



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**March 14, 2005**

# **Community Reinvestment Act Performance Evaluation**

**First National Bank  
Charter Number: 13373**

**101 Dixie Highway  
Chicago Heights, IL 60411**

**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 **Satisfactory**.

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

Performance Levels	First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	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:

- FNB's lending activity in the AA is good.
- The overall geographic distribution of home mortgage loans is good.
- The overall borrower distribution of home mortgage loans is good.
- Community development investments reflect good responsiveness to opportunities in the AA.
- Accessibility of FNB's offices to geographies and borrowers of different income levels is good.
- Community development lending had a positive effect on the Lending Test conclusions.

## 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 (FNB) is a \$441 million institution with its main office located in Chicago Heights, Illinois. The city of Chicago Heights is approximately 25 miles south of Chicago. Besides FNB's main office, it has 4 branch locations. One branch is in Chicago Heights, two are in Olympia Fields and one is in Frankfort, Illinois.

FNB is 100% owned by Greatbanc, Incorporated (Inc.), located in Aurora, Illinois. Greatbanc Inc. is a multi-bank holding company that also owns Great Bank NA in Evanston, Illinois and GreatBank in Algonquin, Illinois. The holding company also owns GreatBanc Operations Corporation, which provides operational and technological support for all three banks.

The bank offers a wide variety of loan products, including residential real estate, consumer and commercial loans. In addition, FNB offers government guaranteed loan programs such as Federal Housing Administration (FHA) and Small Business Administration (SBA) loans.

Loans represent 81 percent of FNB's total assets. The bank's loan portfolio mix as a percent of total loans is construction loans 11 percent, residential real estate loans 7 percent, multi-family loans 7 percent, commercial and commercial real estate loans 35 percent and loans to individuals is 40 percent. These percentages are based on outstanding dollar amounts as of December 31, 2004.

There are no legal, financial or other factors impeding FNB's ability to help meet the credit needs of the communities it serves. As of December 31, 2004, FNB reported Tier 1 capital of \$28.5 million.

FNB was rated "Satisfactory" (under Small Bank procedures) at its last CRA evaluation dated July 6, 1998. This is FNB's first evaluation under Large Bank CRA examination procedures.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding Community Development (CD) loans, is January 1, 2000 through December 31, 2003 for Home Mortgage Disclosure Act (HMDA) reportable loans and small business (SB) loans from January 1, 2002 through December 31, 2003. HMDA and SB loans reported during 2000 through 2002 will be analyzed using 1990 census data. HMDA and SB loans from January 1, 2003 through December 31, 2003 will be evaluated using Census 2000 data. The bank did not have to report small business data until January 2002. The 2000 Census and the re-mapping of Metropolitan Area (MA) 1600 did bring about some changes to the bank's assessment area. Loans and investments initiated by the bank during 2003 were analyzed using updated demographic information.

### 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 2000 through 2003 HMDA data and 2002 through 2003 SB data. We performed our evaluation by comparing information from the bank's loan application register to actual loan files.

We identified errors in the bank's publicly reported 2003 SB data. The majority of the errors were a result of the bank reporting construction and land development loans as small business loans. Subsequent to the data integrity review, the bank corrected the errors and revised the loan application register. As a result, we were able to evaluate the bank's distribution of HMDA and SB loans based on accurate data.

We verified CD loans, investments and services, submitted by FNB's management, to ensure that they met the regulatory definition for CD. Some items submitted by FNB 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

*Refer to the table in appendix A for more information.*

FNB has one assessment area (AA) consisting of 132 geographies in Cook and Will Counties under 1990 Census demographics and 125 geographies under the 2000 Census demographics. Conclusions for the full scope review were reached by combining conclusions from 1990 and 2000 census data. The AA represents FNB's major markets and accounts for 100 percent of the bank's deposits and 52 percent of the bank's lending activity during this evaluation period.

## **Ratings**

The bank's overall rating is based on the combined conclusions reached in the evaluation of FNB's performance in the AA under the Census demographics from 1990 and 2000.

## **Other**

A local community contact was made during the evaluation to assess the bank's efforts to help meet the credit needs of the AA. Our contact indicated that small business loans and affordable rental and owner occupied housing are the primary needs. They stated that the economy is stable but housing costs are high. Our contact also indicated that the financial institutions in the area are doing a good job at working with the community to fill credit needs.

## Fair Lending Review

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

## 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 High Satisfactory. Based on a full-scope review, the bank's performance in the AA is good.

#### Lending Activity

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

FNB's lending activity in the AA is good.

For loans reported using 1990 Census boundaries, approximately 88 percent of FNB's reportable loans, originated/purchased in the AA during the evaluation period, are home mortgage loans and 12 percent are small loans to businesses. We placed more emphasis on the bank's home mortgage lending because the volume of home mortgage loans is greater than FNB's small business loans. Using 2000 Census boundaries approximately 60 percent of FNB's reportable loans are home mortgage and 40 percent are small loans to businesses. Of the total home mortgage loans (523 loans from combined census), 53 percent are home improvement loans, 29 percent are home refinance loans and 18 percent are home purchase loans. The bank is not a small farm lender therefore an analysis of small farm lending will not be performed.

FNB's lending in the AA is good. Information on deposit market share compiled by the FDIC as of June 30, 2004 shows that the bank ranks 47<sup>th</sup> out of 218 institutions (placing the bank in the 78 percentile) with a deposit market share of 0.28 percent in the two counties comprising the bank's market. Because of the large number of lenders compared to insured financial institutions within the bank'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 2003 HMDA aggregate data, FNB ranks 139 out of 629 lenders (78 percentile), with 0.01 market share in the bank's AA for all reportable HMDA loans. The majority of lenders that ranked higher than FNB in the 2003 aggregate HMDA data are large national mortgage companies and large regional banks.

Based on 2003 CRA aggregate data, FNB ranks 78 out of 314 lenders (75 percentile) originating/purchasing small loans to businesses, with a 0.09 percent market share. The majority of banks that rank higher than FNB 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 good in the full scope area.

During January 1, 2000 through December 31, 2002, home purchase loan geographic distribution is good. The bank did not make any home purchase loans in the low-income geographies. There is little opportunity to make home mortgage loans in the low-income geographies due to the very low percentage (less than 1 percent) of owner occupied units in those geographies. The percentage of the bank's home purchase loans made in the moderate-income geographies (12.33 percent) meets the percentage of owner occupied units (12.82 percent) in those geographies. The bank's market share for loans made in the moderate-income geographies (0.15 percent) exceeds its overall market share (0.09 percent) for home purchase loans.

During January 1, 2003 through December 31, 2003, home purchase loan geographic distribution is adequate. The percentage of the bank's home purchase loans in the low-income geographies (6.67 percent) greatly exceeds the percentage of owner occupied units (1.51 percent) in those geographies. The bank did not make any home purchase loans in the moderate-income geographies during 2003. The bank's market share for home purchase loans made in the low-income geographies (0.34 percent) exceeds its overall market share for home purchase loans (0.07 percent)

During January 1, 2000 through December 31, 2002, home improvement loan geographic distribution is excellent. Even though the bank has little opportunity to make home improvement loans in the low-income geographies (owner occupied units are less than 1 percent) they did make 2 or 0.78 percent of the home improvement loans in the low-income geographies. The percentage of home improvement loans made in the moderate-income geographies (12.84 percent) meets the percentage of owner occupied units (12.82 percent) in those geographies. The bank's market share for loans made in the moderate-income geographies (3.92 percent) exceeds the percentage of the bank's overall market share (2.45 percent) for home improvement loans.

During January 1, 2003 through December 31, 2003, home improvement loan geographic distribution is excellent. The percentage of home improvement loans made in low-income geographies (4.17 percent) greatly exceeds the percentage of owner occupied units (1.51 percent) in those geographies. The percentage of home improvement loans made in the moderate-income geographies (16.67 percent) exceeds the percentage of owner occupied units in those geographies (15.82 percent). The bank's market share for loans made in low-income geographies (3.45 percent) exceeds its overall market share (1.57 percent) for home

improvement loans. The bank's market share for loans made in the moderate-income geographies (1.83 percent) also exceeds its overall market share (1.57 percent) for home improvement loans.

During January 1, 2000 through December 31, 2002 home mortgage refinance loan geographic distribution is adequate. There is little opportunity to make home mortgage refinance loans in the low-income geographies due to the low percentage of owner occupied units in those geographies (0.99 percent). The percentage of the bank's home mortgage refinance loans made in the moderate-income geographies (7.55 percent) is below the percentage of owner occupied units in those geographies (12.82 percent). The bank's market share for refinance loans made in the moderate-income geographies (0.20 percent) exceeds its overall market share (0.13 percent) for home mortgage refinance loans.

During January 1, 2003 through December 31, 2003, home mortgage refinance loan geographic distribution is excellent. The percentage of the bank's home mortgage refinance loans made in the low-income geographies (4.55 percent) exceeds the percentage of owner occupied units in those geographies (1.51 percent). The percentage of the bank's home mortgage refinance loans made in the moderate-income geographies (15.91 percent) meets the percentage of owner occupied units in those geographies (15.82). The bank's market share for refinance loans in both the low- (0.37 percent) and moderate-(0.13 percent) income geographies exceeds the overall market share for refinance loans (0.07 percent).

During January 1, 2000 through December 31, 2002, multi-family (MF) loan geographic distribution is adequate. The bank did not make any MF loans in the low-income geographies where the percentage of MF units is less than 3 percent thus limiting opportunities. The percentage of the bank's MF unit loans in the moderate-income geographies (33.33 percent) greatly exceeds the percentage of MF units in those geographies (16.46 percent). The bank's market share for MF unit loans (0.18 percent) is below its overall market share (0.58 percent) for MF loans.

During January 1, 2003 through December 31, 2003, multi-family unit loan geographic distribution is adequate. The bank did not make any MF unit loans in the low-income geographies where the percentage of MF units is 3.06 percent. The percentage of the bank's MF unit loans in the moderate-income geographies (100 percent) greatly exceeds the percentage of MF units in those geographies (23.43 percent). The bank's market share for MF unit loans in the moderate-income geographies (0.97 percent) exceed its overall market share for MF unit loans (0.35 percent).

### ***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.

During January 1, 2000 through December 31, 2002, the percentage of the bank's small loans to businesses made in the low-income geographies (4.84 percent) exceeds the percentage of businesses (1.20 percent) in those geographies. The percentage of the bank's small loans to businesses in the moderate-income geographies (14.52 percent) exceeds the percentage of

businesses in those geographies (10.84 percent). The bank's market share for small loans to businesses in the low-income geographies (0.13 percent) exceeds its overall market share (0.12 percent). The bank's market share for small loans to businesses in the moderate-income geographies (0.10 percent) is somewhat below its overall market share (0.12 percent).

During January 1, 2003 through December 31, 2003, the percentage of the bank's small loans to businesses made in the low-income geographies (12.28 percent) greatly exceeds the percentage of businesses in those geographies (2.54 percent). The percentage of the bank's small loans to businesses in the moderate-income geographies (8.77 percent) is below the percentage of businesses in those geographies (16.66 percent). The bank's market share for small business loans in the low-income geographies (0.23 percent) exceeds its overall market share (0.09 percent). The bank's market share for small loans to businesses in the moderate-income geographies (0.06 percent) is below the bank's overall market share (0.09 percent).

## **Lending Gap Analysis**

Maps and reports detailing FNB'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 small loans to businesses originated or purchased by FNB over the evaluation period are within the AA. Forty-eight percent of the bank's home mortgage loans and 82 percent of the bank's small loans to businesses are within its AA. Of the home mortgage loans, 62 percent of home purchase loans, 31 percent of home improvement loans and 71 percent of home mortgage refinance loans are in the bank's AA. The 69 percent of home improvement loans outside the AA are due to the number of loans the bank purchased from a small business home improvement dealer that is located in the bank's AA. This overall 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**

The overall borrower distribution of FNB's lending reflects a good dispersion among borrowers of different income levels and businesses of different sizes in the AA.

### **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.

During January 1, 2000 through December 31, 2002, the borrower distribution for home purchase loans is good. Home purchase loans (13.89 percent) made to low-income borrowers are somewhat below the percentage of low-income families (15.86 percent) in the AA. A high poverty level, high unemployment and high cost of housing make it difficult for low- and moderate-income individuals to achieve home ownership. Home purchase loans (25.00 percent) made to moderate-income borrowers significantly exceed the percentage of moderate-income families (18.37 percent) in the AA. Market share for loans made to low-

income borrowers (0.10 percent) is slightly below the overall market share (0.11 percent) for home purchase loans.

During January 1, 2003 through December 31, 2003, the borrower distribution for home purchase loans is good. Home purchase loans (8.33 percent) made to low-income borrowers are below the percentage of low-income families (17.63 percent) in the AA. A high poverty level, high unemployment and high cost of housing make it difficult for low- and moderate-income individuals to achieve home ownership. Home purchase loans made to moderate-income borrowers (41.67 percent) significantly exceed the percentage of moderate-income families (18.41 percent) in the AA. The bank's market share for home purchase loans made to low-income borrowers (0.05 percent) is slightly below the overall market share (0.07 percent).

During January 1, 2000 through December 31, 2002, the borrower distribution for home improvement loans is adequate. Home improvement loans (13.56 percent) are somewhat below the percentage of low-income families (15.86 percent) in the AA. A high poverty level, high unemployment and high cost of housing make it difficult for low- and moderate-income individuals to achieve home ownership. Home improvement loans made to moderate-income borrowers (17.37 percent) are near the percentage of moderate-income families (18.37) in the AA. Market share for loans made to low-income borrowers (3.14 percent) exceeds the overall market share (2.56 percent) for home improvement loans.

During January 1, 2003 through December 31, 2003, the borrower distribution for home improvement loans is good. Home improvement loans made to low-income borrowers (12.50 percent) is somewhat below the percentage of low-income families (17.63 percent) in the AA. A high poverty level, high unemployment and high cost of housing make it difficult for low- and moderate-income individuals to achieve home ownership. The borrower distribution of home improvement loans made to moderate-income borrowers (20.83 percent) exceeds the percentage of moderate-income families (18.41 percent) in the AA. Market share for loans made to low-income borrowers (1.81 percent) exceeds the overall market share (1.66 percent) for home improvement loans.

During January 1, 2000 through December 31, 2002, the borrower distribution for home refinance loans is good. Home refinance loans (7.29 percent) are below the percentage of low-income families (15.86 percent) in the AA. A high poverty level, high unemployment and high cost of housing make it difficult for low- and moderate-income individuals to achieve home ownership. Home refinance loans made to moderate-income borrowers (23.96 percent) greatly exceeds the percentage of moderate-income families (18.37 percent) in the AA. Market share for loans made to low- and moderate-income borrowers (0.12 percent) is slightly below the overall market share (0.15 percent) for home refinance loans.

During January 1, 2003 through December 31, 2003, the borrower distribution for home refinance loans is excellent. Home refinance loans (23.08 percent) made to low-income borrowers significantly exceed the percentage of low-income families (17.63 percent) in the AA. Home refinance loans made to moderate-income borrowers (28.21 percent) also significantly exceed the percentage of moderate-income families (18.41 percent) in the AA. Market share for home refinance loans made to low-income borrowers (0.25 percent) exceeds its overall market share (0.09 percent). Market share for home mortgage refinance loans made to moderate-income borrowers (0.11 percent) also exceeds its overall market share (0.09 percent).

### ***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.

During January 1, 2000 through December 31, 2002, FNB's small loans to businesses with revenues less than a \$1 million (51.61 percent) are below the percentage of small businesses (78.22 percent) in the AA. Competition in the bank's AA for small business loans is strong. FNB has a market share of 0.34 percent for small loans made to businesses with revenues less than a \$1 million. This market share exceeds the bank's overall market share of 0.12 percent for all small loans to businesses.

During January 1, 2003 through December 31, 2003, FNB's small loans to businesses with revenues less than \$1 million (42.11 percent) are below the percentage of small businesses (68.81 percent) in the AA. Competition for small loans to businesses in the AA is strong. The bank's market share of 0.20 percent for small loans made to businesses with revenues less than a \$1 million exceeds the bank's overall market share (0.09 percent) for all small loans to businesses.

### **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, FNB extended 8 community development loans totaling approximately \$5.2 million. Examples of some of the bank's CD loans follow.

Two loans totaling \$1.4 million to a not for profit organization that provides residential housing for low- and moderate-income individuals with severe mental and behavior disabilities.

Another example is 2 loans totaling \$720 thousand to an individual to purchase and rehab 2-twelve unit apartment buildings that will provide affordable housing under Section 9 housing rules. Section 9 tenants household income cannot exceed eighty percent of the area's median income.

Two loans totaling \$750 thousand to a not for profit organization that provides job training and rehabilitation services to low- and moderate-income individuals who are severely mentally handicapped.

One loan for \$500 thousand to a not-for-profit organization that provides residential housing to low- and moderate-income individuals who are mentally handicapped.

One loan for \$1.8 million to an individual for a 30-unit apartment building that qualified for Section 9 housing. Section 9 tenants household income cannot exceed eighty percent of the area's median income.

### **Product Innovation and Flexibility**

Product flexibility had a positive effect on the Lending Test conclusions. FNB uses 6 different flexible loan programs. The programs are targeted to low- and moderate-income borrowers and first time homebuyers. Each program offers flexible terms such as low or no down payment, down payment assistance and closing cost assistance. During the evaluation period, FNB originated 15 of these loans for a total of \$1.6 million.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated "High Satisfactory".

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, FNB's qualified investments consisted primarily of larger investments and donations totaling \$2.7 million. FNB exhibits good responsiveness to community credit and community development needs.

### **Qualifying Investments**

The bank purchased \$850 thousand in general obligation bonds for a school district that has fifty percent of its student body from low- or moderate-income households.

FNB made a qualified \$1.9 million commitment to a small business investment corporation (SBIC). The fund targets middle market businesses and provides funding for expansion, which promotes job creation and retention. Almost \$1 million has been funded during this evaluation period.

## **SERVICE TEST**

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

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

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Accessibility to the bank's delivery systems in the AA is considered good. FNB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. FNB has 5 full service locations. FNB does not have any offices in the low-income geographies within the AA, however, the percentage of the population in those geographies is only 2 percent. FNB does have 20 percent of its offices (2 branches) located in moderate-income geographies where 15.94 percent of the population resides. No offices were closed during the evaluation period.

FNB's hours and services offered throughout the AA are good. Office hours and services, including the availability of loan officers, are comparable among locations regardless of the income level of the geographies.

## **Community Development Services**

FNB's performance in providing CD services to its AA is adequate.

Bank employees spend a significant amount of time providing services to organizations that have a community development as their primary purpose. Highlights of CD service activities in the AA during the evaluation period include:

An officer of the bank provides financial expertise to an organization that serves low-income persons by providing clinical health services on a "pay as you can" basis. This officer has served as director and on budget and planning committees for the organization.

An officer of the bank serves as director and on the budget committee for an organization whose primary goal is to revitalize the business district within the community. The business district is made up of low- and moderate-income geographies.

The bank's President provides financial expertise to an organization whose main purpose is to redevelop a suburban brown-field. He has written the policies and procedures for the "loan pool" administration, assists in planning and budgeting and reviews projects and awards proceeds.

## 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 (excludes CD Loans): January 2000-December 31, 2003 Investment and Service Tests and CD Loans: July 6, 1998-March 14, 2005	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First National Bank (FNB) Chicago Heights, Illinois	Home mortgage loans, Small business loans, community development loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Chicago MA #1600	Full scope	Data from 2000 through 2002 was analyzed using 1990 census data. Data from January 2003 through December 31, 2003 was analyzed using 2000 census data.

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

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

FNB AA, Cook and Will Counties in Illinois.....	B-2
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## Market Profiles for First National Bank

### FNB 1990 Census

Demographic Information for Full Scope Area: FNB 1990 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	132	3.03	16.67	56.82	21.97	1.52
Population by Geography	615,589	2.04	15.94	58.84	22.84	0.34
Owner-Occupied Housing by Geography	163,213	0.99	12.82	60.52	25.67	0.00
Business by Geography	25,749	1.20	10.84	58.71	29.19	0.06
Farms by Geography	615	0.65	7.15	61.46	30.73	0.00
Family Distribution by Income Level	164,441	15.86	18.37	27.12	38.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	56,276	3.91	25.02	58.83	12.24	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		42,758 75,400 10.45%	Median Housing Value Unemployment Rate (1990 US Census)		123,397 3.50%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

### FNB 2000 Census

Demographic Information for Full Scope Area: FNB 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	125	4.80	23.20	52.80	19.20	0.00
Population by Geography	656,553	3.14	19.11	52.55	25.21	0.00
Owner-Occupied Housing by Geography	184,955	1.51	15.82	54.87	27.81	0.00
Business by Geography	27,095	2.54	16.66	51.68	29.12	0.00
Farms by Geography	635	1.73	8.19	56.38	33.70	0.00
Family Distribution by Income Level	173,052	17.63	18.41	25.19	38.77	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	62,368	5.62	29.25	51.25	13.88	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		61,182 68,700 9.67%	Median Housing Value Unemployment Rate as of July 2004)		177,789 5.9%	

(\*) The NA category consists of geographies that have not been assigned an income classification. Source: 2000 US Census and 2003 HUD updated MFI

## DESCRIPTION OF ASSESSMENT AREA

FNB's AA consists of portions of Cook and Will Counties, all of which are in Chicago Metropolitan Area (MA) 1600. FNB has 5 offices located throughout the AA. As of June 30, 2004, 100 percent of FNB's deposits were derived from this AA. Over the evaluation period, 82 percent of small business loans and 48 percent of home mortgage loans were derived from this area. The economy within the AA is primarily service orientated. Retail and construction trades are also significant industries, closely followed by finance and insurance.

As of June 2004, the unemployment level for the AA averaged 5.9 percent. This compares to the state unemployment rate of 6 percent and the U.S. unemployment rate of 5.40 percent. Poverty level is high at 10.45 percent during 1990 Census and again at 9.67 percent during 2000 Census. Median housing values have increased significantly from 1990 Census to 2000 Census from \$123 thousand to \$178 thousand making it difficult for low or moderate-income individuals to achieve home ownership.

The redefining of MA 1600 (Chicago) changed the make up of FNB's AA. During the 1990 census period, the bank had 132 geographies with 3.03 percent low-income geographies and 16.67 percent moderate-income geographies. Under the new demographics from the 2000 census, the bank now has 125 geographies with 4.80 percent low-income geographies and 23.20 moderate-income geographies. Major employers in the AA include The Wellness Group, Ford Motor and Rhone-Polance. Many financial institutions service the AA, and competition for loans and deposits is strong.

There is a moderate level of community resources and opportunities for partnerships that exist to facilitate activities to address the unmet credit and community development needs of the AA. These conclusions are based on discussions with a local community group official, our review of CRA performance evaluations of other financial institutions operating in the area, and discussions with bank management.

## 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.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003						
MA/Assessment Area Illinois(Cook and Will Counties):	% 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>												
FNB 1990 Census Data 1.	100.00	439	26,010	62	8,636	0	0	8	4,156	509	38,802	100.00
FNB 2000 Census Data 2.	100.00	84	8,632	57	7,311	0	0	0	0	141	15,943	100.00

\*1. Loan Data as of December 31, 2002. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through March 14, 2005.

\*\*\* Deposit Data as of April 05, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

2. Loan Data as of December 31, 2003. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from July 7, 1998 to March 14, 2005.

\*\*\* Deposit Data as of April 05, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: First National Bank Charter Number 13373)

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

Geographic Distribution: HOME PURCHASE															
Geography: ILLINOIS															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003															
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	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNB 1990 Census Data *1	73	100.00	0.99	0.00	12.82	12.33	60.52	52.05	25.67	35.62	0.09	0.00	0.15	0.09	0.05
FNB 2000 Census Data *2	15	100.00	1.51	6.67	15.82	0.00	54.87	40.00	27.81	53.33	0.07	0.34	0.00	0.05	0.12

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* 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 1990 Census information.

\*2. Based on 2003 Peer Mortgage Data - IL

\*\* 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.

Institution ID: First National Bank Charter Number 13373

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

Geographic Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	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>															
<b>FNB 1990 Census Data *1</b>	257	100.00	0.99	0.78	12.82	12.84	60.52	62.65	25.67	23.74	2.45	0.00	3.92	1.75	3.52
<b>FNB 2000 Census Data *2</b>	24	100.00	1.51	4.17	15.82	16.67	54.87	29.17	27.81	50.00	1.57	3.45	1.83	0.87	2.49

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* 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 1990 Census information.

\*2. Based on 2003 Peer Mortgage Data -- IL

\*\* 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.

Institution ID: First National Bank Charter Number 13373

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

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
<b>FNB 1990 Census Data *1</b>	106	100.00	0.99	0.00	12.82	7.55	60.52	44.34	25.67	48.11	0.13	0.00	0.20	0.09	0.20									
<b>FNB 2000 Census Data *2</b>	44	100.00	1.51	4.55	15.82	15.91	54.87	47.73	27.81	31.82	0.07	0.37	0.13	0.07	0.06									

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* 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 1990 Census information.

\*2. Based on 2003 Peer Mortgage Data -- IL

\*\* 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.

Institution ID:First National Bank Charter Number 13373)

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

Geographic Distribution: MULTIFAMILY		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003					Market Share (%) by Geography *				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans					
<b>Full Review:</b>															
<b>FNB 1990 Census Data *1</b>	3	100.00	2.58	0.00	16.46	33.33	69.75	33.33	11.22	33.33	0.58	0.00	0.00	0.82	0.00
<b>FNB 2000 Census Data *2</b>	1	100.00	3.06	0.00	23.43	100.00	63.55	0.00	9.95	0.00	0.35	0.00	0.97	0.00	0.00

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* 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 1990 Census information.

\* 2. Based on 2003 Peer Mortgage Data -- IL

\*\* 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.

Institution ID: First National Bank Charter Number 13373)

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNB 1990 Census Data *1	62	100.00	1.20	4.84	10.84	14.52	58.71	37.10	29.19	43.55	0.12	0.13	0.10	0.12	0.14
FNB 2000 Census Data *2	57	100.00	2.54	12.28	16.66	8.77	51.68	28.07	29.12	50.88	0.09	0.23	0.06	0.08	0.10

\*1. 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 (2002).

\* 2. Based on 2003 Peer Small Business Data -- IL

\*\* 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).

Institution ID: fFirst National Bank Charter Number 13373

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

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003					Market Share <sup>*</sup>				
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 <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>					
<b>Full Review:</b>															
FNB 1990 Census Data *1	73	100.00	15.86	13.89	18.37	25.00	27.12	29.17	38.65	31.94	0.11	0.10	0.08	0.17	0.06
FNB 2000 Census Data *2	15	100.00	17.63	8.33	18.41	41.67	25.19	8.33	38.77	41.67	0.07	0.05	0.09	0.02	0.11

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* As a percentage of loans with borrower income information available. No information was available for 1.4% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

\* 2. Based on 2003 Peer Mortgage Data -- IL

\*\* As a percentage of loans with borrower income information available. No information was available for 20.0% 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.

Institution ID: First National Bank Charter Number 13373

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

Borrower Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
<b>FNB 1990 Census Data *1</b>	257	100.00	15.86	13.56	18.37	17.37	27.12	31.36	38.65	37.71	2.56	3.14	1.55	1.79	4.09
<b>FNB 2000 Census Data *2</b>	24	100.00	17.63	12.50	18.41	20.83	25.19	20.83	38.77	45.83	1.66	1.81	1.55	1.02	2.38

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* As a percentage of loans with borrower income information available. No information was available for 8.2% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

\* 2. Based on 2003 Peer Mortgage Data -- IL

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% 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.

Institution ID: First National Bank Charter Number 13373

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
FNB 1990 Census Data *1	106	100.00	15.86	7.29	18.37	23.96	27.12	34.38	38.65	34.38	0.15	0.12	0.12	0.16	0.17
FNB 2000 Census Data *2	44	100.00	17.63	23.08	18.41	28.21	25.19	20.51	38.77	28.21	0.09	0.25	0.11	0.05	0.06

\*1. Based on 2002 Peer Mortgage Data (CE)

\*\* As a percentage of loans with borrower income information available. No information was available for 9.4% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 1990 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.

\* 2. Based on 2003 Peer Mortgage Data -- IL

\*\* As a percentage of loans with borrower income information available. No information was available for 11.4% 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.

Institution ID: First National Bank Charter Number 13373

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
FNB Chicago Heights <b>1990 Census Data * 1</b>	62	100.00	78.22	51.61	67.74	14.52	17.74	0.12	0.34
FNB Chicago Heights <b>2000 Census Data * 2</b>	57	100.00	65.81	42.11	64.91	22.81	12.28	0.09	0.20

\*1. 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 - 2002).

\*\*\*\* 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 1.61% of small loans to businesses originated and purchased by the bank.

\* 2. Based on 2003 Peer Small Business Data -- IL

\*\* 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 5.26% of small loans to businesses originated and purchased by the bank.

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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: ILLINOIS									
Evaluation Period: July 7, 1998 TO March 15,2005									
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>									
FNB	0	0	2	1,752,855	2	1,752,855	100.00	1	947,145

\* '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.

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**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003									
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>																	
FNB	0.00	5	100.00	0.00	20.00	20.00	60.00	0	0	0	0	0	0	2.04	15.94	58.84	22.84

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**Distribution of Branch and ATM Delivery System**

Distribution of Branch and ATM Delivery System		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2003									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
FNB	0.00	5	100.00	0	20	20	60	6	100.00	0	2	1	3	2.04	15.94	58.84	22.84