

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

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Community Reinvestment Act Performance Evaluation

First National Bank in DeKalb
Charter Number: 14008

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Office of the Comptroller of the Currency

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **First National Bank in DeKalb** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of **January 24, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. 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. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States 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 United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of 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% of the median family income.

Median Family Income (MFI) - The median income determined by the United States 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 (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs 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% and less than 120% of the MFI.

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

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

Small Farm Loans - Loans with original amounts of \$500 thousand 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 noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

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

Performance Levels	First National Bank in DeKalb Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending volumes reflect an excellent responsiveness to credit needs in the assessment area.
- A substantial majority of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- Overall, the bank has excellent penetration of loans among borrowers of different income levels and businesses of different sizes.
- The bank uses flexible loan products to help meet identified credit needs.
- FNB has an adequate level of qualified community development investments and grants.
- Delivery systems are readily accessible to geographies and individuals of different income levels in the bank's assessment area.
- The bank's record of opening branches and ATMs has improved the accessibility of its delivery systems.

Description of Institution

First National Bank in DeKalb (FNB), an intrastate bank, is a wholly-owned subsidiary of Castle BancGroup, Inc. (CBI), a \$540 million multi-bank holding company headquartered in DeKalb, Illinois. CBI owns three national banks, a finance company and a mortgage company. The bank did not request that affiliate activities be considered in this evaluation of FNB's CRA performance. FNB's main office is located in DeKalb, Illinois. It has three full service offices, one limited service drive-up facility, four on-site ATMs and six off-site ATMs to serve its market in the northern half of DeKalb County, Illinois. Two of the full service branches are located in DeKalb and one is located in Sycamore, Illinois.

The bank's total assets at December 31, 1999 were \$287 million and the loan to deposit ratio was 79%. Net loans were \$189 million, which is 66% of total assets. Real estate lending is the largest percentage of loans in the bank's portfolio at \$132 million or 70% of total gross loans. Commercial real estate loans were \$79 million (42%) and residential real estate loans were \$53 million (28%). Commercial and industrial loans were \$29 million or 15% of the bank's total gross loans, agriculture loans were \$16 million (9%) and consumer loans were \$13 million (7%). Tier one capital was \$21 million or 7% of total assets. There are no legal or financial factors that would impede FNB's ability to meet the credit needs of its communities.

FNB provides a full line of traditional retail and commercial banking products. It also offers Small Business Administration loans to businesses, agriculture loans and State of Illinois loan programs for affordable housing, small farm and small business loans. During 1999 the bank made \$3.2 million in loans under the Illinois Farm Development Authority Guaranteed Loan program. These loans are included in the analysis of small farm loans. FNB also refers mortgage loans to CastleBanc Mortgage, Inc. (CMI) for credit decision and closing. These loans are not included on FNB's HMDA LAR nor are these affiliate loans considered in evaluating FNB's CRA performance. However, it should be noted that the bank helped serve the mortgage credit needs in its community by referring loans to CMI who ultimately originated 348 of these loans totaling \$42 million.

Scope of the Evaluation

Evaluation Period/Products Evaluated

In evaluating FNB's CRA performance, we considered the bank's CRA activities since the last evaluation, dated December 4, 1996, when the bank received a "Satisfactory" rating. The current evaluation reflects home mortgage lending performance from January 1, 1997 through December 31, 1999. Small business and small farm lending performance was evaluated from January 1, 1999 through December 31, 1999 since 1999 was the first year for which the bank was required to report small business loan data. We evaluated investment and service test performance from December 4, 1996 through January 24, 2000.

Data included home mortgage loans (HMDA) and small business and small farm loans (CRA). HMDA data included loans for home purchase, home improvement and refinancing of home mortgage loans. CRA data included small business loans less than \$1 million and small farm loans less than \$500 thousand.

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. In order to determine the accuracy of loan data presented by the bank, we verified a representative sample of HMDA, small business and small farm loans made during the evaluation period. No significant discrepancies were detected. The reported data was substantially correct and reliable. We were able to evaluate the bank's lending performance based on accurate data.

Selection of Areas for Full-Scope Review

The bank has one assessment area consisting of 16 census tracts in the northern half of DeKalb County, Illinois. DeKalb County is located in the western portion of the Chicago MSA (1600). We performed a full scope review on this assessment area. (Refer to the table in Appendix B for detailed information.)

Ratings

The bank's overall rating is based on its performance in its one assessment area. Home Mortgage loans comprised nearly 70% of the total number of loans that we evaluated. Home Mortgage lending performance was weighted more heavily than small business and small farm lending performance in reaching our ratings conclusions because of its greater volume.

Other

Community contacts made during the examination indicated that there are no unmet credit needs in the bank's assessment area. The local financial institutions, including FNB in DeKalb, are very responsive, aggressive and competitive in providing loans for small business, small business start-ups, economic development and affordable housing. The community contacts indicated that there is not a need for other types of investments at this time as all area banks participate through lending opportunities.

Fair Lending Review

We performed a fair lending review to test the bank's compliance with anti-discrimination laws. We used a statistical loan sample of the bank's home purchase loan files. We reviewed sixty control group files and 23 prohibited basis group files. We performed a comparative file analysis using gender as the prohibitive basis. We did not identify any violations of the substantive provisions of the anti-discrimination laws and regulations with respect to home purchase loans. The bank has adequate fair lending policies and training programs in place.

Conclusions with Respect to Performance Tests

LENDING TEST

Lending Activity

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

The bank's performance under the Lending Test is rated "Outstanding". Our conclusions are based on the following:

- Lending volumes reflect an excellent responsiveness to credit needs in the assessment area.
- A substantial majority of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- The bank has excellent penetration of loans among borrowers of different income levels and businesses of different sizes.
- Deposit market share compares favorably to lending market share.
- The bank uses flexible loan products to help meet identified credit needs.

FNB's overall lending activity reflects an excellent level of responsiveness to credit needs in the Assessment Area. The bank's loan-to-deposit ratio as of 9/30/99 was 79%. The average loan-to-deposit-ratio for the bank's national peer group was 74%. The bank's competition is strong with local banks, credit unions and branch offices of large regional banks competing for deposits and loans and national and regional mortgage companies competing for residential mortgage loans.

Information on deposit market share compiled by the FDIC for June 30, 1999 ranked FNB second out of thirty FDIC insured financial institutions with offices in DeKalb County. FNB's deposit market share at 9/30/99 was 14%. The bank's overall market rank for 1998 HMDA loans, the most recent year for which aggregate HMDA data is available, was ninth out of 244 lenders and the market share was 3.85%. The comparison of deposit market share to loan market share is somewhat distorted by the presence of loan data from national and regional mortgage companies that do not take deposits. Seven of the top10 HMDA lenders are mortgage companies. Adjusting the ranking to exclude these companies would place FNB in third position, which more closely compares to its deposit ranking. When we compare FNB's market share by product to deposit market share, the bank's volume of lending is excellent. For example, the bank is ranked first out of 217 lenders in Home Improvement loans with a 25% market share and ranked

second in home purchase lending, when adjusting for mortgage companies.

1999 was the first year for which the bank was required to file small business and small farm loan data. Therefore, there is no market share data for comparison on tables 5, 6, 10 and 11. The bank did not make any community development loans during 1999.

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 geographic distribution of FNB's home mortgage loans reflects excellent penetration throughout the assessment area. Our conclusions are based on the following:

- Home purchase lending reflects excellent distribution in moderate-income census tracts.
- Home Improvement lending reflects excellent distribution in low- and moderate-income geographies.
- Home mortgage refinance loans reflect excellent distribution in low- and moderate-income census tracts.
- HMDA market share in both low- and moderate- income geographies is excellent in comparison to its overall market share.

Home Purchase Loans

The bank's geographic distribution of home purchase loans is excellent in moderate-income census tracts within the bank's assessment area. During the evaluation period, FNB made 15% of its home purchase loans in moderate-income census tracts. The bank's percentage of home purchase loans exceeds the percentage of owner-occupied units (7%) in moderate-income census tracts. Less than one percent of owner-occupied units are located in the one low-income census tract within the bank's assessment area. The bank made one home purchase loan in this low-income census tract but because this is less than one percent of its total home purchase loans, it appears as 0.00% on Table 2.

Aggregate 1998 HMDA data reports 131 lenders extending home purchase loans in the bank's assessment area. FNB ranked 7th with a 4.7% market share. FNB ranks first in market share of 37 lenders extending home purchase loans in moderate-income census tracts. FNB's market share in moderate-income census

tracts of 9.3% exceeds its overall market share for home purchase loans of 4.7% and is considered excellent.

Home Improvement Loans

The bank's geographic distribution of home improvement loans is excellent in low- and moderate-income census tracts within the bank's assessment area. During the evaluation period, FNB made 1% of its home improvement loans in low-income census tracts and 21% of its home improvement loans in moderate-income census tracts. The bank's percentage of home purchase loans exceeds the percentage of owner-occupied units (0%) in low-income census tracts and greatly exceeds the percentage of owner occupied units (7%) in moderate-income census tracts.

Aggregate 1998 HMDA data reports 3 lenders extending 4 home improvement loans in low-income census tracts within the bank's assessment area. FNB ranks first in home improvement market share in low-income census tracts with a market share of 50%. Aggregate 1998 HMDA data reports 9 lenders extending 32 home improvement loans in moderate-income census tracts in FNB's assessment area. FNB ranks first in home improvement market share in moderate-income census tracts with a market share of 38%. FNB's market share in both low-income and moderate-income census tracts exceeds its overall market share for home improvement loans of 25% and is considered excellent.

Refinance Loans

The bank's geographic distribution of refinance loans is excellent in low- and moderate-income census tracts within the bank's assessment area. During the evaluation period, FNB made 1% of its refinance loans in low-income census tracts and 18% of its refinance loans in moderate-income census tracts. The bank's percentage of refinance loans exceeds the percentage of owner-occupied units in low-income census tracts (0%) and also in moderate-income census tracts (7%).

Aggregate 1998 HMDA data reports 16 lenders extending 28 refinance loans in low-income census tracts within the bank's assessment area. Although FNB did not make any refinance loans in low-income census tracts during 1998, it did make a refinance loan in a low-income census tract in 1997. Aggregate 1998 HMDA data reports 49 lenders extending 195 refinance loans in moderate-income census tracts within the bank's assessment area. FNB ranked thirteenth with a market share of 3.1% in moderate-income census tracts. This market share exceeds its overall market share for refinances of 1.6% and is considered excellent.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

FNB's geographic distribution of small business loans within the assessment area reflects good performance when compared to the percentage of small businesses located within the assessment area. FNB made 183 small business loans totaling \$18.9 million in its assessment area during the evaluation period. FNB made 2% of its small business loans to businesses located in low-income census tracts. Three percent of businesses within the assessment area are located in low-income census tracts. FNB made 18% of its small business loans to businesses in moderate-income census tracts within its assessment area. Twenty percent of businesses in the bank's assessment area are located in moderate-income census tracts. The bank's percentage of small business loans is slightly less than the percentage of small businesses located in low- and moderate-income census tracts.

There is no aggregate market share data available for comparison because 1999 was the first year for which the bank was required to file small business loan data.

Small Loans to Farms

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to farms.

FNB's geographic distribution of small farm loans within the assessment area reflects good performance when compared to the percentage of small farms located within the assessment area. FNB made 91 small farm loans totaling \$8.3 million in its assessment area during the evaluation period. FNB made 4% of its small farm loans to farms located in low-income census tracts. One percent of farms within the assessment area are located in low-income census tracts. This level of lending in low-income census tracts is considered excellent. FNB made 1% of its small farm loans to farms located in moderate-income census tracts within its assessment area. Two percent of farms in the bank's assessment area are located in moderate-income census tracts. The bank's percentage of small farm loans is less than the percentage of small farms located in moderate-income census tracts.

There is no aggregate market share data available for comparison because 1999 was the first year for which the bank was required to file small farm loan data.

Lending Gap Analysis

We performed a lending gap analysis to determine whether there were any

conspicuous gaps in the distribution of loans throughout the bank's assessment area. The bank made loans in all census tracts except one. That census tract contains the Northern Illinois University campus. There is no home mortgage or small business lending opportunity available in that census tract. The remaining census tracts had a good dispersion of loans. There were no census tracts with low activity. There were no conspicuous gaps in the bank's geographic distribution of loans within its assessment area.

Inside/Outside Ratio

A substantial majority of loans are made in the bank's assessment area. During the evaluation period, FNB made 895 or 76% of its home mortgage, small business and small farm loans, totaling \$74 million, within its assessment area. FNB made a substantial majority (83%) of its HMDA loans in the assessment area. The bank made 227 or 79% of its home purchase loans, 182 or 84% of its home improvement loans, 178 or 84% of its refinance loans and 34 or 96% of its multifamily loans within its assessment area. The bank made a substantial majority of its small business loans within the assessment area. During the evaluation period, the bank made 183 or 73% of its small business loans in the assessment area. The bank also made 51 or 54% of its small farm loans within the assessment area. Recent changes in land use within the bank's assessment area from farmland to residential subdivisions and business use have resulted in fewer farm loans originated within its assessment area and more farm loans made just outside the bank's assessment area boundaries.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

FNB's borrower distribution of home mortgage loans is excellent. Our conclusions are based on the following:

- Home purchase lending reflects excellent borrower distribution to moderate-income borrowers.
- Home Improvement lending reflects excellent borrower distribution to moderate-income borrowers.
- Home mortgage refinance lending reflects excellent borrower distribution to low- and moderate-income borrowers.
- HMDA market share to low- and moderate-income borrowers is excellent.

Home Purchase Loans

FNB's borrower distribution of home purchase loans is excellent to moderate-income borrowers. The bank's distribution of home purchase loans to moderate-income borrowers is 32% and exceeds the percentage of moderate-income families. The percentage of moderate-income families in the bank's assessment area is 22%. FNB's distribution of home purchase loans to low-income borrowers is excellent. The bank made 17% of its home purchase loans to low-income families. This is slightly less than the percentage of low-income families (19%) in the bank's assessment area. Based on this income level and considering that 14% of the households in the assessment area are below the poverty level, this is strong home purchase lending performance.

Aggregate 1998 HMDA data reports the bank's overall market share for home purchase loans is 4.7%. The bank ranks seventh out of 131 lenders making home purchase loans in the bank's assessment area. Market share for both low-income borrowers (13%) and for moderate-income borrowers (8%) exceeds the bank's overall market share for home purchase loans and is considered excellent. FNB ranks second out of 30 lenders making home purchase loans to low-income borrowers and third out of 67 lenders making home purchase loans to moderate-income borrowers.

Home Improvement Loans

FNB's borrower distribution of home improvement loans is excellent to moderate-income borrowers. The bank's distribution of home improvement loans to moderate-income borrowers is 30% and exceeds the percentage of moderate-income families. The percentage of moderate-income families in the bank's assessment area is 22%. FNB's distribution of home improvement loans to low-income borrowers is adequate. The bank made 13% of its home improvement loans to low-income families. This is less than the percentage of low-income families (19%) in the bank's assessment area.

Aggregate 1998 HMDA data reports the bank ranks first out of 141 lenders making home improvement loans in its assessment area with an overall market share of 25%. The bank ranks first of 14 lenders making home improvement loans to low-income borrowers in its assessment area with a market share of 24%. This nearly equals the bank's overall market share and is considered excellent. The bank also ranks first of 18 lenders making home improvement loans to moderate-income borrowers with a market share of 32%. This exceeds the bank's overall market share for home improvement lending and is considered excellent.

Home Mortgage Refinance Loans

FNB's borrower distribution of home mortgage refinance loans is excellent to moderate-income borrowers. The bank's distribution of home mortgage refinance loans to moderate-income borrowers is 25% and exceeds the percentage of moderate-income families. The percentage of moderate-income families in the bank's assessment area is 22%. FNB's distribution of home mortgage refinance loans to low-income borrowers is adequate. The bank made 14% of its home mortgage refinance loans to low-income families. This is less than the percentage of low-income families (19%) in the bank's assessment area.

Aggregate 1998 HMDA data reports the bank's overall market share for home mortgage refinance loans is 1.6%. The bank ranks fifteenth out of 191 lenders making home mortgage refinance loans in the bank's assessment area. Market share for both low-income borrowers (5.8%) and for moderate-income borrowers (2.3%) exceeds the bank's overall market share for home mortgage refinance loans and is considered excellent. FNB ranks fourth out of 50 lenders making home mortgage refinance loans to low-income borrowers and ninth out of 87 lenders making home mortgage refinance loans to moderate-income borrowers.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of FNB's loans to small businesses is good. Our analysis revealed that 70% of FNB's small loans were to businesses with gross revenues of \$1 million or less. In comparison, 75% of the small businesses in the bank's assessment area have gross revenues of \$1 million or less. We also analyzed loans by original amount, regardless of the size of the business. Seventy-five percent of FNB's small loans to businesses were originated for \$100,000 or less and twenty-five percent were originated for amounts greater than \$100,000 and up to \$1 million.

There is no aggregate market share data available for comparison because 1999 was the first year for which the bank was required to file small business loan data.

Small Loans to Farms

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

The distribution of FNB's loans to small farms is good. Our analysis revealed that 91% of FNB's small loans were to farms with gross revenues of \$1 million or less. In comparison, 93% of the small farms in the bank's assessment area have gross

revenues of \$1 million or less. We also analyzed loans by original amount, regardless of the size of the farm's gross revenue. Seventy-five percent of FNB's small loans to farms were originated for \$100,000 or less, twenty-one percent were originated for amounts greater than \$100,000 to \$250,000 and four percent were originated for amounts greater than \$250,000 up to \$500,000.

There is no aggregate market share data available for comparison because 1999 was the first year for which the bank was required to file small farm loan data.

Community Development Lending

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

The bank made no qualified community development loans in 1999. There are very few opportunities for qualified community development loans in the bank's assessment area. Even though the bank did not make any qualified community development loans, it does not detract from the lending test rating because the opportunities are limited and the bank's lending performance is strong.

Other Loan Data

FNB issued a \$1,820,000 letter of credit in 1998 to the Illinois Housing Development Authority to support the performance of construction of an 84-unit apartment building for low- and moderate-income housing. This letter of credit was participated to another bank at 50%. The letter of credit was renewed to support the completion of the project.

Product Innovation and Flexibility

FNB participates in local and statewide programs to extend home mortgage loans through flexible loan products. Examples of the bank's participation include:

- FNB has been an active lender in the Illinois Housing Development Authority First Time Homebuyer Program. The IHDA program is targeted to low- and moderate-income applicants and offers a reduced interest rate program for a 30 year fixed loan with a 5% down payment. During 1999 the bank made 23 loans totaling \$2.1 million through this program. These loans were included in the analysis of HMDA loans.
- The City of DeKalb Homebuyer Program from Community Block Grants provides a 3/2 down payment assistance program. The city provides a 2% grant and the borrower provides the remaining 3% of the down payment. This program is used in conjunction with the IHDA First Time Homebuyer program to assist low-

and moderate-income applicants with the 5% down payment requirement. The loans made under this program are included in the 23 IHDA loans discussed under the IHDA First Time Homebuyer Program.

- Twenty-three FHA loans totaling \$2.5 million and 7 VA loans totaling \$890 thousand were booked by CastleBanc Mortgage, Inc. (CMI), an affiliated company, from the bank's referrals. These government loan programs are targeted to low- and moderate-income borrowers.
- The bank offers a 3% home improvement loan to help homeowners maintain their property, which stabilizes DeKalb County neighborhoods. The loan is limited to \$1,000 and has a one- year term. The bank made 39 loans totaling \$39,000 during 1999. These loans are included in the bank's HMDA data.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test is "Low Satisfactory". This conclusion is based on the limited qualified investment opportunities and the bank's size and financial capacity. Community contacts and the OCC's community reinvestment development information confirmed the bank's assertion that there is a lack of investment opportunities in the bank's assessment area.

- FNB has an adequate level of qualified community development investments and grants.
- FNB exhibits adequate responsiveness to credit and economic development needs.

FNB's qualified investments consist of grants and donations to many community organizations that provide community services to low- and moderate- income individuals and promote economic development. Of the \$56,600 total donations and grants, 53% were for economic development, 38% were for community service and 9% were for revitalization and stabilization.

The bank has taken a leadership role in the DeKalb County Economic Development efforts on attracting Corporation. The DeKalb County Economic Development Corporation focuses on attracting new and diverse industry to DeKalb County, providing support for affordable housing and assistance to businesses and developers seeking to expand or locate in the county. They also assist in securing financing for businesses through the participation of local lenders, including FNB.

The bank's President (now retired) and a Vice President serve on the Board. The bank was also one of only five contributors at the Developer (\$10,000 and above) level, contributing \$10,000 in each of the three years that is covered by this performance evaluation, for a total of \$30,000.

FNB was also the largest contributor to Main Street/DeKalb, Inc., a program designed to strengthen and revitalize the traditional downtown business district of DeKalb, Illinois. DeKalb's downtown business district is located in moderate-income geographies. The Main Street/ DeKalb program will stabilize this moderate-income area by supporting existing business, recruiting new business, balancing the mix of retail, professional and service businesses. Main Street/DeKalb is a program sponsored by the Illinois Main Street Program of the Office of Lt. Governor Corinne Wood. Cities must secure funding and submit an application to the state for acceptance into the program. The bank's contribution helped the organization to secure the minimum requirement for an Illinois Main Street Community based on DeKalb's population.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding". This conclusion is based on the following:

- Delivery systems are readily accessible to geographies and individuals of different income levels in the bank's assessment area.
- The bank's record of opening branches and ATMs has improved the accessibility of its delivery systems.
- Services, including business hours, are tailored to the convenience and needs of the assessment areas, including low- and moderate- income individuals.
- FNB provides a relatively high level of community development services.

Retail Banking Services

Refer to Table 13 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.

Delivery systems are readily accessible to geographies of different income levels in the bank's assessment area. FNB has four branch office locations. Twenty-five percent are located in moderate-income census tracts, 50% are located in middle-income census tracts and 25% are located in upper-income census tracts. This

closely reflects the geographic distribution of the population in the assessment area. In the bank's assessment area 11%, 15%, 58% and 7% of the population live in low-income, moderate-income, middle-income and upper-income census tracts respectively. Nine percent of the population lives in the census tract that houses Northern Illinois University and has no income designation.

The bank's delivery systems are readily accessible to individuals of different income levels, particularly low- and moderate-income individuals. FNB's four offices and ten ATMs are centrally located within the assessment area and reflect the population concentration. Eighty-three percent of the population and 79% of the families in the bank's assessment area live either in a census tract where the bank has an office or ATM or live in an adjacent census tract. Eighty-three percent of low-income families and 76% of moderate-income families live in or adjacent to a census tract where the bank has an office or ATM.

The bank's main office is a full service office located in a moderate-income census tract. Two other branches are full service offices, where all deposit and loan products are offered. The remaining office is a drive-up facility with limited transaction services. Four of the ATMs are located at branch locations. The bank also owns six stand-alone ATMs. These ATMs are located at the three major employers in the area, Northern Illinois University campus with 3,553 faculty and staff, Monsanto with 600 employees and Kishwaukee Hospital with 490 employees and high traffic shopping areas such as University Plaza and Pen's Point Market.

The bank's record of opening branches and ATMs has improved the accessibility of its delivery systems. The bank opened one full service branch and four stand alone ATMs since the last evaluation. These new locations make the bank's services more accessible to the assessment area's population, particularly low- and moderate-income individuals. One new ATM is located in a moderate-income census tract. The other three were opened in census tracts where a majority of low- and moderate-income families live. The bank has closed no offices since the last evaluation. A mobile branch was approved in 1999. This branch primarily serves the local nursing home, and is a convenience to its residents, enabling them to conduct their banking business without leaving the home.

Services, including business hours, are tailored to the convenience and needs of the assessment areas, including low- and moderate-income individuals. The bank's business hours are reasonable and convenient to customers and include weekend hours and extended drive-up hours. Three of the offices, including the main office, which is located in a moderate-income census tract, have the same lobby and drive-up hours. A customer survey was conducted when the new branch was opened in 1998. As a result of that survey, that office, which does not have a drive-up facility is open one hour later during the week and three hours longer on Saturday.

FNB has just offered a new Individual Savings Account (ISA) in conjunction with The DeKalb County Community Development Services Department (DCCS) targeted to low- and moderate-income individuals in the Family Development Program. The purpose of these savings accounts is to help low- and moderate-income people save for affordable housing, such as rental deposits for permanent stable housing or another specific item that will lead the family to their desired level of self-sufficiency. The money cannot be used for monthly expenses. Regular monthly deposits of a specified amount must be made for a specified time and cannot be withdrawn prior to that time. DCCS is a cosigner on the account and both the individual and DCCS representative signature is necessary for withdrawal. The DCCS will match the funds saved by the individual if all deposits are made. At the end of the term, the funds will be dispersed directly to the vendor of the specified item. FNB is the only bank that participates in this program to help low- and moderate-income people save money.

Community Development Services

The bank provides a relatively high level of community development services. Bank personnel serve in leadership positions as members of the board of directors in eleven different community organizations. These organizations provide services to low- and moderate-income individuals in the assessment area, including child-care services, health care, senior independent living facilities, medical cost assistance, transportation assistance, counseling services and tutoring for children from low-income families. Technical assistance is also provided to the local economic development corporation, which attracts new business to the area and promotes start-up businesses.

In addition to serving on the board of directors, bank personnel use their financial expertise in many different ways. For example, a bank officer serves on the finance committee of Barb City Manor, a senior independent living facility serving low- and moderate-income individuals, where she is instrumental in budgeting, fund raising, funds management and investment portfolio management in addition to sitting on the board. A bank officer serves on the finance committee of the 4-C's (Community Coordinated Child Care), providing childcare to low- and moderate-income families through a financially subsidized program, as well as serving on the board. A bank officer serves on the finance committee of CASA, a child advocacy organization, as well as serving on the board. A bank officer is Treasurer of the DeKalb County 4-H Foundation, which leverages funds through the University of Illinois Extension Office to benefit low- and moderate-income families in health care services. A bank employee advises the Children's Learning Center, which offers infant/toddler, pre-school, and before and after school programs for low- and

moderate-income families, on fund raising and funds management. The bank president is chairman of the board and also serves on the finance committee of the Family Service Agency, which provides services to low- and moderate-income families. A bank employee advises the Voluntary Action Center, an organization that provides transportation to low- and moderate-income individuals, on financial matters. A bank employee is the Treasurer of the DeKalb United Way, serving 26 not-for-profit organizations who serve low- and moderate-income families, and also advises the DeKalb Chamber of Commerce on fund raising methods. A bank officer sits on the advisory board of the DeKalb County Community Services, which is the agency that sponsors the individual savings account for low- and moderate-income families, mentioned earlier in this report, and advises on financial matters.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation and loan products considered. The table also reflects the metropolitan area that received comprehensive examination review (designated by the term **Full-Scope**).

Time Period Reviewed	Lending Test: January 1, 1997 to December 31, 1999 Investment Test: December 4, 1996 to January 24, 2000 Service Test: December 4, 1996 to January 24, 2000	
Financial Institution	Products Reviewed	
First National Bank in DeKalb (FNB) DeKalb, Illinois	HMDA loans, small business loans, small farm loans and flexible lending products	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
MSA 1600	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Market Profile

Demographic Information for Full-Scope Area: FNB DeKalb Assessment Area in western portion of Chicago MSA 1600						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	16	6.25	12.50	68.75	6.25	6.25
Population by Geography	63,423	11.31	14.90	57.83	7.14	8.82
Owner-Occupied Housing by Geography	11,753	0.43	7.50	81.91	10.16	0.00
Businesses by Geography	2,313	3.42	19.54	72.16	4.80	0.08
Farms by Geography	333	0.60	2.10	95.80	1.50	0.00
Family Distribution by Income Level	13,457	18.65	22.28	27.92	31.15	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,508	10.11	14.71	71.71	3.47	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$42,758 = \$63,800 = 13.69%	Median Housing Value Unemployment Rate				= \$85,561 = 2.21%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 1999 HUD updated MFI.

FNB operates in the northern half of DeKalb County, a small portion of the Chicago MSA. There are 16 census tracts in the assessment area. The assessment area is comprised of one low-income census tract (6.25%), two moderate-income census tracts (12.5%), 11 middle-income census tracts (68.75%) and one upper-income census tract (6.25%). The remaining census tract contains a portion of the Northern Illinois University campus, does not have an income level and is classified as NA. The assessment area complies with the technical requirement of the CRA and does not arbitrarily exclude any low- or moderate-income geographies or illegally discriminate. The total population of the assessment area is 63,423 based on the 1990 census. The 1999 MSA updated median family income is \$63,800. This income figure is the basis for determining the low-, moderate-, middle- and upper-income level of families. The family breakdown by income level is 19% low-income families, 22% moderate-income families, 28% middle-income families and 31% upper-income families.

The largest city in DeKalb County is the city of DeKalb, with a population of 37,000 based on 1998 statistics. Approximately 15% of the population consist of students attending Northern Illinois University. The local economy is stable. Local housing consists of 54% owner-occupied units, 43% rental units and 3% vacant

units. The median home value is \$85,500. Renter-occupied units are high due to the demand for off-campus student housing.

The major industry within the assessment area is services. Retail trade and agriculture are the next largest industries. The major employers in DeKalb are Northern Illinois University, Monsanto and Kishwaukee Hospital. The vast majority of businesses located in the bank's assessment area are small businesses. Of the approximately 2,300 businesses, only 100 have more than 50 employees and 25% have more than \$1 million in gross annual revenue. Approximately 80% of the businesses have less than 10 employees and nearly 71% of the businesses have less than half a million dollars in gross annual revenue. Approximately 13% of the businesses are farms. The local economy has been stable and is beginning to grow as some farmland is sold to developers for housing and industrial use. There were 115 housing starts in DeKalb in 1998. The average unemployment rate in DeKalb County for 1999 was 3.4%, hitting a low of 2.7% in November 1999.

Competitive Factors within the Assessment Area

FNB's principal business activities are highly competitive as many financial institutions serve the bank's assessment area. According to the 1998 Home Mortgage Disclosure Act (HMDA) information, 131 lenders originated home purchase mortgage loans in the bank's assessment area. FNB ranked seventh among these lenders. Loan originators within the assessment area include branches of regional and money center banks, national mortgage companies, local financial institutions and credit unions.

Credit Needs

The identified credit needs of the area are residential mortgage, small business and agriculture loans per recent community contacts. The local banks are very aggressive, competitive and responsive to meeting the credit needs of the community and there are no credit needs that the local banks are not meeting. Local banks are particularly responsive to meeting the small business, small business start up, multifamily and single family residential mortgage loan needs.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the **Abank@** 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/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 MSA/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 rank and 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 rank and 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 rank and 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 MSA/assessment area. The table also presents market rank and 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 thousand) 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/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 the population 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 MSA/assessment area.

Charter Number: 10000014008

Table 1. Lending Volume

DING VOLUME												
Evaluation Period: 01/01/1997 TO 12/31/1999												
Rating Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
FNB DeKalb Asses	100.00	621	47,159	183	18,929	91	8,281	0	0	895	74,369	100.00

* Deposit Data as of June 30, 1999

Charter Number: 10000014008

Table2. Geographic Distribution of Home Purchase Loans

Distribution: HOME PURCHASE																Evaluation Period: 01/01/1997 TO 12/31/1999															
Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans																
	% 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	#	% of Total**															
Assessment	0	0	7	15	82	72	10	13	7	4.7	0.0	0.0	9.3	4.4	5.1	227	100														

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Charter Number: 1000014008

Table 3. Geographic Distribution of Home Improvement Loans

Distribution: HOME IMPROVEMENT		Evaluation Period: 01/01/1997 TO 12/31/1999														
Rating Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% 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	#	% of Total**
Assessment	0	1	7	21	82	62	10	16	1	25.3	50.0	37.5	19.0	55.6	182	100

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

Charter Number: 10000014008

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 TO 12/31/1999						
Rating Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% 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	#	% of Total**
Assessment	0	1	7	18	82	70	10	12	15	1.6	0.0	3.1	1.6	1.5	178	100

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Charter Number: 10000014008

Table 5. Geographic Distribution of Small Loans to Businesses

Distribution: SMALL BUSINESS																
Evaluation Period: 01/01/1997 TO 12/31/1999																
Rating Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Rating Assessment	3	2	20	18	72	71	5	9	NA	0.0	NA	0.0NA	0.0NA	0.0NA	183	100

* Based on 1998 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area. FNB was not required to file small business data in 1998.

Charter Number: 1000014008

Table 6. Geographic Distribution of Small Loans to Farms

Distribution: SMALL FARM		Evaluation Period: 01/01/1997 TO 12/31/1999														
Rating Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Assessment	1	4	2	1	96	88	2	7	NA	NA	0.0NA	0.0NA	0.0NA	0.0NA	91	100

* Based on 1998 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area. FNB was not required to file small farm data in 1998.

Charter Number: 10000014008

Table 7. Borrower Distribution of Home Purchase Loans

Distribution: HMDA HOME PURCHASE		Evaluation Period: 01/01/1997 TO 12/31/1999														
Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Assessment	19.00	17.00	22.00	32.00	28.00	26.00	31.00	24.00	7	4.70	13.00	8.10	2.20	5.60	227	100

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 10000014008

Table 8. Borrower Distribution of Home Improvement Loans

Distribution: HOME IMPROVEMENT		Evaluation Period: 01/01/1997 TO 12/31/1999														
Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Assessment	19	13	22	30	28	31	31	21	1	25.3	23.5	31.7	18.8	29.3	182	100

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 10000014008

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Distribution: HOME MORTGAGE REFINANCE		Evaluation Period: 01/01/1997 TO 12/31/1999														
Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Assessment	19	14	22	25	28	25	31	35	15	1.6	5.8	2.3	1.2	2.2	178	100

* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 1000014008

Table 10. Borrower Distribution of Small Loans to Businesses

Distribution: SMALL BUSINESS										
Evaluation Period: 01/01/1997 TO 12/31/1999										
Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans	
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
Assessment	74.84	70	NA	75	14	11	0.0	NA	183	100

* The market consists of all other Small Business reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only only FNB was not required to file small business data in 1998.

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 1% of small loans to businesses reported by the BANK.

Charter Number: 10000014008

Table 11. Borrower Distribution of Small Loans to Farms

Distribution: SMALL FARM		Evaluation Period: 01/01/1997 TO 12/31/1999								
Assessment Area	Businesses With Revenues of \$ 1million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share *		Total Small Farm Loans	
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
Assessment	93	91	NA	75	21	4	NA	NA	10491	100

* The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only only FNB was not required to file small farm data in 1998.

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

Charter Number: 10000014008

Table 12. Qualified Investments

INVESTMENTS									
Evaluation Period: 01/01/1997 TO 12/31/1999									
Investment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
State Bank of		0	15	57	15	57	100		

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

** "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

Charter Number: 10000014008

Table13. Distribution of Branch and ATM Delivery System

ION OF BRANCH DELIVERY SYSTEM																	Evaluation Period: 01/01/1997 TO 12/31/1999																
sment Area	Deposits		Branches					Branch Openings/Closings						Population																			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with Each Geography*																			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp																
ial Bank of	100	4	100.00	0	25.00	50.00	25.00	0	1	0.00	33.33	55.56	11.11	11	0.00	0.00	7																

* The percentage of the population in the MSA/AA that resides in these geographies.

Charter Number: 10000014008

Market Profile

Basic Information for the Area: FNB DeKalb Assessment Area		Evaluation Period: 01/01/1997 TO 12/31/1999									
Characteristic	Total	Low Income Tracts		Mod Income Tracts		Middle Income Tracts		Upper Income Tracts		NA Income Tracts	
	#	%	#	%	#	%	#	%	#	%	#
Tracts (Census Tracts/BNAs)	16	6.25	1	12.50	2	68.75	11	6.25	1	6.25	1
Population by Geography	63,423	11.31	7,175	14.90	9,450	57.83	36,675	7.14	4,528	8.82	5,595
Unemployed Housing by Geography	11,753	0.43	51	7.50	881	81.91	9,627	10.16	1,194	0.00	0
Population by Geography	2,313	3.42	79	19.54	452	72.16	1,669	4.80	111	0.09	2
Population by Geography	333	0.60	2	2.10	7	95.80	319	1.50	5	0.00	0
Distribution by Income Level	13,457	18.65	2,510	22.28	2,998	27.92	3,757	31.15	4,192	0.00	0
Number of Low and Moderate Income Households throughout AA Geographies	5,508	10.11	557	14.71	810	71.71	3,950	3.47	191	0.00	0
Median Family Income	42,758	Median Housing Value		\$85,561							
Median Family Income for 1999	63,800	Unemployment Rate		2.21%							
Below Poverty Level	13.69%										

0 US Census and HUD update MFI

