



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 13, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Old Second National Bank
Charter Number: 4596

37-39 South River Street
Aurora, IL 60506-0000

Office of the Comptroller of the Currency

Chicago South Field Office
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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 **Old Second National Bank (OSNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
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 excellent responsiveness by OSNB to the credit needs of its assessment area (AA).
- The overall geographic distribution is excellent and borrower distribution is good.
- Community development lending has a positive effect on Lending Test conclusions. The bank’s leadership role in community development lending reflects an excellent responsiveness to community credit needs.
- Community development investments reflect good responsiveness to a moderate level of opportunities in the AA.
- Accessibility of OSNB's offices to geographies and to borrowers of different income levels and the responsiveness of OSNB's community development (CD) services to the needs of its AA are 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.

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: 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

Old Second National Bank (OSNB) is a large community bank headquartered in Aurora, Illinois. OSNB is a wholly owned subsidiary of Old Second Bancorp Inc., a one-bank holding company also headquartered in Aurora, Illinois. OSNB is an intrastate bank with 34 full service offices serving all of Kendall County, portions of DeKalb and Northwest Will Counties and a large portion of Kane and DuPage Counties, all of which are in the Chicago Metropolitan Area (MA), 1600. Additionally, there is one production office located in the bank's MA. The bank also has a Non-MA, LaSalle County, as part of their assessment area. Since the previous CRA evaluation, OSNB has merged their two sister banks into the national charter which increased the number of branches by 14. One of these branches is located in the bank's non-MA. Other growth efforts by OSNB added another eight offices under the charter. There now are 35 branches in total. In addition to the two sister banks previously held by the Bancorp being merged into one charter, OSNB acquired the assets of another institution increasing the overall asset size of the institution to \$2,894 million by June 30, 2008. The mortgage subsidiary has one loan production office within the bank's AA. After all of the changes OSNB had with mergers and acquisitions, OSNB had six offices that were determined to be less productive and those offices were closed during this evaluation period. Office closures included: one office in 2005 (Naperville), three offices in 2007 (Sandwich, Henshaw, and South Elgin), and two offices in 2008 (Joliet and Naperville).

OSNB is a full service lender offering various loan and deposit products. OSNB offers a full range of business loans, conventional mortgages, home improvement loans, and consumer loans. As of June 30, 2008, net loans represented 75 percent of total assets and consisted of residential real estate loans (26 percent), commercial and commercial real estate loans (43 percent), construction loans (22 percent), multi-family loans (7 percent), and loans to individuals (1 percent).

There are no legal, financial, or other factors impeding OSNB's ability to help meet the credit needs of the communities it serves. As of June 30, 2008, OSNB reported Tier 1 capital of \$252 million.

OSNB was rated "Outstanding" at its last CRA evaluation dated November 22, 2004.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding Community Development (CD) Loans, is January 1, 2005, through December 31, 2007. The evaluation period for the Investment Test, the Service Test, and CD loans is November 22, 2004, through October 13, 2008.

Products included in OSNB's Lending Test analysis are reportable home mortgage loans, small loans to businesses, and CD loans. Although OSNB originated some small farm loans, small farm loans are not a significant portion of the bank's business (less than 1 percent) and were not included in this analysis.

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 HMDA loans.

As part of our evaluation, we performed a data integrity review on the bank's 2005, 2006, and 2007 HMDA and CRA data by comparing information from the bank's loan application register to actual loan files.

We identified errors in the bank's publicly reported 2005 and 2006 HMDA and CRA data. The majority of the errors were a result of the bank misreporting revenue coding and action dates. Subsequent to the data integrity review, the bank corrected the errors and revised the loan application registers. As a result, we were able to evaluate the bank's distribution of HMDA and small business loans based on accurate data.

We verified CD loans, investments, and services submitted by OSNB's management to ensure that they met the regulatory definition for CD. Some items submitted by OSNB for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

OSNB has one primary assessment area (AA) consisting of 218 geographies in Will, Kendall, DeKalb, DuPage, and Kane Counties, all of which are in Chicago MA 1600. Six geographies are low-income, thirty three are moderate-income, 110 are middle-income, and 69 are upper-income. This AA represents OSNB's major markets and account for 98 percent of OSNB's deposit and 95 percent of the bank's lending activity during this evaluation period. The ratings are based on conclusions reached in the evaluation of OSNB's performance in this full scope AA. If a bank has adequately addressed the needs of its AA, we will also consider community development activities that benefit areas outside of the bank's AA in the evaluation of its performance. OSNB has adequately addressed the needs of its AA and, therefore, we considered community development investments located outside of its AA.

The non-MA is not being analyzed in this evaluation due to the small amount of transactions conducted in this area. The non-MA has a total of nine geographies with one office. This office was inherited from the merger of the Yorkville Bank in July 2007. A review of the non-MA demonstrated no significant differences compared to the full review of the primary assessment area of Chicago and its five counties. Therefore, a separate review of the non-MA was not completed.

Refer to Appendix A for additional information regarding the area receiving a full-scope review.

Ratings

The bank's overall rating is based on the bank's AA in the Chicago MA.

When determining conclusions for the Lending Test, small business loans were weighted with the same analysis as home mortgage lending. This weighting is reflective of the bank's even distribution of lending volume for both home mortgage and small business lending.

Other

Two community contacts, from the bank's AA, were made during the evaluation. These contacts are both executives of their respective organizations and both organizations have community development as their primary purpose. Our contacts had similar conclusions regarding economic conditions, availability of credit for low- and moderate-income individuals and the degree of involvement of the financial institutions in and around the Aurora area. They stated that economic conditions and employment were declining. There is some concern regarding current high-energy costs.

New housing starts are primarily on the high-cost end. Credit has tightened up in response to overall economic conditions. Affordable housing is still a need. Our contacts also stated that opportunities for banks to participate in community development projects are moderate. Both contacts indicated that financial institutions are active in community development initiatives.

Fair Lending or Other Illegal Credit Practices Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "**Outstanding.**" Based on a full-scope review, the bank's performance in the Chicago Metropolitan Area is excellent.

Lending Activity

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

Approximately 47 percent of OSNB's reportable loans, originated/purchased in the AA during the evaluation period, are small loans to businesses, 47 percent are home mortgage loans and 6 percent are small loans to farms. Small farm lending is not a major loan product of OSNB and therefore will not be included in this analysis. Of the total home mortgage loans, home refinance loans accounted for 47 percent, home improvement loans accounted for 18 percent, and home purchase loans accounted for 33 percent.

OSNB's lending activity in the AA is excellent. Information on deposit market share compiled by the FDIC for the year 2007 shows that the bank ranks 6 out of 129 institutions, with a deposit market share of 4.55 percent, in the five counties comprising the bank's market. Because of the large number of lenders compared to insured financial institutions within OSNB's AA, we weighted the bank's percentile ranking in the loan and deposit markets more heavily than the actual values of market rank and market share.

Based on 2007 HMDA aggregate data, OSNB ranks 65 out of 643 lenders, with 0.35 percent market share in the bank's AA for all HMDA reportable loans. The 64 lenders that ranked higher than OSNB in the 2007 HMDA aggregate data are large national mortgage companies and large regional banks. OSNB ranks 8 out of 201 lenders in home improvement lending in the bank's AA, with 3.25 percent market share. OSNB ranks 71st out of 503 lenders, originating/purchasing home refinance loans in the AA, with a 0.30 percent market share. OSNB ranks 79 out of 506 lenders originating/purchasing home purchase loans in the AA with 0.20 percent market share.

Based on 2007 CRA aggregate data, OSNB ranks 18 of 162 lenders originating/purchasing small loans to businesses, with a 0.61 percent market share. The banks that rank higher than OSNB are large credit card banks and large regional banks.

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.

The overall geographic distribution of home mortgage loans is excellent in the full-scope AA.

Home purchase loan geographic distribution is excellent. The bank made a small number of home purchase loans in the low-income geography (less than 1%). There is little opportunity to make home mortgage loans in the low-income geography within the bank's AA due to the very low percentage of owner occupied units in that geography (0.06 percent). The percentage of the bank's home purchase loans made in the moderate-income geographies (11.02 percent) exceeds the percentage of owner-occupied housing units (4.12 percent) in those geographies. The bank's market share for loans made in the moderate-income geographies (1.17 percent) exceeds its overall market share (0.19 percent) for home purchase loans.

Home improvement loan geographic distribution is excellent. The bank did not make any home improvement loans in the low-income geography. There is little opportunity to make home mortgage loans in the low-income geography within the bank's AA due to the very low percentage of owner occupied units in that geography (0.06 percent). The percentage of the bank's home improvement loans made in the moderate-income geographies (35.26 percent) significantly exceeds the percentage of owner-occupied housing units (4.12 percent) that are in those geographies. The bank's market share for loans made in the moderate-income geographies (19.73 percent) significantly exceeds its overall market share (3.27 percent) for home improvement loans.

Refinance loan geographic distribution is excellent. There is little opportunity to make home mortgage refinance loans in the low-income geography within the bank's AA due to the very low percentage of owner occupied units in that geography (0.06 percent). The percentage of the bank's refinance loans made in the moderate-income geographies (10.53 percent) exceeds the percentage of owner-occupied housing units (4.12 percent) in those geographies. The bank's market share for refinance loans made in the moderate-income geographies (0.76 percent) exceeds its overall market share (0.30 percent) for refinance loans.

Multifamily Loans

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's multi-family loan originations and purchases.

Multifamily loan geographic distribution is excellent. The percentage of the bank's multi-family loans made in the low income geographies (24.14 percent) significantly exceeds the percentage (10.24 percent) of multi-family units in those geographies. The percentage of the bank's multi-family loans made in the moderate-income geographies (20.69 percent) significantly exceeds the percentage (6.33 percent) of multi-family units in those geographies. The bank's market share for multi-family loans made in the moderate-income geographies (33.33 percent) exceeds its overall market share (6.84 percent) for multifamily loans.

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 origination/purchase of small loans to businesses.

The bank's geographic distribution of small loans to businesses in the AA is excellent. The percentage of the bank's small loans to businesses made in the low-income geographies (0.11 percent) is less than the percentage of businesses (0.45 percent) in those geographies. There is little opportunity to make small loans to businesses in the low-income geography within the bank's AA due to the very low percentage of small businesses in that geography. The percentage of the bank's small loans to businesses made in the moderate-income geographies (10.13 percent) significantly exceeds the percentage of businesses (4.52 percent) in those geographies. The bank's market share for small loans to businesses (2.41 percent) in the moderate-income geographies exceeds its overall market share (0.61 percent) for small loans to businesses.

Small Loans to Farms

Small farm lending is not a significant portion of the bank's loan portfolio; therefore, a small loans to farms analysis will not be included in this evaluation.

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.

Lending Gap Analysis

Maps and reports detailing OSNB'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 those loans. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

A large majority of home mortgage loans and small loans to businesses originated or purchased by OSNB over the evaluation period are within the AA. Seventy-four percent of the bank's home mortgage loans and 79 percent of its small loans to businesses are within its AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geographies.

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.

The overall borrower distribution of home mortgage loans is excellent.

The borrower distribution for home purchase loans is excellent. Home purchase loans (6.84 percent) made to low-income borrowers are less than the percentage of low-income families

(10.94 percent) in the AA. There is little opportunity to make home mortgage loans in the low-income geography within the bank's AA due to the very low percentage of owner occupied units in that geography (0.06 percent or 28 units). Home purchase loans (26.32 percent) made to moderate-income borrowers significantly exceed the percentage of moderate-income families (13.86 percent) in the AA. Market share for loans made to low-income borrowers (0.70 percent) exceeds the overall market share (0.20 percent) for home purchase loans. Market share for loans made to moderate-income borrowers (0.41 percent) exceeds the overall market share (0.20 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 (14.61 percent) significantly exceed the percentage of low-income families (10.94 percent) in the AA. Home improvement loans made to moderate-income borrowers (27.72 percent) also significantly exceed the percentage of moderate-income families (13.86 percent) in the AA. Market share for home improvement loans made to low-income borrowers (6.02 percent) significantly exceeds the overall market share (2.66 percent) in the AA for home improvement loans. Market share for home improvement loans made to moderate-income borrowers (4.44 percent) exceeds the overall market share (2.85 percent) in the AA for home improvement loans.

The borrower distribution for home mortgage refinance loans is excellent. Refinance loans (9.01 percent) made to low-income borrowers is slightly less than the percentage of low-income families (10.94 percent) in the AA. Refinance loans made to moderate-income borrowers (24.07 percent) significantly exceed the percentage (13.86 percent) of moderate-income families in the AA. Market share for refinance loans made to low-income borrowers and moderate-income borrowers (2.59 percent and 0.40 percent respectively) exceeds the overall market share (0.38 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 satisfactory. OSNB's small loans to businesses with revenues less than \$1 million (49.05 percent) are somewhat below the percentage of small businesses (68.50 percent) in the AA. OSNB has a market share of 0.96 percent for small loans made to businesses with revenues less than \$1 million. This market share exceeds the bank's overall market share of 0.61 percent for loans to all businesses.

Small Loans to Farms

Small farm lending is not a significant portion of the bank's loan portfolio; therefore, small loans to farms analysis will not be included in this evaluation.

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

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. This table includes all CD loans, including

multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending had a positive effect on the Lending Test conclusions.

During the evaluation period, OSNB extended seventeen community development loans totaling approximately \$13 million. Responding to credit needs, OSNB has taken a leadership role by forming a Community Development Corporation (CDC) that will provide home ownership opportunities to low- and moderate-income individuals. The bank has not originated any loans under the CDC, however, as the CDC was only recently formed. Examples of OSNB's CD loans are as follows:

OSNB originated a community development loan to a development company in the amount of \$650 thousand to finance the purchase and rehabilitation of a 12-unit rental apartment building. The area in which the building is located is a moderate-income geography within the bank's AA that has been targeted by the City of Aurora for revitalization.

The bank provided financing of \$3,890 thousand to an individual to rehab ten multi-family buildings totaling 60 units within the bank's AA. Rent rates for the majority of the units are targeted to low- and moderate-income individuals.

OSNB originated a loan to another entity for \$1,148 thousand for the purchase and rehab of a 31-unit rental apartment building in a moderate-income geography within the bank's AA. Rents are well within the low- and moderate-income affordability rental housing range.

OSNB provided financing for two loans, \$656 thousand and \$688 thousand, for two Aurora properties providing housing of 42 units with rents estimated in the affordability range for low- and moderate income individuals.

OSNB originated a \$350 thousand loan to improve an eight unit multi-family rental property in a moderate-income geography within the bank's AA. Rents are in the affordability range for low- and moderate-income individuals and families.

OSNB originated a \$504 thousand loan to a company for purchase and improvements to a multi-family complex consisting of 13 units in a low- and moderate-income area in the bank's AA.

The bank financed a loan for \$1,096 thousand to a developer for the purchase and renovation of a four unit building located in the bank's AA. Rents are in the affordability range for low- and moderate-income individuals and families.

The bank originated a \$600 thousand refinance loan for an individual with the purpose of restoring a six unit building with rents geared toward low- and moderate-income families and individuals.

Product Innovation and Flexibility

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

OSNB has two flexible loan programs that benefit low- and moderate-income borrowers. Programs listed below have helped to promote affordable housing and revitalization of low-income areas:

Pre-approved Home Improvement Loan Program

OSNB offers a pre-approved, unsecured home improvement loan limited to \$1 thousand. The bank offers this home improvement product through a direct mailing to existing customers primarily in the low- and moderate-income geographies within the bank's AA. The bank originated 69 of these loans during the evaluation period.

Emerging Markets Program

OSNB has a new portfolio emerging markets homebuyer program. This program is designed to meet the needs of low- and moderate-income borrowers. Underwriting terms, debt/income ratios and income qualifications are all flexible. Properties have to be within the bank's AA. The bank has originated 15 home mortgage loans under this program totaling \$2 million as of this evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Chicago Metropolitan area (MA) and LaSalle County, a non-metropolitan area, is not inconsistent with the bank's overall rating of "outstanding" performance under the lending test. Refer to 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

The bank's performance under the investment test is "**Outstanding.**" Based on a full-scope review, the bank's performance in the Chicago MA is good.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, OSNB's qualified investments consisted of grants, donations and larger investments totaling \$8.4 million. Discussions with OSNB's personnel and community contacts indicated that opportunities for investments are moderate. OSNB exhibits good responsiveness to credit and community development needs.

Qualifying Grants/Donations - During the evaluation period, OSNB provided \$380 thousand in grants and donations to various local area organizations. Some examples of grants/donations are listed below:

One such organization received \$193 thousand over the evaluation period. This organization primarily provides scholarships to needy students. Low- and moderate-income individuals are the primary recipients with financial need being the primary factor considered. The organization operates within the bank's AA.

OSNB also has set up "OSNB Affordable Housing Fund, LLC" in which OSNB contributed \$70M to assist underprivileged families with home purchases by providing down payment assistance.

OSNB provided \$90 thousand in grants and donations to a local area organization that funds 30 partnering not for profit organizations that provide community development services such as temporary housing, health care, counseling, child care, educational opportunities, and job training to the homeless and low- and moderate-income individuals and families within the bank's AA.

Qualifying Investments: Eight qualifying investments for OSNB during this evaluation period totaled approximately \$6.3 million.

The bank purchased three GNMA and FNMA obligations totaling \$2.9 million. The investments consist of nine mortgage loans, eight of which are to low- or moderate-income individuals, providing them with affordable housing. All of the mortgages included in these investments are in the bank's AA.

The bank purchased \$600 thousand in investments in three Illinois Housing Authority (IHDA) Revenue Bonds. The bonds are used to fund IHDA mortgage loans to first time low- or moderate-income homebuyers.

The bank purchased two general obligation bonds totaling \$2.8 million, used for textbooks, playground equipment, and computers for a school district that has 58 percent of its student body from low- or moderate-income households.

Prior Period Investments

During OSNB's prior evaluation period, the bank purchased an Illinois Housing Authority Revenue bond of which \$50 thousand remains on the bank's records. The purpose of the bond was to assist with financing of homes for low- and moderate-income individuals throughout the state of Illinois (including the bank's AA) and assist in the financing of residential mortgages. This bond helped provide affordable housing for low- and moderate-income individuals within the bank's AA and beyond.

Also during the prior period, OSNB purchased a GNMA obligation originated in 2004 for \$1.4 million. Currently the value is carried at \$1.2 million. The investment consists of eight mortgage loans, all of which are to low- or moderate-income individuals, providing them with affordable housing. All of the mortgages included in this investment are in the bank's AA.

Another GNMA pool is a prior investment for OSNB with a book balance of \$494 thousand. Current prior investments total \$1.7 million.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Chicago Metropolitan area (MA) and LaSalle County, a non-metropolitan area, is not inconsistent with the bank's overall rating of "outstanding" performance under the investment test. Refer to Tables 14 in appendix C for the facts and data that support these conclusions.

SERVICE TEST

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

Retail Banking Services

Accessibility to the bank's delivery systems in the AA is considered good. OSNB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. OSNB has 34 full service locations and one production office serving six counties. Prior to this evaluation period there were 13 offices. Branches opened during the evaluation period were primarily the result of OSNB merging its two sister banks (2007) into its charter. This merger added an additional 14 offices to OSNB. OSNB opened an additional eight branches during the evaluation period. Additionally, in 2008 the bank acquired another institution, adding 5 more branches for a total of 35 offices. Of the 35 offices, only one is not a full service office.

There are no OSNB offices in the low-income geographies. However, there is an office near these two geographies that is accessible to the low-income population. These geographies consist of 1.57 percent of the population residing in the AA. The bank's main office is the only office located within the moderate-income geographies in the bank's AA in which 6.80 percent of the population resides. However, the moderate-income geography where the main office is located is surrounded by nine of the twelve moderate-income geographies within the bank's AA, providing accessibility to the population residing there. Four offices closed during the evaluation period. These offices were located in Naperville (2), Joliet, and South Elgin. None of these offices were located in low or moderate income areas. An additional two offices have been closed in 2008. These office closures were a result of an over abundance of offices in the same locations.

OSNB's hours and services offered throughout the AA are good. Office hours and services, including the availability of loan officers for all loan products, are comparable among locations regardless of the income level of the geographies. Banking hours and services provided Monday through Friday are supplemented by Saturday hours at the majority of banking facilities (including the main location and its drive-in facility which is located in a moderate-income geography). Six locations, including one that is adjacent to a moderate-income geography, provide Sunday hours.

OSNB's ATM network (66 ATMs in total) offers an effective alternative delivery system for delivering retail banking services in moderate-income geographies and to low- and moderate-income individuals. Fifteen percent of OSNB's ATMs are located in moderate-income geographies and significantly exceed the percentage of the population (6.80 percent) within those geographies. OSNB does not have any ATMs in the low-income geographies; however, the ATMs in the moderate-income service the low income population (1.57%) adequately.

Other alternative delivery systems include bank by mail, telephone banking, and Internet banking. The bank does not track use of these systems by income levels; therefore, we did not place significant weight on these alternative delivery systems when drawing our CRA performance conclusions.

Community Development Services

OSNB's performance in providing CD services to its AA is good.

Bank employees have spent a significant number of hours providing services to organizations that have community development as their primary purpose. The bank shows strong community support. The bank is held with high regard as a leader in providing CD services.

Major highlights of CD service activities in the AA during the evaluation period include:

An OSNB officer serves on the board as a director and provided financial expertise to an organization that provides financial and building/construction assistance to targeted individuals or families. This organization provides affordable housing to persons in the bank's AA. The housing assistance provided to low- and moderate-income individuals and families is the primary focus of the organization. This employee also sits on another board providing similar services regarding financial expertise. The organization is primarily social service driven and provides services to persons in a low- or moderate-income category.

Another OSNB officer serves as a director for two organizations. One organization provides a variety of social services and planning assistance to organizations and communities to help them meet the needs of low- and moderate-income individuals and families. The second organization provides job training and a variety of other services to clientele that are primarily low- or moderate- income. This bank staff member provides financial expertise as well as serving on each board.

Another OSNB officer assists one organization whose focus is providing financing to small businesses that create jobs. The officer provides financial expertise in addition to sitting on the board of that organization.

One OSNB officer serves on the board of an organization that assists an ethnic group of small businesses to develop their business plans and obtain financing. That officer also provides the financial expertise that is needed for the organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Chicago Metropolitan area (MA) and LaSalle County, a non-metropolitan area, is not inconsistent with the bank's overall rating of "high satisfactory" performance under the service test.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, 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”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/2005 to12/31/2007 Investment and Service Tests and CD Loans: 11/22/2004 to10/13/2008	
Financial Institution	Products Reviewed	
Old Second National Bank (OSNB) Aurora, Illinois	Home Mortgage Loans, Small Business Loans and Community Development Loans, Community Development Investments	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Name :Chicago MA #1600 Counties of Kane, Kendall, Will, DeKalb and DuPage	Full scope	
Non MA: La Salle County #99	Limited scope	

Appendix B: Market Profiles for Full-Scope Areas

The full-scope area is composed of the following counties of the Chicago Metropolitan Area (#1600): Will, Dekalb, Kane, Kendall, and DuPage.

Demographic Information for Full-Scope Area: Chicago – MA 1600						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	218	2.75	15.14	50.46	31.65	0
Population by Geography	722,541	1.57	6.80	39.78	51.85	0
Owner-Occupied Housing by Geography	189,114	0.06	4.12	39.00	56.82	0
Businesses by Geography	49,224	0.45	4.52	37.17	57.86	0
Farms by Geography	1,623	0.25	1.66	54.10	43.99	0
Family Distribution by Income Level	185,498	10.94	13.86	23.36	51.85	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	45,993	2.09	13.10	52.78	32.16	0
Median Family Income = \$67,249 HUD Adjusted Median Family Income for 2007 = \$76,337 Households Below the Poverty Level = 12,465 (5.05%)			Median Housing Value = \$ 60,166 Unemployment Rate = 6.5%			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census and 2007 HUD updated MFI.

The bank's AA is made up of portions of Kendall, DeKalb, NW Will County, Western DuPage County and a large portion of Kane County; all of which are in the Chicago Metropolitan Area (MA), 1600. OSNB had several significant changes during the time period reviewed that affected the assessment area and overall structure of the bank. OSNB has 35 offices (34 are full service) located throughout the AA. Sixteen of the bank's offices are in Kane County, five in Kendall County, four in DuPage County, two in DeKalb County, and four in Will County. Two offices are located in the bank's non-MA of LaSalle County. As of June 30, 2007, 100 percent of OSNB's deposits were derived from both the MA and the Non-MA. Over the evaluation period, 95 percent of the home mortgage loans and 95 percent of the small loans to businesses were derived from the primary MA.

OSNB's deposits in the counties that make up the AA total approximately \$2.2 billion. Based on FDIC deposit market share data as of June 30, 2008, this equates to a 4.55 percent deposit market share, ranking OSNB 4th out of 129 deposit taking institutions in the AA. The leading deposit taking institution in the AA has a deposit market share of 11.91 percent.

OSNB also serves the AA with 66 ATMs. ATMs are located at all of OSNB's offices and at 31 off-premise locations.

The economy within the AA is primarily services oriented. Construction and retail trades are also significant industries, closely followed by finance, wholesale, and manufacturing industries.

As of June 2008, the unemployment level for the AA averaged 7.1 percent. This is in line with the state unemployment rate of 7.1 percent and the U.S. unemployment rate of 6.1 percent as of August 2008. Major employers include Caterpillar Tractor in Kendall County. Hollywood Casino, First USA Bank, Grand Victoria Casino, and Fermi National Laboratory are all in Kane County. St. Joseph's Medical Center, County of Will, and the Empress Casino are all in Will County. And Northern University is in DeKalb County.

A moderate level of community resources and opportunities for partnerships exist to facilitate activities to address the community and housing development needs of the AA. These conclusions are based on discussions with two local community development group officials, our review of CRA performance evaluations of other financial institutions operating in the AA, and discussions with bank management.

Appendix C: Tables of Performance Data

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.

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 for guidance on when a bank may receive positive CRA consideration for such loans.
- 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 for guidance on when a bank may receive positive CRA consideration for such investments.

Table 1. Lending Volume

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007				
MA/Assessment Area (2007):	% 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)	
Full Review:												
Old Second NB - MSA A	94.63	1,894	307,618	1,886	339,520	218	31,958	0	0	3,998	679,096	0.00
Limited Review:												
Old Second NB - nonM	5.37	91	12,105	106	13,292	30	3,236	0	0	227	28,633	0.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from November 22, 2004 to October 27, 2008.

*** Deposit Data as of October 28, 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: ILLINOIS						Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007							
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Old Second NB - MSA AA 2007	626	94.85	0.06	0.80	4.12	11.02	39.00	51.12	56.82	37.06	0.19	0.00	1.17	0.18	0.12
Limited Review:															
Old Second NB - nonMSA AA 2007	34	5.15	0.00	0.00	5.31	5.88	42.83	70.59	51.86	23.53	0.13	0.00	0.00	0.28	0.00

* Based on 2006 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2007			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31,					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	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						
Full Review:																
Old Second NB - MSA AA 2007	346	98.02	0.06	0.00	4.12	35.26	39.00	41.33	56.82	23.41	3.27	0.00	19.73	3.96	1.52	
Limited Review:																
Old Second NB - nonMSA AA 2007	7	1.98	0.00	0.00	5.31	0.00	42.83	57.14	51.86	42.86	0.00	0.00	0.00	0.00	0.00	

* Based on 2006 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 31, 2007			Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2005 TO DECEMBER						
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*** Units	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Old Second NB - MSA AA 2007	893	94.90	0.06	0.45	4.12	10.53	39.00	53.19	56.82	35.83	0.30	0.00	0.76	0.36	0.22
Limited Review:															
Old Second NB - nonMSA AA 2007	48	5.10	0.00	0.00	5.31	4.17	42.83	39.58	51.86	56.25	0.56	0.00	2.56	0.41	0.46

* Based on 2006 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007							
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Old Second NB - MSA AA 2007	29	93.55	10.24	24.14	6.33	20.69	42.46	44.83	40.97	10.34	6.84	0.00	33.33	4.62	0.00
Limited Review:															
Old Second NB - nonMSA AA 2007	2	6.45	0.00	0.00	32.80	50.00	17.95	50.00	49.25	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS								Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					
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
Full Review:															
Old Second NB - MSA AA 2007	1,886	94.68	0.45	0.11	4.52	10.13	37.17	51.11	57.86	38.65	0.61	0.00	2.41	0.84	0.40
Limited Review:															
Old Second NB - nonMSA AA 2007	106	5.32	0.00	0.00	21.51	17.92	31.27	33.96	47.22	48.11	0.18	0.00	0.00	0.15	0.25

* Based on 2006 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 (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2007		Geography: ILLINOIS								Evaluation Period: JANUARY 1, 2005 TO					
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
Full Review:															
Old Second NB - MSA AA 2007	218	87.90	0.25	0.92	1.66	0.00	54.10	66.51	43.99	32.57	1.08	0.00	0.00	0.67	2.34
Limited Review:															
Old Second NB - nonMSA AA 2007	30	12.10	0.00	0.00	1.62	0.00	12.97	3.33	85.41	96.67	0.20	0.00	0.00	0.00	0.39

* Based on 2006 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 (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****						
Full Review:																
Old Second NB - MSA AA 2007	626	94.85	10.94	6.84	13.86	26.32	23.36	25.96	51.85	40.88	0.20	0.70	0.41	0.11	0.13	
Limited Review:																
Old Second NB - nonMSA AA 2007	34	5.15	15.66	0.00	15.28	19.35	21.52	29.03	47.53	51.61	0.16	0.00	1.37	0.00	0.00	

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 8.9% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 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.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ILLINOIS								Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					
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 ²	% BANK Loans****	% Families*	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Old Second NB - MSA AA 2007	346	98.02	10.94	14.61	13.86	27.72	23.36	30.34	51.85	27.34	2.66	6.02	4.44	2.86	1.74
Limited Review:															
Old Second NB - nonMSA AA 2007	7	1.98	15.66	0.00	15.28	28.57	21.52	57.14	47.53	14.29	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 22.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 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.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ILLINOIS								Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					
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 ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overall	Low	Mod	Mid	Upp
Full Review:															
Old Second NB - MSA AA 2007	893	94.90	10.94	9.01	13.86	24.07	23.36	26.79	51.85	40.12	0.33	2.02	0.40	0.29	0.21
Limited Review:															
Old Second NB - nonMSA AA 2007	48	5.10	15.66	11.11	15.28	13.33	21.52	17.78	47.53	57.78	0.51	0.00	0.00	0.64	0.56

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 9.1% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007	
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
Full Review:									
Old Second NB - MSA AA 2007	1,886	94.68	68.50	49.05	57.85	18.29	23.86	0.61	0.96
Limited Review:									
Old Second NB - nonMSA AA 2007	106	5.32	63.91	64.15	71.70	15.09	13.21	0.18	0.31

* Based on 2006 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 - 2007).

**** 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 4.17% 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 2007		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31,				
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 ***	% BANK ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Old Second NB - MSA AA 2007	218	87.90	94.39	88.99	52.29	32.11	15.60	1.08	1.06
Limited Review:									
Old Second NB - nonMSA AA 2007	30	12.10	98.92	83.33	66.67	13.33	20.00	0.20	0.24

* Based on 2006 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 - 2007).

**** 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 4.03% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)		#	\$(000's)
Full Review:	3	1,700	8	6,300	11	8,000			

* 'Prior Period Investments' means investments made in a previous 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.