



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 10, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The American National Bank of DeKalb County
Charter Number 16199**

**1985 DeKalb Avenue
Sycamore, IL 60178**

**Comptroller of the Currency
ADC - Chicago North
85 West Algonquin Road, Suite 340
Arlington Heights, IL 60005**

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, nor should it 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 Community Reinvestment Act (CRA) performance of The American National Bank of DeKalb County (ANBDC), Sycamore, Illinois, as prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of December 10, 2001. The agency rates the CRA Performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory".

The major factors that support ANBDC's rating include:

- An excellent level of lending to borrowers of different income levels within the bank's assessment area (AA);
- A reasonable level of lending to businesses of different income levels within the AA; and
- A reasonable geographic distribution of loans within the AA.

DESCRIPTION OF INSTITUTION

American National Bank of DeKalb County (ANBDC) is a \$197 million intrastate financial institution. ANBDC is headquartered in Sycamore, Illinois, approximately 60 miles west of Chicago, Illinois, and 30 miles southwest of Rockford, Illinois. The bank owns 50 percent of National Bancorp Data Services, the bank's data servicer and 51 percent of American Mortgage L.L.C. The bank also recently purchased 100 percent of American Carlstrom Insurance Company. No activity from American Mortgage L.L.C. nor any other subsidiary was considered in this CRA evaluation; subsidiary activities had no impact on ANBDC's capacity to meet community credit needs.

ANBDC is a wholly-owned subsidiary of National Bancorp, Inc. (NBI) which is headquartered in Streamwood, Illinois. As of September 30, 2001, NBI was a one-bank holding company headquartered in Sycamore, Illinois with approximately \$198 million in consolidated assets. On October 1, 2001, NBI became a two-bank holding company when it merged with AmericaUnited Bancorp, Inc. (AUBI), another one bank holding company. AUBI owns AmericaUnited Bank and Trust in Schaumburg, Illinois, which had \$148 million in assets as of September 30, 2001.

ANBDC has three offices and seven ATM locations with four being drive-ups. The main office is located in Sycamore, Illinois with an additional branch in Sycamore and one in DeKalb, Illinois. The bank's ATM locations include three in Sycamore, three in DeKalb, and one in Cortland, Illinois.

As of September 30, 2001, the bank reported approximately \$123 million in outstanding loans and had a net loans and leases to assets ratio of 62 percent. Tier 1 capital was reported at \$16 million. The loan portfolio consists of the following:

Loan Category	\$(000)	Percent
Residential Loans	\$ 56,259	45.66
Commercial Loans	\$ 44,245	35.91
Individual Loans	\$ 20,478	16.62
Agricultural Loans	\$ 1,256	1.02
Other	\$ 973	0.79
Total	\$123,213	100.00

There are no financial conditions, legal constraints or other factors that would hinder the bank's ability in helping to meet the credit needs of its community. The bank's previous CRA rating, as of February 18, 1997, was Satisfactory.

DESCRIPTION OF NORTHERN AND CENTRAL DEKALB COUNTY

DeKalb County is located in northeastern Illinois. The assessment area (AA) includes 16 of the 21 geographies within the northern and central portions of the county and represents a small section of the Chicago Metropolitan Statistical Area (MSA 1600). Bank management felt that their size, branch locations, and market focus would not allow them to adequately serve the southern, mostly rural portion of the county. Therefore, they did not include it as part of the bank's AA. Based on the 1990 Census median income of \$42,758, the 16 geographies consist of one low-income (6.25 percent), two moderate-income (12.50 percent), eleven middle-income (68.75 percent), one upper-income (6.25 percent), and one geography with no income designation (6.25 percent). The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

Based on 2000 Census data, DeKalb County has a population of 85,176. The City of DeKalb, the largest city within the county, has a population of approximately 37,264. Other major cities in the county include Genoa, Sycamore, and Malta.

The 2000 HUD adjusted median family income for DeKalb County is \$70,500. There are 13,457 families in the AA, of which 18.65 percent are considered low-income, 22.28 percent are moderate-income, 27.90 percent are middle-income, and 31.17 percent are considered upper-income.

Based on 2000 business demographic data, there were a total of 2,315 businesses in the AA. Of these, 2,051 (88.60 percent) had revenues of less than \$1 million, 184 (7.95 percent) had revenues of more than \$1 million, and 80 (3.45 percent) did not report revenue information. There were 2.29 percent of the businesses in the low-income geography, 21.68 percent in moderate-income geographies, 70.07 percent in middle-income geographies, and 5.96 percent in the upper-income geography.

The local housing demand is strong. The 1990 US Census data shows that there are 21,927 housing units within the banks AA. Of these, 54 percent are owner-occupied units, 43 percent are rental-occupied units, and approximately 3 percent are vacant housing units. The large volume of rental-occupied units is due to the high demand for off-campus housing for students of Northern Illinois University.

The local economy is considered good with a 2001 unadjusted seasonal unemployment rate of approximately 3.20 percent. The major employers in the community are Northern Illinois University employing about 3,553 persons, Kishwaukee Community Hospital with a staff of approximately 490 persons, Wal-Mart employing 450 persons, and Caterpillar Agricultural Products which employs about 436 persons. The majority of businesses in DeKalb County are small businesses. Approximately 93 percent of businesses have less than 50 employees with 1,734 (65.41 percent) of the businesses having only one to four employees.

ANBDC's major competitors within its assessment area include National Bank and Trust of Sycamore representing 29 percent of the deposit market share, Castle Bank with 25 percent, Resource Bank reporting 14 percent, and Citizens First National Bank with four percent. ANBDC holds approximately 15 percent of the deposit market share within its AA.

We conducted one community contact interview during our examination. We contacted the Chamber of Commerce in DeKalb, Illinois. The contact indicated the major credit need to be financing of housing construction. The contact indicated that the performance of local financial institutions has been excellent since most are locally owned and upper management is actively involved in the community.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs. ANBDC's quarterly average loan-to-deposit ratio for the period from March 31, 1997 to June 30, 2001 was 68.52 percent. The quarterly average loan-to-deposit ratio for other similarly situated financial institutions located within the AA range from 67.61 percent to 82.20 percent. ANBDC ranked third of four institutions with assets in the range of \$175-250 million and locations in DeKalb County, Illinois. ANBDC's net loan-to-deposit ratio has risen steadily from a low of 61.99 percent on March 31, 1999 to 74.73 percent as of September 30, 2001.

Lending in Assessment Area

ANBDC's record of lending within its AA is considered reasonable. The majority of the bank's loans are made within its AA. The following table details the bank's lending within the AA by number of loan originations and dollar volume during the evaluation period. Consumer lending ratios are somewhat low because the bank provides indirect financing for two local recreational vehicle dealers. These dealers provide services to customers located throughout the northern portion of the state of Illinois, thereby decreasing the bank's percentage of consumer loans within its AA.

Loans Originated in Assessment Area						
Loan Type	# in AA	\$ in AA (000)	Total #	Total \$ (000)	Percent # in AA	Percent \$ in AA
Home Purchase	145	11,970	165	15,095	87.88	79.30
Home Refinance	122	10,966	143	13,226	85.31	82.91
Home Improvement	44	850	49	1,169	89.80	72.71
Total HMDA	311	23,786	357	29,490	87.11	80.66
Business/Commercial	15	2,963	20	4,164	75.00	71.15
Consumer	11	171	20	259	55.00	66.19

Source: HMDA Loans -loans originated in 1999, 2000, and year-to-date 2001 as reported under the Home Mortgage Disclosure act. Business/Commercial and Consumer loans - bank records

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall rating for the bank's lending to borrowers of different incomes and to businesses of different sizes is excellent. The bank's record of extending credit to individuals of different income levels reflects excellent lending to low- and moderate-income people within the AA. The bank's record of lending to small businesses reflects a reasonable level of lending to businesses of different sizes. Home mortgage products were weighted more heavily than small loans to businesses, as mortgage lending represents a larger portion of ANBDC's loan portfolio and is a stronger focus of its business strategy.

HMDA Loan Originations -

The borrower distribution of home purchase loans is excellent. Home purchase loans made to low- and moderate-income borrowers (24.14 and 32.41 percent, respectively) exceeded the percentage of low- and moderate-income families (18.65 and 22.28 percent, respectively) within the AA. The bank made 145 home purchase loans within the AA during 1999, 2000, and year-to-date 2001. Thirty-five loans totaling \$1.6 million were made to low-income borrowers and 47 loans totaling \$3.8 million were made to moderate-income borrowers.

The borrower distribution of home refinance loans is excellent. Home refinance loans made to low- and moderate-income borrowers (18.85 and 25.41 percent, respectively) exceeded the percentage of low- and moderate-income families (18.65 and 22.28 percent) in the assessment area. The bank made 122 home refinance loans within the AA during 1999, 2000, and year-to-date 2001. Twenty-three loans totaling \$1.1 million were made to low-income borrowers and 31 loans totaling \$2.2 million were made to moderate-income borrowers.

The borrower distribution of home improvement loans is excellent. Home improvement loans made to low- and moderate-income borrowers (22.73 and 29.55 percent, respectively) exceeded the percentage of low- and moderate-income families (18.65 and 22.28 percent, respectively) in the AA. The bank made 44 home improvement loans within its AA during 1999, 2000, and year-to-date 2001. Ten loans totaling \$127 thousand were made to low-income borrowers and 13 loans totaling \$197 thousand were made to moderate-income borrowers.

Borrower Income Level	Percentage of Loans								Percentage of Families in AA
	Home Purchase		Home Improvement		Home Refinance		All Mortgage Loans		
	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	
Low	24.14	13.23	22.73	14.94	18.85	10.32	20.92	10.89	18.65
Moderate	32.41	31.35	29.55	23.18	25.41	20.43	28.31	23.97	22.28
Middle	24.14	24.75	20.45	15.29	27.87	30.72	24.62	25.11	27.90
Upper	17.93	28.30	25.00	44.47	22.95	31.62	20.62	28.59	31.17
N/A	1.38	2.38	2.27	2.12	4.92	6.91	5.54	11.44	0.00

Source: loans originated in 1999, 2000, and 2001 as reported under the Home Mortgage Disclosure Act.

Commercial Loan Originations -

The borrower distribution of commercial loans is reasonable. Loans made to businesses with annual revenues of less than \$1 million (90.00 percent) exceeded the percentage of businesses with annual revenues of less than \$1 million (88.60 percent) within the AA. Of the 20 loans in our sample, 18 loans totaling \$2.7 million were made to businesses with annual revenues of less than \$1,000,000.

Commercial Loan Originations						
Revenue Ranges	Lending to Businesses of Different Sizes				Businesses within AA	
	#	Percent	\$ (000s)	Percent	#	Percent
\$1 Million or Less	18	90.00	2,695	82.79	2,051	88.60
Greater than \$1 Million	2	10.00	560	17.21	184	7.95
Revenue not Reported	0	0.00	0	0.00	80	3.46

Source: Bank records for a sample of 20 commercial loans made within the bank's AA during 1999, 2000, and year-to-date 2001.

Consumer Loan Originations -

The borrower distribution of the bank's consumer loans is excellent. Consumer loans made to low- and moderate-income borrowers (35.00 percent each), exceeded the percentage of low- and moderate-income households (29.50 and 18.80 percent, respectively) in the AA. Of the 20 loans in our sample, seven loans totaling \$51 thousand were made to low-income borrowers and seven loans totaling \$138 thousand were made to moderate-income borrowers.

Borrower Income Level	Percentage of Consumer Loans				Percentage of Households in AA
	#	Percent	\$ (000s)	Percent	
Low	7	35.00	51	22.04	29.50
Moderate	7	35.00	138	59.16	18.80
Middle	4	20.00	29	12.27	21.30
Upper	2	10.00	15	6.53	30.40

Source: Bank records for a sample of 20 consumer loans made within the bank's AA during 1999, 2000, and year-to-date 2001.

Geographic Distribution of Loans

The geographic distribution of the bank's home mortgage loans, commercial loans, and consumer loans reflects a reasonable dispersion throughout the AA geographies. Although the lending performance in low- and moderate-income geographies is below the percentage of owner-occupied housing units in these geographies, these geographies contain only 51 and 881, respectively, of the owner-occupied housing units within the AA. In addition none of the bank's branches are in the low- and moderate-income geographies.

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

HMDA Loan Originations -

The geographic distribution of home purchase loans is reasonable. Home purchase loans made in the bank's low- and moderate-income geographies (0.00 and 4.83 percent, respectively) are below the percentage of owner-occupied units in those geographies (0.43 and 7.50 percent, respectively). This performance is considered reasonable due to the low number of owner-occupied units in these areas. The bank made 145 home purchase loans within the AA during 1999, 2000, and year-to-date 2001. The bank did not make any home purchase loans in low-income geographies and made seven loans totaling \$809 thousand in the moderate-income geographies.

The geographic distribution of home refinance loans is reasonable. Home refinance loans made in the bank's low- and moderate-income geographies (0.00 percent and 7.38 percent, respectively) are slightly less than the percentage of owner occupied units in those geographies (0.43 percent and 7.50 percent, respectively). The bank made 122 home refinance loans within the AA during 1999, 2000, and year-to-date 2001. The bank did not make any home refinance loans in low-income geographies and made nine loans totaling \$684 thousand in moderate-income geographies.

The geographic distribution of home improvement loans is reasonable. Home improvement loans made in the low-income geography (2.27 percent) exceeds the percentage of owner occupied units in that geography (0.43 percent). Home improvement loans in the bank's moderate-income geographies (4.55 percent) are less than the percentage of owner occupied units in those geographies (7.50 percent). Once again, this performance is considered reasonable due to the low number of owner-occupied units in these areas. The bank made 44 home improvement loans within the AA during 1999, 2000, and year-to-date 2001. The bank made one home improvement loan totaling \$48 thousand in the low-income geography and made two loans totaling \$30 thousand in the moderate-income geographies.

Census Tract Income Level	Percentage of Loans								Percentage of Owner-Occupied Units in AA
	Home Purchase		Home Improvement		Home Refinance		All Mortgage Loans		
	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans	
Low	0.00	0.00	2.27	5.65	0.00	0.00	0.94	3.10	0.43
Moderate	4.83	6.76	4.55	3.53	7.38	6.24	6.25	7.12	7.50
Middle	90.34	84.98	81.82	85.29	89.34	88.93	87.81	83.68	81.91
Upper	4.83	8.26	11.36	5.53	3.28	4.83	5.00	6.09	10.16
N/A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: loans originated in 1999, 2000, and 2001 as reported under the Home Mortgage Disclosure Act.

Commercial Loan Originations -

The geographic distribution of commercial loans is reasonable. Commercial loans made to businesses in the low-income geography (10.00 percent) exceeded the percentage of commercial businesses in that geography (2.29 percent). Commercial loans made to businesses in moderate-income geographies (5.00 percent) were less than the percentage of businesses in those geographies (21.68 percent). Due to the low number of moderate-income geographies (two) in the bank's AA and the low number of loans in our sample, this performance is considered reasonable. The bank made two loans totaling \$294 thousand in the low-income geography and

one loan totaling \$20 thousand in the moderate-income geographies.

Census Tract Income Level	Percentage of Commercial Loans				Percentage of Businesses in Tract Category
	#	Percent	\$ (000s)	Percent	
Low	2	10.00	294	9.05	2.29
Moderate	1	5.00	20	0.61	21.68
Middle	17	85.00	2,940	90.34	70.07
Upper	0	0.00	0	0.00	5.96

Source: Bank Records of a sample of 20 commercial loans made within the bank's AA during 1999, 2000, and year-to-date 2001.

Consumer Loan Originations -

The geographic distribution of consumer loans within the AA is reasonable. Consumer loans made in low- and moderate-income geographies (10.00 and 5.00 percent, respectively) were less than the percentage of low- and moderate-income households within these geographies (12.85 and 14.20 percent, respectively). Again, due to the low number of moderate-income geographies (two) in the bank's AA and the low number of loans in our sample, this performance is considered reasonable. The bank made two loans totaling \$19 thousand in the low-income geography and one loan totaling \$3 thousand in the moderate-income geographies.

Census Tract Income Level	Percentage of Consumer Loans				Percentage of Households in Tract Category
	#	Percent	\$ (000s)	Percent	
Low	2	10.00	19	7.97	12.85
Moderate	1	5.00	3	1.29	14.20
Middle	12	60.00	172	74.14	64.74
Upper	5	25.00	39	16.60	8.01

Source: Bank Records of a sample of 20 consumer loans made within the bank's AA during 1999, 2000, and year-to-date 2001.

Responses to Complaints

ANBDC has not received any complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

Fair Lending Review

Any analysis of recent public comments, consumer compliant information, and Home Mortgage Disclosure act (HMDA) lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in February of 1997.