



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

November 30, 2009

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Castle Bank, National Association  
Charter Number: 14008

141 West Lincoln Highway  
DeKalb, Illinois 60115

Office of the Comptroller of the Currency

Midsized Bank Supervision  
One Financial Place, 440 South LaSalle Street, Suite 2700  
Chicago, Illinois 60605-1073

**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.

# Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>2</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>3</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>7</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>8</b>
<b>FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....</b>	<b>10</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....</b>	<b>11</b>
LENDING TEST.....	11
INVESTMENT TEST.....	16
SERVICE TEST.....	17
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>1</b>
<b>APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREA.....</b>	<b>1</b>
<b>APPENDIX C: TABLES OF PERFORMANCE DATA .....</b>	<b>1</b>

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Castle Bank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Castle Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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 reflect good responsiveness to its deposit market share and area credit needs.
- The distribution of home mortgage loans by income level of geography is excellent and the distribution of loans to small businesses by income level of geography is good. The analysis of the distribution of loans to small farms by income level is not meaningful.
- The distribution of loans to borrowers of different income levels is excellent. The distribution of loans to small businesses and small farms of different sizes is good.
- The level of community development (CD) loans is a neutral factor.
- There is an adequate level of qualified investments that are responsive to credit and CD needs of the assessment areas (AA).
- The bank’s retail delivery systems are readily accessible to geographies and individuals of different income levels.
- The bank provides a relatively high level of 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.

**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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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 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 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). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division (MD):** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**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.

**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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

Castle Bank, National Association (CBNA or Castle Bank) is an intrastate bank headquartered in DeKalb, Illinois, which is on the western edge of the Chicago-Naperville-Joliet, IL MD. As of December 31, 2008, the bank had total assets of \$1.2 billion and Tier 1 Capital of \$110 million. At the time of the prior examination the bank had 10 branch locations. In 2007 Castle Bank acquired and merged with First National Bank of Marengo, Marengo, Illinois and five branches were added in Marengo, Belvidere, Huntley, and Lake in the Hills, Illinois. Additionally, the bank merged two of its branches in Harvard, Illinois into one, and closed a branch location in Marengo. Currently, in addition to its main office in DeKalb, CBNA operates 13 other branches as well as 15 ATMs located in DeKalb, Kane, Kendall, McHenry, and Boone Counties.

First National of Nebraska, Inc. (FNNI) has owned Castle Bank since January 2002. FNNI is a multi-bank holding company headquartered in Omaha, Nebraska. FNNI owns a number of state and nationally chartered banks operating in Nebraska, Colorado, Kansas, South Dakota, Illinois, and Texas, and as of December 31, 2008 had consolidated assets of \$16.7 billion. Non-bank subsidiaries of FNNI include mortgage, insurance, and finance companies.

Castle Bank is a full-service financial institution, offering a wide variety of retail and commercial bank products and services. The bank has no subsidiaries. Its lending focus is home mortgage, commercial, and agricultural loans. As of December 31, 2008, loans and leases totaled \$891 million, representing 74.25 percent of total assets and 85.92 percent of total deposits. The loan portfolio is comprised of 76 percent RE loans, 17 percent commercial loans, 5 percent agricultural loans, and 2 percent consumer and other loans. A breakdown of the real estate loan portfolio shows that 47 percent are secured by commercial real estate, 36 percent are secured by 1-4 family real estate, 10 percent are secured by farmland, and 7 percent are secured by multi-family real estate. These numbers do not reflect the significant volume of residential real estate loans the bank has sold in the secondary market. CBNA sold approximately 2,025 residential loans, totaling \$339 million over the evaluation period.

There are no financial, legal, or other factors that impede the bank's ability to help meet credit needs in its assessment area. The bank received an Outstanding rating at the May 8, 2006 CRA examination.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Products reviewed in the lending test include home mortgage loans, small loans to businesses, and small loans to farms. The current evaluation period for these products is January 1, 2006 through December 31, 2008. Market comparisons are based on 2008 peer data, which was the most recently available data at the time of this evaluation.

The evaluation period for the community development loan, investment, and service tests is May 9, 2006 through November 29, 2009. At the bank's request we also considered the qualified investments of FNNI.

### Data Integrity

To assess the accuracy of the bank's publicly reported home mortgage, business and farm loan data, we compared reported information to credit file documentation for independent samples of loans. We found the data to be accurate and reliable for use in the performance evaluation.

We also reviewed information on all community development loans, investments and services identified by the bank. Only those activities that met community development criteria and were not reported in the HMDA or CRA LAR (except multi-family loans) are presented and considered in this evaluation.

### Selection of Areas for Full-Scope Review

During this examination, we performed a full-scope review on 1 of the bank's 2 AAs. The Northeast Illinois AA selected for review is located almost entirely within the Chicago-Naperville-Joliet, IL MSA and contains the vast majority of the bank's deposit and loan business. This AA consists of 72 CTs within the Chicago-Naperville-Joliet, IL MSA including all of DeKalb and Kendall Counties, and parts of Kane and McHenry Counties. The AA also includes 1 CT located in LaSalle County, which is an adjacent non-MSA CT with less than 1 percent of the total AA population. Therefore, we combined this CT with the adjacent 72 CTs for purposes of our analysis. We also performed a limited scope review on the Boone County AA which consists of 6 CTs in the Rockford, IL MSA. Please refer to the tables in Appendix A for more information.

### Ratings

Our rating is based primarily on the conclusions reached in the evaluation of the bank's performance in the full-scope AA. The weighting given to each loan product in assigning the Lending Test rating is reflective of the relative volume of originations and purchases of that loan product over the evaluation period. Castle Bank's community development loans had a neutral impact on the Lending Test rating.

## Other

One community contact was made during this examination with the executive director of an Economic Development Corporation located in Kendall County. The organization's mission is to promote desirable economic development that will support a thriving, diverse and sustainable quality of life in Kendall County. The contact stated that there has been a recent improvement in the housing market in this area and that job opportunities are showing a steady increase. The continuing need for small business and economic development loans was noted.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Area Receiving Full-Scope Review

The bank's performance under the lending test is rated High Satisfactory. Based on the full-scope review, the bank's performance is good.

#### Lending Activity

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

Lending levels reflect good responsiveness in relation to area credit needs and the bank's deposit market share. As of June 30, 2009, Castle Bank ranked 6th in deposit market share at 5.09 percent in the combined DeKalb, Kane, Kendall and McHenry Counties. [Please note that market share peer data is based on activity within whole counties whereas the bank's full-scope AA includes only portions of Kane and McHenry counties.] Based on 2008 HMDA aggregate data, Castle ranks 8th in overall market share for HMDA loans at 2.26 percent. Based on 2008 CRA aggregate data: Castle ranks 13th in overall market share for small loans to businesses with a market share of 1.58 percent; and Castle ranks 1st in overall market share for small loans to farms with a market share of 25.50 percent. Performance is good given the level of competition in this AA for mortgage and small business loans, and the bank's dominance in small farm lending. Competition comes primarily from several large credit card companies, regional financial institutions, and mortgage lenders.

For analysis purposes, more consideration was given to the home mortgage loan products as they represented 40 percent by number and 45 percent by dollar amount of the bank's loan originations over the evaluation period. Small loans to businesses also had a large impact on the bank's performance as they represented 37 percent by number and 35 percent by dollar amount, followed by small loans to farms with 23 percent by number and 20 percent by dollar amount of the bank's originations within the evaluation period.

Within home mortgage lending, the greatest emphasis was on home purchase and refinance loans as these loan types represented the largest percentage of home mortgage lending during the evaluation period. Additionally, because there are only two low-income and one moderate-income CTs within the bank's AA and they contain limited credit opportunities, we gave more weight to the bank's lending performance based on distribution among borrowers of different income levels and businesses of different sizes.

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

##### *Home Mortgage Loans*

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. This

analysis did not include activity in moderate-income CTs as there were no owner occupied housing units in the one moderate-income CT in the AA. This CT is very small in geographic size and has a population of less than one-thousand. It consists of part of the Northern Illinois University (NIU) campus and there are few housing units of any kind in this CT.

Castle Bank's overall geographic distribution of home mortgage loans is excellent. The bank's geographic distribution performance for each home mortgage loan type is discussed below. In reaching our overall conclusion more weight was given to the bank's home purchase and home refinance geographic lending performance as they constitute over 92 percent of the home mortgage loans purchased/originated by Castle Bank during this evaluation period.

For home purchase loans, the bank's geographic distribution is excellent. In the full-scope AA the percentage of home purchase loans originated/purchased in low-income geographies exceeds the percentage of the AA's owner occupied housing units located in low-income geographies. In addition, the bank's market share of home purchase loans in low-income geographies exceeds the bank's overall home purchase market share for the AA.

For home improvement lending, the bank's geographic distribution is good. In the full-scope AA, the percentage of home improvement loans originated/purchased in low-income geographies exceeds the percentage of the AA's owner occupied housing units located in low-income geographies. However, the bank's market share of home improvement loans in low-income geographies is poor.

For home refinance loans, the bank's geographic distribution is excellent. In the full-scope AA, the percentage of home refinance loans originated/purchased in low-income geographies exceeds the percentage of the AA's owner occupied housing units located in low-income geographies. In addition, the bank's market share of home refinance loans in low-income geographies exceeds the bank's overall home refinance market share for the AA.

For multi-family lending, the bank's geographic distribution is excellent. In the full-scope AA, the percentage of multi-family loans originated/purchased in low-income geographies exceeds the percentage of the AA's owner occupied housing units located in low-income geographies. The bank's market share of multi-family loans in low-income geographies is not a significant measure given the overall low number of multi-family loans originated by the bank.

### ***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 originations/purchases of small loans to businesses. There is no analysis of bank lending in moderate-income CTs as there are no businesses in the one moderate-income CT in the AA.

The overall geographic distribution of small loans to businesses is good. Over the evaluation period, Castle Bank originated 0.74 percent of their small loans to businesses in low-income CTs, which is near to the demographic percent of businesses located in the low-income CTs (0.78 percent). The bank's market share of loans made in low-income CTs is also near to the bank's overall business loan market share.

### ***Small Loans to Farms***

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms. There is no analysis of bank small loans to farms in low- or moderate-income CTs as lending opportunities are extremely limited in these CTs. There are only 5 total farms in low-income CTs, and no farms in the one moderate-income CT in the AA. Analysis would not be meaningful.

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

Our geographic distribution analysis included a review for lending gaps, particularly in low- and moderate-income areas. We did not identify any unexplained conspicuous gaps or underserved geographies in the Castle Bank AA.

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

A majority of Castle Bank's loans are made in its AA. During the evaluation period, 75 percent by number and amount were originated within the bank's AA. By product type, Castle Bank originated 75 percent of its HMDA loans by number and 73 percent by dollar amount within its AA. For small loans to businesses, 77 percent by number and 75 percent by dollar amount were within the AA. For small loans to farms, 73 percent by number and 79 percent by dollar amount were within the AA. This volume of lending within the AA demonstrates good responsiveness to area credit needs.

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

### ***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.

To evaluate the borrower distribution of home mortgage loans, we considered the percentage of the population living below the poverty level. By county in the AA in 2008, the poverty levels were 12.1, 9.0, 3.4 and 5.2 percent for DeKalb, Kane, Kendall and McHenry Counties, respectively. When considered with the 2008 HUD Adjusted Median Family Income of \$70,837 and an average median housing value in excess of \$240M in the AA, the unsubsidized purchase of an average single-family residence might be beyond the financial means of some low- or moderate-income individuals.

Castle Bank's overall borrower distribution of home mortgage loans is excellent. The bank's borrower distribution performance for each home mortgage loan type is discussed below. In reaching our overall conclusion more weight was given to the bank's home purchase and home refinance borrower lending performance as these products constitute over 92 percent of the home mortgage loans purchased/originated by Castle Bank during this evaluation period.

For home purchase loans, the bank's overall borrower distribution is excellent. In the full-scope AA, the percentage of home purchase loans originated/purchased to low-income borrowers is lower than the percentage of low-income families in the AA, but reflects good performance when poverty levels are considered. The bank's market share of home purchase loans to low-income borrowers exceeds the bank's overall home purchase market share for

the AA. The percentage of home purchase loans originated/purchased to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home purchase loans to moderate-income borrowers also exceeds the bank's overall home purchase market share for the AA.

For home improvement lending overall the bank's borrower distribution is excellent. In the full-scope AA the percentage of home improvement loans originated/purchased to both low- and moderate-income borrowers exceeds the percentage of low- and moderate-income families in the AA, respectively. The bank's market share of home improvement loans to both low- and moderate-income borrowers is also excellent as it exceeds the bank's overall home improvement market share for the AA, respectively.

For home refinance loans the bank's overall borrower distribution is excellent. In the full-scope AA the percentage of home refinance loans originated/purchased to low-income borrowers is lower than the percentage of low-income families in the AA, but reflects good performance when poverty levels are considered. The percentage of home refinance loans originated/purchased to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share of home refinance loans to both low- and moderate-income borrowers exceeds the bank's overall home refinance market share for the AA, respectively.

### ***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 distribution of small loans to businesses in the bank's full-scope AA is good. Castle Bank's percentage of loans made to businesses with revenues less than \$1 million is near to the AA's percentage of businesses with revenues less than \$1 million. In addition, the bank's market share of loans to small businesses exceeds its overall business loan market share.

### ***Small Loans to Farms***

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The distribution of small loans to farms in the AA is good. Castle Bank's distribution of small loans to farms reflects good penetration among farms with revenues less than \$1 million. The bank's percentage of loans made to small farms is near to the percentage of small farms in the AA. The bank's market share of loans made to small farms is also near to the bank's overall farm lending market share.

### **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. The bank's level of community development lending within the full-scope review area is adequate and had a neutral impact on the Lending Test performance.

Castle Bank originated seven community development loans during the evaluation period totaling \$2.4 million. All loans were for projects located within their AA. These funds included construction loans and permanent financing of affordable housing including group homes and a senior assisted living facility that provides housing for low- and moderate-income individuals.

### **Product Innovation and Flexibility**

Castle Bank offers flexible lending products to serve the credit needs of its AA. Throughout the performance evaluation period the bank has offered a program through the USDA designed primarily to help low-income individuals or households purchase, repair, renovate, or relocate homes in rural areas. Loan volume for this program in 2007 and 2008 was approximately \$4 million.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on our limited-scope review, the bank's performance under the lending test in the Boone County AA is not inconsistent with the bank's overall High Satisfactory performance under the lending test. Additionally, the bank is new to this market and has a very small footprint in this AA. They originated few loans during the evaluation period and the benefits of any analysis are limited. There are also no low- or moderate-income geographies in the AA. See Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Investment Test performance is rated Low Satisfactory. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The qualified investments in the AA are responsive to the identified needs of the AA. None of the investments are considered innovative or complex and all are routinely provided by public and private investors.

The level of qualified investments is adequate, especially when considering the somewhat limited opportunities within the bank's delineated community. The bank operates in a less densely populated section of the Chicago-Naperville-Joliet, IL MD that contains fewer opportunities. The bank's AA contains approximately 5 percent of the MD's total population. Qualifying investments in the full-scope AA total \$1.6 million. This amount represents 1.6 percent of the bank's Tier 1 capital.

Current period investments consist of contributions to various qualified community organizations that mostly provide community services to low- and moderate-income persons in the AA. The bank has provided funds to community development organizations that sponsor local food pantries, homeless shelters, college scholarship programs, and other community service programs, which primarily target low- and moderate-income persons. In addition, Castle Bank gives contributions to several small business development groups such as local chambers of commerce. There was also a \$500,000 investment by FNNI in Access Capital Strategies (ACS) during the evaluation period. ACS manages a mutual fund that invests in securities in the bank's AA used to support affordable housing and economic development.

Prior period investments totaling \$989 million consist of the purchase of a qualifying Mortgage Backed Security for \$644,000, a \$95,000 bank investment in a qualifying local credit counseling service, and a \$250,000 investment by FNNI in ACS.

### **Conclusions for Areas Receiving Limited-scope Reviews:**

Based on a limited-scope review, the bank's performance under the investment test in the Boone County AA is weaker than the bank's full-scope review performance. Refer to Table 14 in Appendix C for the facts and data that support these conclusions. The weaker performance in the limited-scope AA is attributed to the newness of the bank in that market place and does not negatively impact the bank's overall investment test performance rating.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Northeast Illinois AA is good.

#### **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.

#### **RETAIL BANKING SERVICES**

CBNA's retail delivery systems are readily accessible to geographies and individuals of different income levels. While there are no branch locations in any of the 3 low- or moderate-income CTs, accessibility is supported by the excellent geographic and borrower distributions in mortgage loans under the lending test. We noted in our analysis that only 3 of the 73 CTs in the bank's AA are located in low- or moderate-income tracts and these CTs contain less than 4 percent of the AA population. The bank has 14 offices, 27 automated teller machines (ATMs), including 13 ATMs that dispense cash only.

In the evaluation period, 5 branches were added in the full-scope AA through the acquisition of FNB Marengo and subsequently one of these branches was closed. In addition, two branches in Harvard, Illinois were merged into one. All of the branches that were affected by openings/acquisitions, mergers, and closings were in middle-income geographies. Castle Bank's record of opening and closing offices over the evaluation period had a neutral impact on the accessibility of its delivery systems.

Branch hours of operation are uniform except for the main branch in DeKalb, which has longer hours than all other branches in order to provide better availability to students on the NIU campus. Offices are open at least seven hours per day Monday through Thursday, nine hours on Friday, and three hours on Saturday. Drive-up facilities available at full-service offices and the bank's drive-up branch provide expanded hours of service on weekdays and Saturdays. Products and services offered do not vary significantly between branch locations.

#### **Community Development Services**

CBNA provides a good level of community development services in the full-scope AA. During the evaluation period, bank personnel provided assistance to 13 community development organizations serving the AA. The bank's level of CD service activities is considered good given its size and capacity, considering the CD needs and opportunities of its AA. For the most part, service work involved serving on boards or committees of organizations that provide social services to low-and moderate-income individuals or organizations that facilitate economic development.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on our limited-scope review, the bank's performance under the Service Test in the Boone County AA is weaker than the bank's overall High Satisfactory performance under the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## 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 nonmetropolitan 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 CD Loans): (01/01/06 to 12/31/08) Investment and Service Tests and CD Loans: (05/09/06 to 11/29/2009)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Castle Bank, NA DeKalb, Illinois	Home mortgage loans, Small loans to businesses, Small loans to farms	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
First National of Nebraska, Inc	Holding Company	Qualified Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Northeast Illinois AA	Full-Scope	All of DeKalb and Kendall Counties and portions of Kane and McHenry Counties. All counties are part of the Chicago-Naperville-Joliet, IL MD (16974). AA also included one CT from LaSalle County, a non-MSA area.
Boone County, IL AA	Limited-Scope	Part of Rockford, IL MSA (40420)

## Appendix B: Market Profiles for Full-Scope Area

Demographic Information for Full-Scope Area: Northeast Illinois AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	73	2.74%	1.37%	54.79%	41.10%	0
Population by Geography	398,132	2.85%	.60%	47.44%	49.11%	0
Owner-Occupied Housing by Geography	108,194	.11%	.00%	45.83%	54.06%	0
Businesses by Geography	29,498	.78%	.00%	49.01%	50.21%	0
Farms by Geography	1,792	.28%	.00%	63.62%	36.10%	0
Family Distribution by Income Level	104,483	10.44%	14.62%	25.69%	49.25%	0
Median Family Income = \$71,860 HUD Adjusted Median Family Income for 2008 = \$ 70,837 Households Below the Poverty Level = 5.28%			2008 Median Housing Value** = \$245,600 2008 Unemployment Rate*** = 6.4%			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, and 2008 HUD updated MFI. \*\*Housing Value is from 2008 National Association of Realtors data.  
 \*\*\*Unemployment rate in 2008 for the combined 5 counties in the AA from an economic development source = 6.4%.

Castle Bank's AA is comprised of 72 CTs within the Chicago-Naperville-Joliet, IL MD including all of DeKalb and Kendall Counties, and parts of Kane and McHenry Counties. The AA also includes 1 CT located in LaSalle County, which is an adjacent non-MSA CT with less than 1 percent of the total AA population. Total population of the AA is 398,132.

The AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income level geographies. The AA includes 2 low-income census tracts, 1 moderate-income census tract, 44 middle-income census tracts, and 31 upper-income census tracts. The low- and moderate-income census tracts are located on or adjacent to Northern Illinois University in the city of Dekalb.

Information available through a local economic development corporation indicates that the primary employers in Dekalb County are Northern Illinois University, KishHealth Systems, Dekalb School District, and Target and Walmart Distribution Centers. This source also shows the 2008 average unemployment rate for the five counties in the Full Scope portion of the AA to be 6.4%, which is comparable to the unemployment rate of 6.5% for the State of Illinois.

Single Family housing starts in DeKalb County went down from 1,008 in 2005 to 373 for 2008, while multi-family housing starts declined from 213 in 2005 to 48 in 2008.

## 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: (1) 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 MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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 MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- 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. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- 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 MA/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 MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NORTHEAST ILLINOIS						Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	% 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>												
Northeast Illinois AA	98.77%	1,768	\$283,012	1,620	\$220,387	984	\$122,490	7	\$2,387	4,379	628,276	99.25%
<b>Limited Review:</b>												
Boone County, IL AA	1.23%	22	\$2,338	22	\$557	15	\$1,049	0	\$0	59	3,944	.75%

\* Loan Data for 1/1/06-12/31/08. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is 1/1/06 to 11/29/09.  
 \*\*\* Deposit Data as of 6/30/2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: NORTHEAST ILLINOIS						Evaluation Period: January 1, 2006 TO December 31, 2008						
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northeast Illinois AA	851	98.61	0.11	2.59	0.00	0.00	45.83	73.91	54.06	23.50	1.83	13.33	NA	2.59	.92
<b>Limited Review:</b>															
Boone County, IL AA	12	1.39	0.00	0.00	0.00	0.00	73.36	100.0	26.64	0.00	1.17	NA	NA	1.70	0.00

\* Based on 2008 Peer Mortgage Data: Western 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: NORTHEAST ILLINOIS				Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	Total Home Improvement 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	Over all	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Northeast Illinois AA	121	99.18	0.11	0.83	0.00	0.00	45.83	79.34	54.06	19.83	4.68	0.00	NA	7.90	1.10					
<b>Limited Review:</b>																				
Boone County, IL AA	1	.82	0.00	0.00	0.00	0.00	73.36	100.0	26.64	0.00	1.27	NA	NA	1.79	0.00					

\* Based on 2008 Peer Mortgage Data: Western 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: NORTHEAST ILLINOIS					Evaluation Period: January 1, 2006 TO December 31, 2008			
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography									
	#	% of Total**	% Owner Occ***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Northeast Illinois AA	780	98.86	0.11	1.67	0.00	0.00	45.83	72.31	54.06	26.03	2.23	7.32	NA	3.39	1.18					
<b>Limited Review:</b>																				
Boone County, IL AA	9	1.14	0.00	0.00	0.00	0.00	73.36	77.78	26.64	22.22	.51	NA	NA	.46	.60					

\* Based on 2008 Peer Mortgage Data: Western 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: NORTHEAST ILLINOIS Evaluation Period: January 1, 2006 TO December 31, 2008												
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northeast Illinois AA	16	100.00	27.40	31.25	.09	0.00	48.45	62.50	24.07	6.25	9.84	0.00	0.00	15.38	0.00
<b>Limited Review:</b>															
Boone County, IL AA	0	0	0	0	0	0	100.0	0	0	0	0	0	0	0	0

\* Based on 2008 Peer Mortgage Data: Western 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: NORTHEAST ILLINOIS					Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp				
<b>Full Review:</b>																					
Northeast Illinois AA	1620	98.7	0.78	0.74	0.00	0.00	49.01	81.79	50.21	17.47	2.91	2.83	0.00	5.65	0.86						
<b>Limited Review:</b>																					
Boone County, IL AA	22	1.3	0.00	0.00	0.00	0.00	79.03	95.45	20.97	4.55	1.40	0.00	0.00	1.91	0.38						

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 2008).

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

Geographic Distribution: SMALL LOANS TO FARMS												Geography: NORTHEAST ILLINOIS					Evaluation Period: January 1, 2006 TO December 31, 2008				
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>																					
Northeast Illinois AA	984	98.5	0.28	0.10	0.00	0.00	63.62	88.31	36.10	11.59	34.60	0.00	0.00	40.5	17.1						
<b>Limited Review:</b>																					
Boone County, IL AA	15	1.5	0.00	0.00	0.00	0.00	63.25	60.00	36.75	40.00	20.8	0.00	0.00	23.5	14.3						

\* Based on [2008] Peer Small Business Data: US.

\*\* 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 (2008).

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

Borrower Distribution: HOME PURCHASE												Geography: NORTHEAST ILLINOIS					Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share										
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Northeast Illinois AA	851	98.61	10.44	7.99	14.62	19.86	25.69	28.20	49.25	44.42	1.81	2.01	2.13	1.66	2.20						
<b>Limited Review:</b>																					
Boone County, IL AA	12	1.39	16.12	8.33	16.99	41.67	23.54	33.33	43.35	16.67	1.17	5.88	3.81	0.00	0.00						

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.5% 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: NORTHEAST ILLINOIS				Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share									
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans***	Over-all	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Northeast Illinois AA	121	99.18	10.44	11.57	14.62	23.14	25.69	23.97	49.25	37.19	4.57	12.00	6.45	5.58	2.86					
<b>Limited Review:</b>																				
Boone County, IL AA	1	.82	16.12	0.00	16.99	100.0	23.54	0.00	43.35	0.00	1.27	0.00	3.81	0.00	0.00					

\* Based on 2008 Peer Mortgage Data: WesternRegion.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.10% 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.

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

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: NORTHEAST ILLINOIS					Evaluation Period: January 1, 2006 TO December 31, 2008				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share										
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Northeast Illinois AA	780	98.86	10.44	7.95	14.62	18.59	25.69	30.38	49.25	40.90	2.22	4.98	3.32	2.52	2.24						
<b>Limited Review:</b>																					
Boone County, IL AA	9	1.14	16.12	22.22	16.99	11.11	23.54	44.44	43.35	22.22	.51	2.33	0.00	.79	.52						

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.15% 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.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: NORTHEAST ILLINOIS		Evaluation Period: January 1, 2006 TO December 31, 2008			
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*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$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>									
Northeast Illinois AA	1620	98.7	69.05	57.96	69.13	14.51	16.36	1.58	2.42
<b>Limited Review:</b>									
Boone County, IL AA	22	1.3	65.87	59.09	100.00	0.00	0.00	1.70	2.47

\* Based on [2008] Peer Small Business Data: US.

\*\* 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.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

\*\*\*\* 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 17.84% of small loans to businesses originated and purchased by the Bank.

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

Borrower Distribution: SMALL LOANS TO FARMS					Geography NORTHEAST ILLINOIS Evaluation Period: January 1, 2006 TO December 31, 2008				
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	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Northeast Illinois AA	984	98.5	96.37	77.24	58.33	30.69	10.98	25.50	22.92
<b>Limited Review:</b>									
Boone County, IL AA	15	1.5	97.44	86.66	80.00	20.00	0.00	32.86	36.73

\* Based on 2008] Peer Small Business Data: US.

\*\* 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.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2008).

\*\*\*\* 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 9.77% of small loans to farms originated and purchased by Bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NORTHEAST ILLINOIS		Evaluation Period: May 9, 2006 TO November 29, 2009					
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>									
Northeast Illinois AA	2	989	48	604	50	1,593	100.00%	0	0
<b>Limited Review:</b>									
Boone County, IL AA	0	0	0	0	0	0	0	0	0

\* '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: NORTHEAST ILLINOIS Evaluation Period: May 9, 2006 TO November 29, 2009																	
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>																	
Northeast Illinois AA	98.84	13	92.86	0	0	76.9	23.1	1	2	0	0	-1	0	2.85	0.60	47.44	49.11
<b>Limited Review:</b>																	
Boone County, IL AA	1.16	1	7.14	0	0	100	0	1	0	0	0	+1	0	0	0	77.25	22.75