



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

November 22, 2004
Community Reinvestment Act
Performance Evaluation

The Old Second National Bank of Aurora
Charter Number: 4596

37-39 South River Street
Aurora, IL 60506

Office of the Comptroller of the Currency

Chicago South Field Office
7600 County 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.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION.....	4
SCOPE OF THE EVALUATION	4
FAIR LENDING REVIEW	7
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	8
LENDING TEST	8
INVESTMENT TEST	14
SERVICE TEST	15
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS.....	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated "**Outstanding**".

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

Performance Levels	Old Second National Bank of Aurora Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		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:

- 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. 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.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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.

Full-Scope Review - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data

as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope Review - Performance under the lending, investment, and service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Low-Income - Income levels that are less than 50 percent of the median family income.

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 Statistical Area (MA) - Area defined by the director of the U.S. Office of Management and Budget. MAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80 percent and less than 120 percent of the MFI.

Moderate-Income - Income levels that are at least 50 percent and less than 80 percent of the MFI.

Small Loans to Businesses - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Loans to Farms - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 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 - Income levels that are 120 percent or more of the MFI.

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 three-bank holding company also headquartered in Aurora, Illinois. OSNB is an intrastate bank with 13 full service offices serving all of Kendall County, portions of DeKalb and north west Will Counties and a large portion of Kane and DuPage Counties, all of which are in the Chicago Metropolitan Area (MA), 1600. Since the previous CRA evaluation, OSNB has opened three new branches; one in St. Charles, Illinois, one in Aurora, Illinois and one in South Elgin, Illinois. Also during the evaluation period, Maple Park Mortgage, a subsidiary of the bank holding company, became a subsidiary of OSNB. The mortgage subsidiary has 3 loan production offices within the bank's AA. The bank has elected not to use the mortgage subsidiary HMDA data for this evaluation period. As of June 30, 2004 OSNB reported total assets of \$962 million.

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, 2004 net loans represented 70 percent of total assets and consisted of residential real estate loans (27 percent), commercial and commercial real estate loans (50 percent), loans to individual (2 percent), multi-family loans (2 percent), construction loans (17 percent) and other loans (2 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, 2004, OSNB reported Tier 1 capital of \$105 million.

OSNB was rated "Outstanding" at its last CRA evaluation dated July 9, 2001.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding Community Development (CD) Loans, is January 1, 2001 through December 31, 2002. The evaluation period for the Investment Test, the Service Test, and CD loans is July 9, 2001 through November 22, 2004.

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.

The 2000 Census and the re-mapping of MA 1600 did bring about some changes to the banks assessment area. Community development loans and investments that were initiated during 2003 and 2004 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 2001 and 2002 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 2001 and 2002 HMDA and CRA data. The majority of the errors were a result of the bank reporting inaccurate census tract numbers. 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 assessment area (AA) consisting of 70 geographies in Will, Kendall, DeKalb, DuPage and Kane Counties, all of which are in the Chicago MA 1600. One geography is low-income, eight are moderate-income, 33 are middle-income, and 28 are upper-income. This AA represents OSNB's major markets and accounts for 100 percent of OSNB's deposit and 85 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.

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 more heavily than home mortgage lending. This weighting is reflective of the bank's higher small business lending volume and the bank's primary business focus on commercial 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 stable. There is some concern for current high-energy costs.

New housing starts are primarily on the high-cost end. There is a good amount of credit available from lenders with very flexible terms for low- and moderate-income homebuyers. 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 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 "Outstanding". Based on a full-scope review, the bank's performance in the Chicago Metropolitan Area is excellent.

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

Lending Activity

Approximately 71 percent of OSNB's reportable loans, originated/purchased in the AA during the evaluation period, are small loans to businesses, 28 percent are home mortgage loans and 1 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 45 percent, home improvement loans accounted for 32 percent, and home purchase loans accounted for 23 percent.

OSNB's lending activity in the AA is excellent. Information on deposit market share compiled by the FDIC for the year 2004 shows that the bank ranks 9th. out of 137 institutions (placing the bank in the 99th Percentile), with a deposit market share of 2.92 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 2002 HMDA aggregate data, OSNB ranks 11 out of 601 lenders (99th Percentile), with 2.01 percent market share in the bank's AA for all HMDA reportable loans. The 10 lenders that ranked higher than OSNB in the 2002 HMDA aggregate data are large national mortgage companies and large regional banks. OSNB ranks second in home improvement lending in the bank's AA, with 7.41 percent market share. OSNB ranks 11th out of 501 lenders (99th Percentile), originating/purchasing home refinance loans in the AA, with a 2.11 percent market share. OSNB ranks 12 out of 426 lenders (99th Percentile) originating/purchasing home purchase loans in the AA with 1.85 percent market share.

Based on 2002 CRA aggregate data, OSNB ranks 13th of 232 lenders (99th Percentile) originating/purchasing small loans to businesses, with a 1.57 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 and 4 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 did not make any home purchase 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 (0.02 percent or 21 units). The percentage of the bank's home purchase loans made in the moderate-income geographies (9.42 percent) exceeds the percentage of owner-occupied housing units (6.06 percent) in those geographies. The bank's market share for loans made in the moderate-income geographies (0.56 percent) exceeds its overall market share (0.24 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 (0.02 percent or 21 units). The percentage of the bank's home improvement loans made in the moderate-income geographies (32.82 percent) significantly exceeds the percentage of owner-occupied housing units (6.06 percent) that are in those geographies. The bank's market share for loans made in the moderate-income geographies (39.08 percent) significantly exceeds its overall market share (7.41 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 (0.02 percent or 21 units). The percentage of the bank's refinance loans made in the moderate-income geographies (11.74 percent) exceeds the percentage of owner-occupied housing units (6.06 percent) in those geographies. The bank's market share for refinance loans made in the moderate-income geographies (0.53 percent) exceeds its overall market share (0.17 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. There is little opportunity to make home mortgage multi-family loans in the low-income geography within the bank's AA due to low percentage of multi-family units in that geography (1.17 percent). The percentage of the bank's multi-family loans made in the moderate-income geographies (20.00 percent) significantly exceeds the percentage (3.68 percent) of multi-family units in those geographies. The bank's market share for multi-family loans made in the moderate-income geographies (10.00 percent) exceeds its overall market share (3.45 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 (2.21 percent) exceeds the percentage of businesses (1.50 percent) in those geographies. The percentage of the bank's small loans to businesses made in the moderate-income geographies (4.89 percent) exceeds the percentage of businesses (4.60 percent) in those geographies. The bank's market share for small loans to businesses (4.81 percent) in the low-income geographies exceeds its overall market share (1.57 percent) for small loans to businesses. The bank's market share for small loans to businesses (2.97 percent) in the moderate-income geographies also exceed its overall market share (1.57 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. Eighty-seven percent of the bank's home mortgage loans and 84 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 OSNB's lending reflects an excellent dispersion among borrowers of different income levels in the bank's 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.

The overall borrower distribution of home mortgage loans is excellent.

The borrower distribution for home purchase loans is excellent. Home purchase loans (9.77 percent) made to low-income borrowers, are near the percentage of low-income families (10.38 percent) in the AA. Home purchase loans (23.31 percent) made to moderate-income borrowers, significantly exceed the percentage of moderate-income families (14.10 percent) in the AA. Market share for loans made to low-income borrowers (0.37 percent), exceeds the overall market share (0.28) for home purchase loans. Market share for loans made to moderate-income borrowers (0.22 percent) is near the overall market share (0.28) for home purchase loans in the AA.

The borrower distribution for home improvement loans is excellent. Home improvement loans, made to low-income borrowers (27.59 percent) significantly exceed the percentage of low-income families (10.38 percent) in the AA. Home improvement loans, made to moderate-income borrowers (30.46 percent) also significantly exceed the percentage of moderate-income families (14.10 percent) in the AA. Market share for home improvement loans made to low-income borrowers (16.67 percent) significantly exceeds the overall market share (6.59 percent) in the AA for home improvement loans. Market share for home improvement loans made to moderate-income borrowers (9.66 percent) exceeds the overall market share (6.59 percent) in the AA for home improvement loans.

The borrower distribution for home mortgage refinance loans is excellent. Refinance loans (12.31 percent) made to low-income borrowers exceed the percentage of low-income families (10.38 percent) in the AA. Refinance loans made to moderate-income borrowers (25.00 percent) significantly exceed the percentage (14.10 percent) of moderate-income families in the AA. Market share for refinance loans made to low-income borrowers and moderate-income borrowers (0.59 percent and 0.33 percent

respectively) exceeds the overall market share (0.22 percent) in the AA for refinance loans.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Borrower distribution of small loans to businesses is adequate. OSNB's small loans to businesses with revenues less than \$1 million (52.70 percent) are somewhat below the percentage of small businesses (64.34 percent) in the AA. OSNB has a market share of 2.66 percent for small loans made to businesses with revenues less than \$1 million. This market share exceeds the bank's overall market share of 1.57 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 in appendix C for the facts and data used to evaluate the bank's level of community development lending.

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

During the evaluation period, OSNB extended eight community development loans totaling approximately \$3.6 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 the CDC was recently formed. Examples of OSNB's CD loans are as follows:

OSNB originated a community development loan to a real estate developer in the amount of \$820 thousand to finance the purchase and rehabilitation of a 270-unit rental apartment building. The Illinois Housing Authority approved the developer's rehabilitation plan. 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 originated a \$196 thousand loan to an individual to rehab a 9-unit apartment building in a moderate-income geography 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 million for the purchase and rehab of a 12-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, \$393 thousand and \$60 thousand for rental property to be leased under the affordable housing Section 8 Program.

OSNB originated a \$150 thousand loan to improve a multi-family rental unit in a low-income geography within the bank's AA. Rents are in the affordability range for low- and moderate-income individuals and families.

OSNB originated a \$100 thousand loan to an association for building improvements to a multi-family complex in a low- and moderate-income area targeted by the City of Aurora for redevelopment.

The bank financed a loan for \$750 thousand to a community development organization to renovate and improve their offices and buildings. The organization provides temporary housing and counseling services to primarily low- and moderate-income individuals and families.

The bank originated a \$90 thousand refinance loan for a corporation, who through an agreement with the City of Aurora, will purchase and renovate a commercial site for a business that will provide entry-level jobs and will revitalize and stabilize the area targeted by the city.

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 banks AA. The bank originated 83 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 not originated any home mortgage loans under this program as of the evaluation period.

INVESTMENT TEST

The bank's performance under the investment test is "High Satisfactory". 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 over \$3 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 \$352 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.

A Federal Home Loan Bank (FHLB) grant in the amount of \$135 thousand was made on behalf of a corporation that has a community development purpose. The purpose of the grant was to assist with the building of a 16-unit rental apartment building serving individuals with emotional and physical disabilities with financial needs. This grant helped provide affordable rental housing to low- and moderate-income individuals.

Qualifying Investments: Qualifying investments for OSNB during this evaluation period totaled approximately \$2.6 million.

The bank purchased GNMA and FNMA obligations totaling \$1.9 million. The investments are comprised of 12 mortgage loans, 8 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.

The bank purchased a \$250 thousand investment in an Illinois Housing Authority (IHDA) Revenue Bond. The bond helps to fund IHDA mortgage loans to first time low- or moderate-income homebuyers.

The bank purchased a \$382 thousand general obligation bond used for textbooks, playground equipment and computers for a school district that has 55 percent of its student body from low- or moderate-income households.

During 2003, OSNB took a leadership role in forming a Community Development Corporation (CDC). The initial investment amount is \$100 thousand of which \$70 thousand was funded by OSNB. A \$30 thousand investment from the banks affiliates completed the initial investment. The primary purpose of the CDC is to provide down payment/closing cost assistance for home-ownership to qualified low- and moderate-income individuals.

Prior Period Investments

During OSNB's prior evaluation period, the bank purchased an Illinois Housing Authority Revenue bond of which \$102 thousand remains on the banks 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.

SERVICE TEST

The bank's performance under the Service Test is "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. OSNB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. OSNB has 13 full service locations. The distribution of OSNB's offices in the low-income geography (8 percent) exceeds the distribution of population (0.16 percent) living in that geography. The bank's main office is located within the one low-income geography in the bank's AA. The bank does not have any branches in the moderate-income geographies in which 8.93 percent of the population resides. However, the low- income geography, where the main office is located, is surrounded by seven of the eight moderate-income geographies within the bank's AA, providing accessibility to the population residing there. No offices were closed during the evaluation period. The effect of the three branches opened since the last CRA evaluation has a neutral effect on the low- and moderate-income geographies in the banks AA.

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 low- income geography). Four locations, including one that is adjacent to a moderate-income geography, provide Sunday hours.

OSNB's ATM network offers an effective alternative delivery system for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals. OSNB's ATMs in the low-income geography (13 percent) exceeds the percentage of the population (0.16 percent) within that geography. OSNB's ATMs in moderate-income geographies (6 percent) is near the percentage of the population (8.93 percent) within those geographies.

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.

Numerous bank employees spend a significant number of hours providing services to organizations that have community development as their primary purpose. The bank is considered a leader in providing CD services.

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

An OSNB employee serves as a director and on the budgeting committee of the local office of a national organization. This organization provides funding to many local not for profit groups. The local committee evaluates and recommends funding to these not for profit organizations. Over 50 percent of the organizations, target their services to low- and moderate-income persons.

An OSNB employee is the Finance Chairman of a local chapter of a national organization focusing on providing construction advisory services and flexible financing for homes targeted to low- and moderate-income individuals in the Fox Valley area. These low- and moderate-income individuals would be unable to qualify for conventional financing. As Finance Chairman, the OSNB staff member provides financial expertise by assisting in the budget process of this organization.

One OSNB staff member is a director of an organization that provides individual and family counseling services to low- and moderate-income individuals. Services cover a

Charter Number 4596

broad spectrum, including intervention programs and credit counseling. This bank staff member advises the organization's consumer credit counseling committee.

Another member of OSNB's staff serves as a director and an advisor for credit counseling for an organization whose primary goals include empowering low- and moderate-income individuals, revitalize low- and moderate-income neighborhoods, and strengthening communities. This organization is a not-for-profit housing counselor and developer, guiding perspective low- and moderate-income homeowners through the process of responsible homeownership.

APPENDIX A: SCOPE OF EVALUATION

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").

Time Period Reviewed	Lending Test (excludes CD Loans): January 1, 2001 to December 31, 2002 Investment and Service Tests and CD Loans: July 9, 2001 to November 22, 2004	
Financial Institution	Products Reviewed	
Old Second National Bank (OSNB) Aurora, Illinois	Home Mortgage Loans, Small Business Loans and Community Development Loans, Community Development Investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Old Second Mortgage Old Second Bank Yorkville Old Second Bank Kane County	Bank Subsidiary Holding company owned Holding company owned	None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Chicago Metropolitan Area #1600 Counties of Kane, Kendall, Will, DeKalb and DuPage	Full Scope	

Appendix B: Market Profiles for Full-Scope Areas

**Market Profile for Full-Scope Area
The Counties of Will, DeKalb, Kendall, Kane and Dupage in the
Chicago Metropolitan Area, 1600**

Demographic Information for Full Scope Area: Old Second National Bank						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Geographys/BNAs)	70	1.43	11.43	47.14	40.00	0.00
Population by Geographies	386,133	0.16	8.93	40.82	50.09	0.00
Owner-Occupied Housing by Geographies	94,549	0.02	6.06	39.77	54.15	0.00
Business by Geographies	17,194	1.50	4.60	41.05	52.85	0.00
Farms by Geographies	768	0.00	2.68	59.95	37.37	0.00
Family Distribution by Income Level	101,508	10.38	14.10	25.04	50.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,852	0.23	18.16	53.48	28.13	0.00
Median Family Income		42,758	Median Housing Value		125,791	
HUD Adjusted Median Family Income for 2002		75,400	Average Unemployment Rate in the AA		6.2%	
Households Below Poverty Level		4.68%	as of June 2004			

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

DESCRIPTION OF ASSESSMENT AREA

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 has 13 offices located throughout the AA. Seven of the bank's offices are in Kane County, one is in Kendall County and five are in DuPage County. As of June 30, 2004, 100 percent of OSNB's deposits were derived from this AA. Over the evaluation period, 87 percent of the home mortgage loans and 88 percent of the small loans to businesses were derived from this AA.

OSNB's deposits in the counties that make up the AA total approximately \$1.1 billion. Based on FDIC deposit market share data as of June 30, 2004, this equates to a 2.92 percent deposit market share, ranking OSNB 9 out of 137 deposit taking institutions in the AA. The leading deposit taking institution has a 10.94 percent deposit market share.

OSNB also serves the AA with 26 ATMs. ATMs are located at all of OSNB's offices and at 13 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 2004 the unemployment level for the AA averaged 6.20 percent. This compares to the state unemployment rate of 6 percent and the U.S. unemployment rate of 5.40 percent. Major employers include Caterpillar Tractor, Hollywood Casino, Metropolitan Insurance Company, School District 204 and 129, Northern Illinois Gas, Lucent Technologies and Fermi National Laboratory.

A moderate level of community resources and opportunities for partnerships exist to facilitate activities to address the unmet credit and community 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: 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.

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.
- 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 Refinance Loans** - See Table 2.
- Table 5. 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.
- Table 6. 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.

- Table 7. 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 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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 11. 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 12. 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 banks financial reporting system.

Table 13. 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 14. 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 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, 2001 TO DECEMBER 31, 2002						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Old Second National Bank	100.00	619	65,102	1,535	219,099	23	3,432	8	3,559	2185	291,920	100.00

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

^{**} The evaluation period for Community Development Loans is From January 01, 2001 to December 31, 2002.

^{***} Deposit Data as of June 30, 2004 Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															
Geography: ILLINOIS															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
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
Full Review:															
Old Second National Bank	138	100.00	0.02	0.00	6.06	9.42	39.77	55.07	54.15	35.51	0.24	0.00	0.56	0.33	0.16

* Based on 2002 Peer Mortgage Data: Central Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000004596 **OLD SECOND NATIONAL BANK**

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					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					
Full Review:															
Old Second National Bank	195	100.00	0.02	0.00	6.06	32.82	39.77	51.28	54.15	15.90	7.41	0.00	39.08	7.56	3.15

^{*} Based on 2002 Peer Mortgage Data: Central Region.

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

^{***} Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		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					
Full Review:															
Old Second National Bank	281	100.00	0.02	0.00	6.06	11.74	39.77	53.02	54.15	35.23	0.17	0.00	0.53	0.27	0.12

^{*} Based on 2002 Peer Mortgage Data: Central Region.

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

^{***} Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Old Second National Bank	5	100.00	1.17	0.00	3.68	20.00	44.90	80.00	50.25	0.00	3.45	0.00	10.00	4.65	0.00									

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

^{***} Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: ILLINOIS															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Old Second National Bank	1,535	100.00	1.50	2.21	4.60	4.89	41.05	67.30	52.85	25.60	1.57	4.81	2.97	2.20	1.04

^{*} Based on 2002 Peer Small Business Data: US and PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2003).

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: ILLINOIS															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% 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 National Bank	23	100.00	0.00	0.00	2.68	0.00	59.95	69.57	37.37	30.43	1.31	0.00	0.00	1.22	1.97

^{*} Based on 2002 Peer Small Business Data: US and PR.

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2003).

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					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 ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}					
Full Review:															
Old Second National Bank	138	100.00	10.38	9.77	14.10	23.31	25.04	24.06	50.48	42.86	0.28	0.37	0.22	0.28	0.31

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 3.62% 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.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share [*]				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}					
Full Review:															
Old Second National Bank	195	100.00	10.38	27.59	14.10	30.46	25.04	24.71	50.48	17.24	6.59	16.67	9.66	5.65	3.06

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 10.77% 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.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]													
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Old Second National Bank	281	100.00	10.38	12.31	14.10	25.00	25.04	29.10	50.48	33.58	0.22	0.59	0.33	0.23	0.13									

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 4.63% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

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

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK 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 National Bank	1,535	100.00	64.34	52.70	67.69	15.24	17.07	1.57	2.66

^{*} Based on 2002 Peer Small Business Data: US and PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.63% of small loans to businesses originated and purchased by the bank.

Institution ID: 10000004596 **OLD SECOND NATIONAL BANK**

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Old Second National Bank	23	100.00	87.37	86.96	43.48	39.13	17.39	1.31	1.36

^{*} Based on 2002 Peer Small Business Data: US and PR.

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2001 TO November 22, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Old Second National Bank	1	102	7	3,019	8	3,121	0.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: 10000004596 OLD SECOND NATIONAL BANK

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, 2001 TO November 22, 2004									
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
Full Review:																	
Old Second National Bank	100.00	13	100	8.00	0.00	38.00	54.00	3	0	0	0	0	+3	0.16	8.93	40.82	50.09