



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Public Disclosure**

**March 8, 2004**

**Community Reinvestment Act  
Performance Evaluation**

**First National Bank of Illinois**  
Charter Number: 14512

**3256 Ridge Road  
Lansing, Illinois 60438**

**Office of the Comptroller of the Currency**

**Chicago South Field Office  
7600 Country Line Road, Unit 3  
Burr Ridge, IL 60521**

**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.**

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Outstanding**”.

The following table indicates the performance level of **First National Bank of Illinois (FNBI)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank of Illinois Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	<b>X</b>	<b>X</b>	
High Satisfactory			
Low Satisfactory			<b>X</b>
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:

- FNBI’s lending activity in the assessment area is considered excellent.
- FNBI’s distribution of loans among geographies with different income levels is good.
- FNBI’s lending reflects an excellent dispersion among borrowers of different income levels and businesses of different sizes.
- The bank has an excellent level of Community Development lending. This had a positive impact on the Lending Test conclusions.
- The bank’s performance under the Investment Test is excellent.
- FNBI’s delivery systems are reasonably accessible to individuals of different income levels in their assessment area.
- FNBI’s performance in providing community development services in the assessment area is good.

## 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.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**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.

**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 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, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area 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 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:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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.

**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 primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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 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.

## **Description of Institution**

First National Bank of Illinois (FNBI) is a nationally chartered bank headquartered in Lansing, Illinois. FNBI is a wholly owned subsidiary of First Lansing Bancorp, Inc., a \$331 million, one-bank holding company also located in Lansing, Illinois. First Lansing Bancorp, Inc. owns 40% of Support Services, LLC, which provides data processing services to First National Bank of Illinois. Through common ownership, FNBI is affiliated with Mercantile Bancorp, Inc. (Mercantile National Bank of Indiana) and Home State Bancorp, Inc. (Home State Bank, N.A).

FNBI is an intrastate bank which operates seven bank offices in Illinois, in the far southeast portion of Cook County and the northeast portion of Will County. Two of the full-service locations are in Lansing, one is in Lynwood, one is in Joliet, one is in Mokena, one is in Shorewood, and one in Plainfield.

All of the bank's offices are full-service facilities and offer a full range of traditional banking products. Offices are located throughout the assessment area (AA). There are 3 low- and 13 moderate-income geographies in the bank's AA. There are also 52 middle-income and 14 upper-income geographies in FNBI's AA. FNBI has 9 automated teller machines (ATMs) all located in the AA. Six of these ATMs are full service and two are cash dispensing only. Other alternative banking delivery systems include Telephone Banking, Bank by Mail, Internet Banking, and a 24-hour automated bank by computer service. Office hours vary between branches however there is no significant impact on low- and moderate-income persons.

FNBI is primarily considered a commercial bank. As of December 31, 2003, FNBI had total assets of approximately \$330 million, total loans of \$163 million, total deposits of \$264 million, and Tier one capital of \$38 million. The bank offers traditional commercial and retail lending services. The loan portfolio is centered in real estate lending. Approximately 27 percent are residential mortgage loans, 46 percent are commercial and commercial real estate loans, 21 percent are construction and land development loans, and 6 percent are loans to individuals. FNBI is not an agricultural lender.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in the bank's AA. First National Bank of Illinois was rated "Satisfactory" using large bank CRA examination procedures at its last CRA evaluation dated November 15, 1999.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for the Lending Test, excluding Community Development (CD) Loans, is July 1, 1999 through December 31, 2002. The evaluation period for the Investment Test, the Service Test, and CD loans is November 16, 1999 through March 8, 2004. Products included in FNBI's Lending Test analysis are home mortgage loans, small loans to businesses, and CD loans.

## **Data Integrity**

The Community Reinvestment Act requires that banks, other than small banks, collect and maintain certain data regarding originations and purchases of small business, small farm, and Home Mortgage Disclosure Act (HMDA) loans.

As part of our evaluation, we performed a data integrity review on the bank's HMDA and CRA data from 1999 through 2002. We found the HMDA data to be reliable. Our review of CRA data revealed errors in two key fields. FNBI corrected the CRA data and as a result, we were able to rely on the bank's data to make an appropriate and accurate assessment of the bank's performance under the Community Reinvestment Act. In addition, we reviewed CD loans, investments and services, submitted by FNBI, to determine that they met the regulatory definitions for CD. Some of the items submitted did not meet the definition or purpose of CD. Therefore, this evaluation was based on only those CD loans, investments and services that met the regulatory definitions.

## **Selection of Areas for Full-Scope Review**

The bank has two AAs. One is in Cook County, Illinois and one is in Will County, Illinois. Both AAs are in the Chicago MA (1600) and the counties are contiguous political subdivisions. The AAs were combined for analysis purposes and will be referred to as one AA throughout this evaluation. The ratings are based on conclusions reached in the evaluation of FNBI's performance in this full-scope AA.

## **Ratings**

The bank's overall rating is based on the AA which received a full-scope review.

## **Other**

Two community contacts from the bank's AA's were made during the evaluation. One of our contacts was for the Cook County AA; our contact was the Director of a small business development organization. The Director identified a continuous need for small business, start-up and expansions of business as the primary needs in the AA. The economy is recovering from a downtrend with the greater majority of the population in moderate- and middle- income households. She indicated that the financial institutions in the area are very active in the community as well as in the development of small businesses in the area.

A contact was made in the Will County AA with a housing specialist. The specialist identified a growing need for affordable housing for low- and moderate-income individuals and families. She identified the economy overall to be good in the Will County area. She indicated that the financial institutions in the area are very active in the community as well as in the development of affordable housing.



## **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

## **LENDING TEST**

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

The bank's performance under the **Lending Test** is rated "**Outstanding.**"

#### **Lending Activity**

FNBI's lending activity in the AA is considered excellent.

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

To determine the relative levels of lending volume, we compared the bank's deposit market rank and market share to its market rank and market share for each loan product. To put the rankings in perspective, we also determined the bank's percentile rankings in the loan and deposit markets.

Small loans to farms and multifamily loans were not primary business lines of FNBI and were not considered in any section of this CRA performance evaluation.

During the evaluation period, approximately 40 percent of FNBI's originated or purchased loans in the AA are home mortgage loans and 60 percent are small loans to businesses. Of the total home mortgage loans, home purchase loans account for 34 percent, home refinance loans account for 38 percent, and home improvement loans account for 28 percent. Information on deposit market share compiled by the FDIC as of June 30, 2003 shows that the bank ranks 77th out of 217 institutions (65 percentile) with a deposit market share of 0.15 percent in the counties comprising the bank's AA.

The bank's deposit market share and rank compares favorably with its market share and rank from the various loan products. Based on 2002 HMDA aggregate data, FNBI ranks 102 out of 582 lenders (82 percentile), with 0.16 percent market share in the bank's AA for all HMDA reportable loans. FNBI ranks 79 out of 413 lenders (81 percentile) originating/purchasing home purchase loans in the AA with 0.21 percent market share. FNBI ranked 35 out of 116 lenders (70 percentile) in home improvement lending in the bank's AA, with 0.79 percent market share. FNBI ranks 110 out of 482 lenders (77 percentile) originating/purchasing home refinance loans in the AA with a 0.11 percent market share.

Based on 2002 CRA aggregate data, FNBI ranks 75th of 316 lenders (76 percentile) originating/purchasing small loans to businesses, with a 0.08 percent market share.

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

FNBI's distribution of loans among geographies with different income levels is good.

#### ***Home Mortgage Loans***

Refer to tables 2, 3, 4, and 6 in Appendix C for facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations and purchases.

The overall geographic distribution of home mortgage loans is good in the full scope assessment area.

Home purchase loan distribution is excellent. The percentage of the bank's home purchase loans made in low- income geographies (3.03 percent) significantly exceeds the percentage of owner occupied housing units (1.17 percent) in those geographies. The percentage of home purchase loans made in moderate-income geographies (7.58 percent) is near the percentage of owner occupied units in those geographies (10.77 percent). The bank's market share for home purchase loans made in low-income geographies (1.45 percent) significantly exceeds the bank's overall market share (0.21 percent). The bank's market share for home purchase loans made in moderate-income geographies (0.42 percent) greatly exceeds the bank's overall market share (0.21 percent).

Home improvement loan distribution is good. The percentage of the bank's home improvement loans made in low-income geographies (1.89 percent) exceeds the percentage of owner occupied housing units (1.17 percent) in those geographies. The percentage of home improvement loans made in moderate-income geographies (3.77 percent) is below the percentage of owner occupied units in those geographies (10.77 percent). The bank's market share for home improvement loans made in low-and moderate-income geographies is less than 1 percent and does not provide any meaningful information to this analysis.

Home mortgage refinance loan distribution is good. The percentage of the bank's home mortgage refinance loans made in low-income geographies (4.00 percent) significantly exceeds the percentage of owner occupied housing units (1.17 percent) in those geographies. The percentage of home mortgage refinance loans made in moderate-income geographies (4.00 percent) is below the percentage of owner occupied units made in those geographies (10.77 percent). The bank's market share for home mortgage refinance loans made in low-and moderate-income geographies is less than 1 percent and does not provide any meaningful information to this analysis.

### ***Small Business Loans***

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

Geographic distribution of small loans to businesses is good. The percentage of the bank's small loans to businesses made in low-income geographies (1.63 percent) is below the percentage of businesses (3.61 percent) in those geographies. There are only 442 small businesses with revenues less than \$1 million in the low-income geographies. Competition is strong for the limited lending opportunities with 306 lenders originating small business loans in the low-income geographies. The percentage of small loans to businesses made in moderate-income geographies (10.46 percent) greatly exceeds the percentage of businesses in those geographies (5.70 percent). The bank's market share for small loans to businesses made in low-and moderate-income geographies (0.08 and 0.07 percent, respectively) meet the overall market share (0.08 percent) of small loans to businesses.

## **Lending Gap Analysis**

No unexplained or conspicuous gaps were identified. Maps and reports detailing FNBI's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans.

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

A majority (60 percent) of home mortgage loans and small loans to businesses originated or purchased by FNBI over the evaluation period are within the AA. Fifty-five percent of the bank's home-mortgage loans, and 62 percent of its small loans to businesses are within its AA. This performance was positively factored into the overall analysis.

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

FNBI's lending reflects an excellent dispersion among borrowers of different income levels and businesses of different sizes.

### ***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.

The overall borrower distribution of home mortgage loans is excellent in the bank's AA.

The borrower distribution for home purchase loans is excellent. Home purchase loans (20.63 percent) made to low-income borrowers exceeds the percentage of low-income families (16.99 percent) in the AA. Home purchase loans (30.16 percent) made to moderate-income borrowers significantly exceed the percentage of moderate-income families (18.79 percent) in the AA. Market share for loans made to low-income borrowers (0.47 percent) exceeds the overall market share (0.25 percent). Market share for loans made to moderate-income borrowers (0.25 percent) meets the overall market share (0.25 percent) for home purchase loans in the AA.

The borrower distribution for home improvement loans is excellent. Home improvement loans made to low-income borrowers (26.42 percent) significantly exceed the percentage of low-income families (16.99 percent) in the AA. The percentage of home improvement loans made to moderate-income borrowers (24.53 percent) significantly exceeds the percentage of moderate-income families (18.79 percent) in the AA. Market share for home improvement loans made to low-income borrowers (2.80 percent) significantly exceeds the overall market share (0.86 percent) in the AA for home improvement loans. Market share for home improvement loans made to moderate-income borrowers (0.72 percent) is near to the overall market share (0.86 percent) in the AA for home improvement loans.

The borrower distribution for home mortgage refinance loans is excellent. Refinance loans (13.70 percent) made to low-income borrowers is near the percentage of low-income families (16.99 percent) in the AA. Refinance loans made to moderate-income borrowers (26.03 percent) exceeds the percentage of moderate-income families in the AA (18.79 percent).

Market share for refinance loans made to low-income borrowers (0.33 percent) exceeds the overall market share (0.14 percent). Market share for refinance loans made to moderate-income borrowers (0.16 percent) exceeds the overall market share (0.14 percent) in the AA for refinance loans.

### ***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.

Borrower distribution of small loans to businesses is adequate. FNBI's small loans to businesses with revenues of \$1 million or less (43.79 percent) is below the percentage of small businesses (66.09 percent) in the AA. FNBI has a market share of 0.23 percent for small loans made to businesses with revenues of a \$1 million or less. This market share exceeds the bank's overall market share of 0.08 percent for loans to all businesses.

### ***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 businesses.

A borrower distribution of small loans to farms will not be included in this analysis. FNBI is not an active small farm lender.

### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

The Bank has an excellent level of Community Development Lending. This had a positive effect on the Lending Test conclusions.

During the evaluation period, FNBI extended a significant amount of community development loans. Examples of the 37 community development loans totaling approximately \$5.1 million are listed below:

- Ten loans totaling \$865 thousand to individuals under a government program to revitalize and stabilize low- and moderate-income neighborhoods.
- A loan totaling \$1.1 million to provide affordable housing to low- and moderate-income individuals or families in low- and moderate-income geographies.
- Two loans totaling \$150 thousand to a local community development corporation (CDC) provides assistance to small businesses and affordable housing for low- and moderate-income individuals.
- A loan totaling \$1 million primarily serving mentally and physically disabled low- and moderate-income individuals to provide social services and affordable housing.
- Seventeen loans totaling \$1.5 million to revitalize and stabilize a low- and moderate-income subdivision targeted by the city.

- Six loans totaling \$411 thousand were for the rehabilitation and renovation of properties in low- and moderate-income geographies to revitalize and stabilize the city.

## **Product Innovation and Flexibility**

Product flexibility had a positive effect on the Lending Test conclusions.

FNBI offers several flexible-lending products in order to serve its AA's credit needs, including below-market interest rates, extended terms, and closing cost assistance. Below is a description of some of the flexible loan programs offered in the AA.

**First Time Homebuyer Programs:** The bank's first time homebuyer programs provide closing cost and down payment assistance to low- and moderate-income applicants. Homebuyers' seminars are also performed. FNBI has made 24 loans during this evaluation period for an approximate total of \$1.9 million.

**Home Mortgage Loan Program:** The bank's home mortgage loan program provides no closing or origination fees, and a below market interest rate. FNBI has made 5 loans during this evaluation period for an approximate total of \$122 thousand.

This is an example of an innovative small business loan. A loan totaling \$400 thousand was made to a small business for a city-targeted plan. The purpose of the Plan was for economic development. FNBI increased the normal frequency of construction/renovation payouts from the line. FNBI also waived all inspection and administrative fees associated with the construction of this facility.

## **INVESTMENT TEST**

The bank's performance under the **Investment Test** is rated "**Outstanding.**"

Refer to Table 13 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Based on the full-scope review, the bank's performance is excellent. Information gathered from bank management and the Community Reinvestment Development Specialist at the OCC indicated that investment opportunities in the area are moderate. FNBI's current level of qualifying investments is a significant increase from the last performance evaluation.

FNBI made approximately \$8.7 million in investments during the evaluation period. The following are examples of the qualifying investments:

### **Investments**

- \$1.6 million to purchase 15 mortgage backed securities. All of the mortgages in the pools are to low- or moderate-income borrowers from within the bank's assessment area.

- \$7.1 million in 13 municipal school bonds that are to benefit schools within the bank's assessment area where the majority of students are from low- or moderate-income households.

## **SERVICE TEST**

The bank's performance under the **Service Test** is rated "**Low Satisfactory**".

### **Retail Banking Services**

Refer to Table 14 in Appendix C for the facts and data used to evaluate the distribution of bank's branch delivery system and branch openings and closings.

The bank's retail services are adequate. FNBI has seven banking locations. Two in Lansing, one in Lynwood, one in Joliet, one in Mokena, one in Shorewood, and one in Plainfield. One of the bank's Lansing facilities is located inside the Ultra Food Store. Six of the bank's locations also have drive-up facilities providing services on extended time schedules, including Saturdays. The Shorewood and Plainfield Branches were opened in late 2003. No offices have been closed since our last examination on November 15, 1999.

Although all the bank's facilities are located in middle-income geographies, except for the Shorewood branch that is located in an upper geography, the 1990 Demographic Census Data reveals that 62 percent of low-income and 72 percent moderate-income families reside in the middle-income geographies. Lobby hours and services provide good accessibility for all bank customers.

The distribution of automated teller machines (ATMs) is good. FNBI operates nine ATMs in their assessment area, seven of which are full service. FNBI offers other alternate delivery systems, which include Telephone Banking, Bank by Mail and Internet Banking, a 24-hour automated bank by computer service. FNBI, however, does not monitor the usage of these alternative delivery services by low- and moderate-income individuals. Therefore, we did not place any weight on these alternative systems when drawing our CRA performance conclusions.

### **Community Development Services**

FNBI's performance in providing community development services in the assessment area is good. Several officers and employees of FNBI serve on the boards of directors or as members of various community development service organizations. Those programs include providing financial expertise in the form of reviewing financial statements, guiding an organization through obtaining a designation that would allow access to grants and other funding sources and obtaining responsibility for a not for profit organization's budget whose primary purpose is to provide behavioral health care services to primarily low and moderate income individuals and families. While the community development services provided are non-complex, they are responsive to the needs of the community. Some of these services are:

- An Officer of FNBI is a board member for an organization that provides low-income housing for qualified senior citizens. They review financial statements for accuracy and reasonableness and maintain the investments on a monthly basis.

- An Officer serves as a member of an affordable housing committee and provides expertise of first time homebuyer needs. The individual provides educational seminars in this area to the members.
- Another Officer serves as a director on a school's scholarship committee as an application reviewer. The committee manages and maintains funding sources that provide the opportunity for individuals from low- and moderate-income communities within the AA to gain a college education.
- An Officer serves in a consultant capacity and assisted a not for profit organization obtain a designation that would allow the community center access to grants and other funding sources enhancing the affordability of residences and promoted homeownership within the low- and moderate-income community. The Officer also conducts seminars at the community center for the purpose to provide assistance to first time homebuyers in buying, financing, closing and maintenance prospects for home ownership. In addition, the Officer serves as a member and works with individuals within a community who desire to establish or enhance a small business. As a result of these activities, four new businesses were created in moderate-income geographies.
- Another FNBI Officer is a chairman of a board of directors and is responsible for the annual budget for a not for profit organization whose primary purpose is to provide behavioral health care services to primarily low- and moderate-income individuals and families.



## 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 non-metropolitan 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: 07/01/1999 through 12/31/2002 Investment Test: 11/16/1999 through 03/8/2004 Service Test: 11/16/1999 through 03/08/2004	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First National Bank of Illinois (FNBI) Lansing, Illinois	HMDA loans, small business loans, community development loans and flexible lending products	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	
Mercantile Bancorp, Inc. Home State Bancorp, Inc.	Common ownership	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	
Cook County and Will County in Metropolitan Area 1600	Full-Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Cook and Will County.....	B-2
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**Market Profile**  
**First National Bank of Illinois AA**

Demographic Information for Full Scope Area: First National Bank Illinois						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	65	4.62	15.38	60.00	20.00	0.00
Population by Geography	303,314	2.97	14.58	65.18	17.26	0.00
Owner-Occupied Housing by Geography	77,221	1.17	10.77	69.28	18.77	0.00
Business by Geography	16,304	3.61	5.70	59.44	31.25	0.00
Farms by Geography	465	0.65	7.31	54.19	37.85	0.00
Family Distribution by Income Level	79,827	16.99	18.79	28.86	35.36	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	28,566	5.09	19.60	67.48	7.83	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		42,758 75,400 7.35%		Median Housing Value Unemployment Rate (1990 US Census)		79,816 7.65%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI

**DESCRIPTION OF ASSESSMENT AREA**

FNBI is headquartered in Lansing, Illinois. Lansing is within the Chicago MA 1600 in Cook County, Illinois. This AA consists of 19 geographies in Cook County and 46 geographies in Will County. There are three low- and 10 moderate-income geographies, 39 middle-income geographies, and 13 upper-income geographies. FNBI's AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

As of June 30, 2003, all of FNBI's deposits are derived from this AA. FNBI's deposits total approximately \$248 million. Based on FDIC deposit market share data as of June 30, 2003, this equates to a 0.15 percent deposit market share, ranking FNBI 77 out of 217 deposit taking institutions in the Cook County area. Sixty percent of FNBI's originated or purchased loans (HMDA and small loans to businesses) are within the bank's AA.

The updated Housing and Urban Development (HUD) 2002 median family income for the AA is \$75,400. A breakdown of family income levels in the AA shows 16.99 percent as low-income, 18.79 percent moderate-income, 28.86 percent middle-income and 35.36 percent upper-income. A low-income family has a maximum income of \$37,700. In addition, seven percent of households have incomes below the poverty level.

Of the 110,652 housing units in the AA, 77,221 (69.79 percent) are owner-occupied, 27,566 (24.91 percent) are rental-occupied and 5,865 (5.30 percent) are vacant. The median housing value within the AA based on 1990 census data is \$79,816.

The outlook for the local economy is stable. The employment base and primary industries in the AA are service oriented (35.90 percent), followed by retail trade (16.97 percent) and construction (11.97 percent). A significant majority of the businesses in the area employ between 1-4 employees. Seventy-two percent of the small businesses in this AA report gross revenues of \$0.5 million or less.

The local unemployment rate in the AA is high at eight percent compared to the state and national average as of January 31, 2004. The unemployment rate for Indiana is five percent as December 31, 2002. The national rate for unemployment is six percent as of December 31, 2002. The AA does not have any anchor employers they are in an economic transition. Smaller service oriented employers populate it.

## 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: 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. Tables without data are not included in this PE.

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. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**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.

**Institution ID: 10000014512 FIRST NATIONAL BANK OF ILLINOIS**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002				
MA/Assessment Area (2002):	% 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>												
First National Bank Illinois	100.00	195	12,500	306	40,530	0	0	8	8	509	53,038	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is From November 16, 1999 to December 31, 2002.  
 \*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.



**Table 1. Other Products**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
First National Bank Illinois	100.00	11	845	11	845	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From November 16, 1999 to December 31, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: ILLINOIS		Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
First National Bank Illinois	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is From November 16, 1999 to December 31, 2002.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ILLINOIS					Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
First National Bank Illinois	66	100.00	1.17	3.03	10.77	7.58	69.28	69.70	18.77	19.70	0.21	1.45	0.42	0.24	0.12	

\* Based on 2002 Peer Mortgage Data: Central 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: ILLINOIS								Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					
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>															
First National Bank Illinois	53	100.00	1.17	1.89	10.77	3.77	69.28	86.79	18.77	7.55	0.79	0.00	0.00	1.36	0.00

\* Based on 2002 Peer Mortgage Data: Central 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: ILLINOIS				Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
First National Bank Illinois	75	100.00	1.17	4.00	10.77	4.00	69.28	80.00	18.77	12.00	0.11	0.00	0.16	0.18	0.04	

\* Based on 2002 Peer Mortgage Data: Central 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: ILLINOIS						Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002							
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>															
First National Bank Illinois	1	100.00	6.72	0.00	8.56	0.00	79.49	100.00	5.23	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Mortgage Data: Central 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: ILLINOIS								Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
First National Bank Illinois	306	100.00	3.61	1.63	5.70	10.46	59.44	84.97	31.25	2.94	0.08	0.08	0.07	0.15	0.02

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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 (2003).

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

Geographic Distribution: SMALL LOANS TO FARMS															Geography: ILLINOIS					Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002				
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 <sup>***</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans	% of Farms <sup>**</sup>	% BANK Loans	Overa ll	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
First National Bank Illinois	0	0.00	0.65	0.00	7.31	0.00	54.19	0.00	37.85	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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 (2003).



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

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS						Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002							
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>															
First National Bank Illinois	66	100.00	16.99	20.63	18.79	30.16	28.86	22.22	35.36	26.98	0.25	0.47	0.25	0.19	0.20

\* Based on 2002 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.55% of loans originated and purchased by FNBI.

\*\*\* 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: ILLINOIS				Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****					
<b>Full Review:</b>															
First National Bank Illinois	53	100.00	16.99	26.42	18.79	24.53	28.86	30.19	35.36	18.87	0.86	2.80	0.72	0.61	0.34

\* Based on 2002 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by FNBI.

\*\*\* 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: ILLINOIS				Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002				
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>																				
First National Bank Illinois	75	100.00	16.99	13.70	18.79	26.03	28.86	34.25	35.36	26.03	0.14	0.33	0.16	0.15	0.06					

\* Based on 2002 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.67% of loans originated and purchased by FNBI.

\*\*\* 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.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS		Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002					
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****	\$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>									
First National Bank Illinois	306	100.00	66.09	43.79	64.05	20.59	15.36	0.08	0.23

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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 - 2003).

\*\*\*\* 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 19.28% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ILLINOIS			Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002				
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 \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
First National Bank Illinois	0	0.00	86.67	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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 - 2003).

\*\*\*\* 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 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ILLINOIS				Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002			
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>									
First National Bank Illinois	0	0	28	8,700	28	8,700	100.00	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: ILLINOIS																	
Evaluation Period: NOVEMBER 16, 1999 TO DECEMBER 31, 2002																	
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>																	
First National Bank Illinois	100.00	7	100.00	0.00	0.00	85.71	14.29	2	0	0	0	+2	0	2.97	14.58	65.18	17.26

