation of qualified investments, donations, and grants. Performance on the service test included a review of retail banking services offered by the bank and community development services provided by bank representatives. Review of services include the distribution of branches and ATMs throughout the assessment areas, the effect of any branch openings and closings, products and services offered, reasonableness of hours of operation among geographies, and alternate delivery systems.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

Overall performance on the lending test is **low satisfactory**. Total lending activity was similar for both 2002 and 2003 based on the number of loans originated; however, the dollar amount was 23% higher in 2003. The percentage of loans made in the assessment area is adequate for HMDA-reportable loans and small business loans, but strong for small farm loans. The distribution of loans based on borrower income characteristics is good. As previously noted, an analysis of the geographic distribution of loans was not performed and there were no community development loans to evaluate. The bank's participation in government-assisted and other special loan programs was adequate.

The facts and data used to evaluate the bank's performance in its assessment area are shown in Appendix C. Lending activity is depicted in Table 1, Geographic Distribution in Tables 2 through 7 and Borrower Characteristics in Tables 8 through 12.

### Lending Activity

Overall lending activity reflects good responsiveness to the credit needs of the markets served by Old Second. Exhibit #3 summarizes the loan activity reported for the two-year evaluation period covered by this examination.

<b>Exhibit #3</b>						
<b>Summary of Lending Activity</b>						
<b>Old Second Bank-Kane County</b>						
<b>January 1, 2002 - December 31, 2003</b>						
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>%</b>
HMDA-Purchase	94	29.0		16,119	31.7	
HMDA-Refinance	195	60.2		27,739	54.5	
HMDA-Home Improvement	18	5.6		459	0.9	
HMDA-Multifamily	17	5.2		6,582	12.9	
<b>Total HMDA-related</b>	<b>324</b>	<b>100.0</b>	<b>23.7</b>	<b>50,899</b>	<b>100.0</b>	<b>35.2</b>

<b>CRA-Small business</b>	<b>507</b>		<b>37.1</b>	<b>50,240</b>		<b>34.7</b>
<b>CRA-Small farm</b>	<b>536</b>		<b>39.2</b>	<b>43,616</b>		<b>30.1</b>
<b>TOTAL LOANS</b>	<b>1,367</b>		<b>100.0</b>	<b>144,755</b>		<b>100.0</b>

The data in Exhibit #3 reveals that the three broad loan categories shown are almost equally represented, especially in terms of dollar amounts funded. If the secondary market mortgage loan activity previously discussed is added to the HMDA data shown in the preceding exhibit, mortgage loans would be the most significant loan category in both number and dollars originated. Small business and small farm lending continue to be an important part of the bank's overall loan activities.

A review of Old Second's loan-to-deposit ratio for the eight quarters ended December 31, 2003 reveals that the ratio was 82.4% at that date and averaged 75.5% during this period. This data is comparable with its nationwide peer group ratios of 78.9% and 77.6%, respectively.

*Assessment Area Concentration*

Exhibit #4 summarizes the bank's HMDA and CRA loan data by location as either inside or outside the assessment area. Table 1 in Appendix C provides additional information by year of origination for loans inside the assessment area.

<b>Exhibit #4 Lending Inside and Outside the Assessment Area</b>								
<b>January 1, 2002 - December 31, 2003</b>								
<b>LOAN TYPE</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
HMDA-Purchase	39	41.5	5,496	34.1	55	58.5	10,623	65.9
HMDA-Refinance	137	70.3	19,585	70.6	58	29.7	8,154	29.4
HMDA-Home Improvement	11	61.1	253	55.1	7	38.9	206	44.9
HMDA-Multifamily	2	11.8	1,084	16.5	15	88.2	5,498	83.5
<b>Total HMDA-related</b>	<b>189</b>	<b>58.3</b>	<b>26,418</b>	<b>51.9</b>	<b>135</b>	<b>41.7</b>	<b>24,481</b>	<b>48.1</b>
<b>CRA-Small business</b>	<b>349</b>	<b>68.8</b>	<b>28,876</b>	<b>57.5</b>	<b>158</b>	<b>31.2</b>	<b>21,364</b>	<b>42.5</b>
<b>CRA-Small farm</b>	<b>484</b>	<b>90.3</b>	<b>40,118</b>	<b>92.0</b>	<b>52</b>	<b>9.7</b>	<b>3,498</b>	<b>8.0</b>
<b>TOTAL LOANS</b>	<b>1,022</b>	<b>74.8</b>	<b>95,412</b>	<b>65.9</b>	<b>345</b>	<b>25.2</b>	<b>49,343</b>	<b>34.1</b>

Collectively, almost 75% of Old Second's reported loans were made inside its assessment area, which is considered good. This combined percentage was positively impacted, however, by the strong performance regarding small farm loans, 90% of which were in the assessment area. When measured in dollars funded, 52% and 58% of HMDA and small business loans, respectively, originated in the assessment area, which is an adequate level of performance.

**Geographic Distribution**

An analysis of the geographic distribution of loans is not meaningful because there are no low- or moderate-income census tracts in the assessment area. It should be noted, however, that there are no lending gaps among the middle- and upper-income census tracts. A review of the 1,022 loans made inside the assessment area (517 in 2002 and 505 in 2003) revealed that Old Second provided at least one loan in every census tract each year. In fact, the majority of the census tracts in the assessment area had more than 10 reported loans each year.

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

Loan distribution by borrower income is considered good. A review of HMDA loans revealed a strong performance in lending to low- and moderate-income borrowers. Specifically, 45% of the 60 loans made in 2002 where the borrower's income was known were made to low- and moderate-income borrowers. In 2003, 23% of 123 loans were to low- and moderate-income borrowers. By comparison, 2002 aggregate HMDA data reported 28% of loans to low- and moderate-income borrowers. Low- and moderate-income families represent 26.8% and 24.0% of all families in the assessment area based on 1990 and 2000 census data, respectively, indicating that the bank's lending percentages compare favorably with demographic data and aggregate lending data.

An analysis of small business loans reveals that 76% of Old Second's loans were to businesses with annual revenues of \$1 million or less, which is an adequate performance level. It should also be noted that approximately 74% of the bank's small business loans were made in amounts of \$100,000 or less.

Small farm lending data indicates that almost every farm loan made by the bank in 2002 and 2003 were to borrowers with annual revenues of \$1 million or less. This high level of performance in serving small farms is excellent, and consistent demographic data which indicates that 289 of 300 farms in the assessment area in 2003 are small farms. The majority of the bank's farm loans, approximately 66% were in amounts of \$100,000 or less. Aggregate lending data for 2002 indicates that other farm lenders in this area originated 80% of their loans to borrowers with revenues of \$1 million or less, and that 73% were in amounts of \$100,000 or less.

### **Community Development Lending**

There were no community development loans made by the bank during the evaluation period. Old Second does, however, participate in certain government-assisted loan programs that are designed to provide credit to low- and moderate-income people, small businesses, and small farms. Loans made under these programs are likely to have been included in the HMDA, small business, or small loan data discussed and analyzed in the geographic and borrower income distribution sections. However, they are being discussed separately because they have purposes and/or targeted recipients that are consistent with the goals of CRA. Activity during the two-year evaluation period includes the following:

- Emerging Markets National Program. This program, offered through Wells Fargo Bank allows creditworthy low- and moderate-income borrowers the ability to purchase a home with little or no money down through the use of flexible underwriting policies. One loan for \$55,000 was originated by the bank in 2003 to a moderate-income borrower in DeKalb County.
- FHA. Two loans totaling \$161,000 were made to one low- and one moderate-income borrower in 2003.
- Illinois Housing Development Authority (IHDA). Several IHDA programs targeted to low- and moderate-income borrowers are offered, resulting in one loan for \$98,940 in 2003 to a moderate-income borrower.
- Small Business Administration (SBA). One loan for \$130,000 was originated in 2002 under Program 7A.
- State of Illinois Agricultural and Alternative Agricultural Link Deposit Loan Programs. The bank has made a number of loans under the Annual Operating Loan Program, which allows farmers to obtain bank financing at favorable interest rates for normal operating expenses. Under this program, the State of Illinois deposits an amount similar to the loan amount in a one-year time deposit with the participating bank. The deposit's interest rate is based on an independently established index, and the related loan's interest rate is set at a maximum of 2.75% above the deposit rate. The bank made 43 of these loans totaling \$4.4 million in 2003.

## INVESTMENT TEST

Performance on the investment test is **low satisfactory**. Qualified investments consist of a limited number of charitable donations to organizations and/or programs that have a CRA-related purpose. Qualified donations for the two-year evaluation period totaled \$2,200, which is considered adequate, as there are limited opportunities for this type of activity within the assessment area.

## SERVICE TEST

Performance on the service test is considered **low satisfactory** based on a review of products and services offered, the distribution of branch offices and their hours of operation, alternate delivery systems, branch openings and closings, and community development service activities of bank personnel.

## Retail Services

Deposit and loan products offered by the bank are those typically offered by institutions of Old Second's asset size, and all products and services are available at each of the six branches. The bank offers products that may be attractive to low- and moderate-income persons. There are a variety of checking account products that have no minimum balance requirement, no monthly

service fee, no withdrawal or debit limits or fees, and only a \$100 opening balance requirement. There is a product for non-profit organizations, as well as a “Free Business Checking” account that is targeted to businesses with a low monthly activity and includes a low \$10 monthly service fee if the balance falls below \$2,500 during a statement period.

The bank participates in the “Get Checking” program, which is designed to assist individuals who do not have a primary banking relationship. A qualified individual receives a certificate documenting the completion of six hours of instruction and skill development training specific to checking and savings accounts. This certificate allows the individual to open a qualifying checking or savings account at a participating financial institution, including Old Second.

Information regarding the location and hours of operation for the six full-service banking offices maintained in Kane and DeKalb counties is detailed in Exhibit #5. Additional information regarding branches and ATMs can be found in Table 16 in Appendix C.

<b>Exhibit #5 Banking Locations and Hours of Operation</b>				
<b>Branch and Address</b>	<b>County Census Tract No. Income Designation</b>	<b>Hours of Operation</b>		
Main Office 749 N. Main St. Elburn, IL 60119	Kane 8524.02 Upper	Lobby	8:30am - 5:00pm 8:30am - 6:00pm	Monday - Thursday Friday
		Drive-Up	8:30am - Noon 7:00am - 7:00pm 7:00am - Noon	Saturday Monday - Friday Saturday
Wasco Branch 40W422 Route 64 Wasco, IL 60183	Kane 8524.01 Upper	Lobby	9:00am - 5:00pm 9:00am - 6:00pm	Monday - Thursday Friday
		Drive-Up	9:00am - Noon 7:30am - 7:00pm 7:30am - Noon	Saturday Monday - Friday Saturday
Kaneville Branch 2S101 Harter Road Kaneville, IL 60144	Kane 8524.03 Middle	Lobby	8:30am - 5:00pm 8:30am - Noon 8:30am - 6:00pm	Monday - Wednesday Thursday Friday
		Drive-Up	8:30am - Noon 8:30am - 5:00pm 8:30am - Noon 8:30am - 6:00pm 7:00am - Noon	Saturday Monday - Wednesday Thursday Friday Saturday
Burlington Branch 194 S. Main St. Burlington, IL 60109	Kane 8507.03 Upper	Lobby	8:00am - 4:00pm 8:00am - Noon 8:00am - 6:00pm	Monday - Wednesday Thursday Friday
		Drive-Up	8:00am - Noon 7:30am - 5:00pm 7:30am - Noon 7:30am - 7:00pm 7:30am - Noon	Saturday Monday - Wednesday Thursday Friday Saturday
Maple Park Branch 1100 S. County Line Road Maple Park, IL 60151	DeKalb 0016.00 Middle	Lobby	8:30am - 4:00pm 8:30am - Noon 8:30am - 6:00pm	Monday - Wednesday Thursday Friday
		Drive-Up	8:30am - Noon 7:30am - 6:00pm 7:30am - 7:00pm 7:30am - Noon	Saturday Monday - Thursday Friday Saturday
Sycamore Branch 1810 DeKalb Avenue Sycamore, IL 60178	DeKalb 0007.00 Middle	Lobby	9:00am - 5:00pm 9:00am - Noon	Monday - Friday Saturday
		Drive-Up	7:30am - 6:00pm 7:30am - 7:00pm 7:30am - Noon	Monday - Thursday Friday Saturday

The six branches, including three in middle-income and three in upper-income census tracts, are distributed throughout the assessment area and have hours of operation that provide reasonable access to banking services. There is also one on-site ATM at each branch and two other offsite ATMs in middle-income census tracts in Maple Park and Hampshire. No branches have ever been

closed by Old Second, and one new branch (Sycamore) was opened in May 2003. This branch allows the bank to better serve the DeKalb county areas, including the city of DeKalb.

Other alternate delivery systems available to customers include "Net Teller," an on-line banking service that allows customers to transfer funds between accounts, conduct balance and other inquiries, and pay bills any time, and "Infoline," a telephone banking service with access to a customer service representative.

### **Community Development Services**

Old Second recently conducted two first time homebuyer seminars that addressed issues such as understanding credit scores and credit bureau reports, techniques to improve a credit score, pre-approvals, using a realtor, no or low down payment programs, and the availability of down payment assistance programs. While open to anyone, they were targeted to low- and moderate-income people.

Bank management participated in the following qualified community development service activities during the evaluation period:

- Serving on the board of the DeKalb County Development Committee
- Making presentations regarding available banking services to residents of the Grand Victoria Assisted Living Facility
- Making monthly visits to the Oakcrest Retirement Home to help residents with any banking needs
- Participating on the chamber of commerce in several communities in the assessment area
- Teaching the mortgage loan segment of a class offered at local community college in cooperation with the Family Counseling Service of Aurora

## **COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

The bank is in compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A sample of the bank's lending activity was reviewed to determine whether loan policies and lending standards were in compliance with the fair lending laws and regulations, and that these are being consistently applied to all applicants. No evidence of prohibited discriminatory credit practices was detected.



## **CRA APPENDIX A**

### **SCOPE OF EXAMINATION**

This was the first CRA examination performed by the Federal Reserve Bank of Chicago following the bank's conversion to a state member bank on July 1, 2003. The previous CRA examination was conducted by the FDIC as of August 25, 1999, using small bank examination procedures that resulted in a CRA rating of "satisfactory." The institution was previously known as Kane County Bank and Trust Company and had two locations (Elburn and Wasco) at that time.

Old Second's assessment area consists of 20 census tracts, 10 each in Kane and DeKalb counties in the western portion of the Chicago MSA, based on 2000 census data. There are no low- or moderate-income census tracts in the assessment area, and the demographic characteristics indicate a generally upscale population.

The evaluation period for this evaluation was January 1, 2002 – December 31, 2003 and included an analysis of mortgage loan data reported in the 2002 and 2003 HMDA-LARs, as well as small business and small farm data from 2002 and 2003. Aggregate lending data from 2002 was also used in the evaluation. Additional items considered in the CRA performance evaluation included: the volume and mix of lending activity; the bank's participation in government-assisted loan programs targeted to low- and moderate-income individuals, small businesses, and small farms; donations to local organizations for programs and other activities with CRA-related purposes; the bank's branching network, hours of operation, and alternate delivery systems; loan and deposit products offered; and community development services provided to the community. There were no community development loans or investments made during the evaluation period.

Three community contacts were made and two branch visits were conducted.

## CRA APPENDIX B

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Block numbering area (“BNA”):** Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

**Census tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They 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 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,

**Consumer loan:** A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

**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 household 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, total

number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography:** A census tract or a block numbering area delineated by the U.S. 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 statistical 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:** Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings 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.

**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.

**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, branch distribution).

**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 lenders in the MSA/assessment area.

**Metropolitan area (MA):** Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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.

**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.

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

**Optional loans:** Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes 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.

**Small loans to business:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small loans to farms:** 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**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.

**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.

**CRA APPENDIX C  
CORE CRA TABLES**

**Table 1. Lending Volume**

LENDING VOLUME		State: ILLINOIS				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003						
MA/Assessment Area	% of Rated Area Loans (#) in MA/AA <sup>1</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans		Total Reported Loans		Market Share of Deposits in AA <sup>2</sup>
		#	(\$000)	#	(\$000)	#	(\$000)	#	(\$000)	#	(\$000)	
<b>CHICAGO (FULL REVIEW)</b>												
2002	100	64	8,377	191	14,994	261	19,079	0	0	516	42,450	100
2003	100	125	18,041	158	13,882	222	20,339	0	0	505	52,262	100

<sup>1</sup> Loan data is as for calendar years 2002 and 2003, as appropriate for the year under review.

<sup>2</sup> Deposit data is as of June 30, 2002 and June 30, 2003, as appropriate for the year under review.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: <b>HOME PURCHASE</b>			State: <b>ILLINOIS</b>				Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>				Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
MA/Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Moderate	Middle	Upper
	#	% of Total <sup>2</sup>	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans				
<b>CHICAGO (FULL REVIEW)</b>														
2002	18	0.3	0.0	0.0	0.0	0.0	65.3	72.2	34.7	27.8	0.0	0.0	43.0	57.0
2003	21	N/A	0.0	0.0	0.0	0.0	47.7	52.4	52.3	47.6	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available.

<sup>2</sup> Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>3</sup> 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 assessment area based on available census information. The figures used for 2002 are based on 1990 census information while the figures used for 2003 are based on 2000 census information.

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

Geographic Distribution: <b>HOME IMPROVEMENT</b>		State: <b>ILLINOIS</b>						Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>						
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupie d Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	3	1.3	0.0	0.0	0.0	0.0	65.3	100.0	34.7	0.0	0.0	0.0	56.5	43.5
2003	8	N/A	0.0	0.0	0.0	0.0	47.7	37.5	52.3	62.5	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available.

<sup>2</sup> Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>3</sup> 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 assessment area based on available census information. The figures used for 2002 are based on 1990 census information while the figures used for 2003 are based on 2000 census information.

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

Geographic Distribution: <b>HOME MORTGAGE REFINANCE</b>		State: <b>ILLINOIS</b>						Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>						
MA/Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	% Owner Occupied Units <sup>3</sup>	% BANK Loans	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	42	0.3	0.0	0.0	0.0	0.0	65.3	85.7	34.7	14.3	0.0	0.0	49.9	50.1
2003	95	N/A	0.0	0.0	0.0	0.0	47.7	48.4	52.3	51.6	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available.

<sup>2</sup> Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

<sup>3</sup> 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 assessment area based on available census information. The figures used for 2002 are based on 1990 census information while the figures used for 2003 are based on 2000 census information.



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

Geographic Distribution: <b>MULTIFAMILY LOANS</b>												State: <b>ILLINOIS</b>				Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>			
MA/Assessment Area	Total Multi-Family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total <sup>2</sup>	% Multi-Family Units <sup>3</sup>	% BANK Loans	% Multi-Family Units <sup>3</sup>	% BANK Loans	% Multi-Family Units <sup>3</sup>	% BANK Loans	% Multi-Family Units <sup>3</sup>	% BANK Loans	Low	Moderate	Middle	Upper					
<b>CHICAGO (FULL REVIEW)</b>																			
2002	1	7.1	0.0	0.0	0.0	0.0	96.4	100.0	3.6	0.0	0.0	0.0	84.6	15.4					
2003	1	N/A	0.0	0.0	0.0	0.0	88.1	100.0	11.9	0.0	N/A	N/A	N/A	N/A					

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available.

<sup>2</sup> Multifamily loans originated and purchased in the MSA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

<sup>3</sup> Percentage of Multifamily Units is the number of multifamily housing units in a particular geography divided by the number of multifamily housing units in the assessment area based on available census information. The figures used for 2002 are based on 1990 census information while the figures used for 2003 are based on 2000 census information.

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

Geographic Distribution: <b>SMALL LOANS TO BUSINESSES</b> State: <b>ILLINOIS</b> Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>														
MA/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies		Aggregate Small Business Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	191	5.3	0.0	0.0	0.0	0.0	68.3	77.5	31.7	22.5	0.0	0.0	58.6	41.4
2003	158	N/A	0.0	0.0	0.0	0.0	54.8	43.0	45.2	57.0	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate Small Business Data; 2003 Aggregate Small Business Data is not available.

<sup>2</sup> Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>3</sup> Data obtained from Dun and Bradstreet. Percentages do not reflect businesses for which revenue was not reported.

<sup>4</sup> Percentage of bank loans does not include loans originated in census tracts for which income information is not available.

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

Geographic Distribution: <b>SMALL LOANS TO FARMS</b>				State: <b>ILLINOIS</b>				Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>						
MA/Assessment Area	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Small Farm Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	261	55.2	0.0	0.0	0.0	0.0	84.6	88.5	15.4	11.5	0.0	0.0	89.6	10.4
2003	222	N/A	0.0	0.0	0.0	0.0	66.0	60.8	34.0	39.2	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate Small Farm Data; 2003 Aggregate Farm Data is not available.

<sup>2</sup> Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>3</sup> Data obtained from Dun and Bradstreet. Percentages do not reflect farms for which revenue was not reported.

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

Borrower Distribution: <b>HOME PURCHASE</b>			State: <b>ILLINOIS</b>				Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>							
MA/Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate HMDA Lending (%) by Borrower Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	17	0.4	10.5	11.8	16.3	29.4	26.1	41.2	47.1	17.6	6.5	21.5	30.1	41.9
2003	21	N/A	9.9	9.5	14.1	14.3	24.9	23.8	51.1	52.4	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available. Percentages do not include loans to borrowers for which income information is not available.

<sup>2</sup> As a percentage of loans with borrower income information available.

<sup>3</sup> Percentage of Families is based on 1990 census information for 2002 and on 2000 census information for 2003.

<sup>4</sup> Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area. Percentage of bank loans does not include loans to borrowers for which income information is not available.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: <b>HOME IMPROVEMENT</b>		State: <b>ILLINOIS</b>					Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>							
MA/Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate HMDA Lending (%) by Borrower Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>														
2002	3	1.4	10.5	0.0	16.3	33.3	26.1	66.7	47.1	0.0	9.4	19.3	30.0	41.3
2003	7	N/A	9.9	0.0	14.1	0.0	24.9	28.6	51.1	71.4	N/A	N/A	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available. Percentages do not include loans to borrowers for which income information is not available.

<sup>2</sup> As a percentage of loans with borrower income information available.

<sup>3</sup> Percentage of Families is based on 1990 census information for 2002 and on 2000 census information for 2003.

<sup>4</sup> Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area. Percentage of bank loans does not include loans to borrowers for which income information is not available.

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

Borrower Distribution: <b>HOME MORTGAGE REFINANCE</b>												State: <b>ILLINOIS</b>				Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>			
MA/Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate HMDA Lending (%) by Borrower Income <sup>1</sup>								
	#	% of Total <sup>2</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% of Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Low	Moderate	Middle	Upper					
<b>CHICAGO (FULL REVIEW)</b>																			
2002	40	0.4	10.5	15.0	16.3	32.5	26.1	32.5	47.1	20.0	5.0	17.5	30.2	47.3					
2003	95	N/A	9.9	4.2	14.1	20.0	24.9	31.6	51.1	44.2	N/A	N/A	N/A	N/A					

<sup>1</sup> Based on 2002 Aggregate HMDA Data; 2003 Aggregate HMDA Data is not available. Percentages do not include loans to borrowers for which income information is not available.

<sup>2</sup> As a percentage of loans with borrower income information available.

<sup>3</sup> Percentage of Families is based on 1990 census information for 2002 and on 2000 census information for 2003.

<sup>4</sup> Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area. Percentage of bank loans does not include loans to borrowers for which income information is not available.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: <b>SMALL LOANS TO BUSINESSES</b>				State: <b>ILLINOIS</b>		Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>			
MA/Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		% Loans by Original Amount Regardless of Business Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	% With Revenues of \$1 Million or Less
<b>CHICAGO (FULL REVIEW)</b>									
2002	191	5.3	83.2	76.4	77.0	16.2	6.8	3,390	32.6
2003	158	N/A	83.1	77.2	74.1	17.7	8.2	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate Small Business Data; 2003 Aggregate Small Business Data is not available. Percentages do not include loans to borrowers for which income information is not available.

<sup>2</sup> Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>3</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses. (Dun and Bradstreet)

<sup>4</sup> Businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: <b>SMALL LOANS TO FARMS</b>		State: <b>ILLINOIS</b>			Evaluation Period: <b>JANUARY 1, 2002 TO DECEMBER 31, 2003</b>				
MA/Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		% Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Farms <sup>3</sup>	% BANK Loans <sup>4</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	% With Revenues of \$1 Million or Less
<b>CHICAGO (FULL REVIEW)</b>									
2002	261	55.2	97.2	99.6	73.2	23.4	3.4	212	79.7
2003	222	N/A	96.3	96.8	65.8	27.9	6.3	N/A	N/A

<sup>1</sup> Based on 2002 Aggregate Small Farm Data; 2003 Aggregate Small Farm Data is not available.

<sup>2</sup> Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>3</sup> Farms with revenues of \$1 million or less as a percentage of all farms. (Dun and Bradstreet)

<sup>4</sup> Farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

**Table 13. Geographic and Borrower Distribution of Consumer Loans has been omitted because the institution did not opt to report consumer loans.**

**Table 14. Qualified Investments has been omitted because the institution's opportunities lie in the form of charitable contributions to qualified organizations and community-based programs.**

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings has been omitted as the institution has opened one branch (Sycamore) and has not closed any branches in the past two years.**



**Table 16. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				State: ILLINOIS				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003									
	Deposits	Branches				ATMs				Population							
MA/ Assessment Area	% of Rated Area Deposits in AA <sup>1</sup>	# of Bank Facilities	% of Rated Area Branches in AA	Location of Branches by Income of Geography (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geography (%)				% of Population within each Geography <sup>2</sup>			
				Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
<b>CHICAGO (FULL REVIEW)</b>	100.0	6	100.0	0	0	50.0	50.0	8	100.0	0	0	62.5	37.5	0.0	0.0	49.4	50.6

<sup>1</sup> Deposit data as of June 30, 2003.

<sup>2</sup> Based on 2000 census information.