



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First National Bank Of Muscatine
Charter Number: 15579**

**300 East Second Street
Muscatine, IA 52761**

Office of the Comptroller of the Currency

**ADC-North Central Illinois & Eastern Iowa
111 West Washington Street Suite 300
East Peoria, IL 61611**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **“Satisfactory.”**

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

Performance Levels	First National Bank of Muscatine Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			X
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 levels as shown by the volumes of all loans generated reflect excellent responsiveness by First National Bank’s (FNB) to the credit needs of its Assessment Area (AA).
- The distribution of loans among borrowers of different income levels for home mortgage loans and to businesses and farms of different revenue sizes throughout its AA is very good.
- The bank's level of community development loans reflects a good responsiveness to community credit needs.
- Investments reflect an adequate responsiveness in relation to a limited level of opportunities in the AA.
- Accessibility of FNB's offices to borrowers of different income levels and the responsiveness of FNB's community development 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 (MSA) - Area defined by the director of the U.S. 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 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

First National Bank of Muscatine (FNB) is a large community bank headquartered in Muscatine, Iowa. FNB is a wholly owned subsidiary of Iowa First Bancshares Corp., a two-bank holding company also headquartered in Muscatine, Iowa. As of December 31, 2002, FNB reported total assets of \$286 million and Tier I capital of \$27 million. FNB is an intrastate bank with five offices serving all of Muscatine County. One location was closed since the last examination and another opened in roughly the same part of the city. FNB has an affiliate bank in Fairfield, Iowa, and the two banks at times share participations in various loans.

FNB offers a full range of business loans, agriculture loans, conventional mortgages, home improvement loans and consumer loans.

As of December 31, 2002, net loans represented 71 percent of total assets. The distribution of loans consisted of commercial and commercial real estate loans (43 percent), agriculture and agricultural real estate loans (five percent), and residential real estate loans (45 percent). The remaining are loans to individuals and construction loans (seven percent).

There are no legal, financial or other factors impeding FNB's ability to help meet the credit needs of the communities it serves.

FNB was rated "Outstanding" at its last CRA evaluation dated February 24, 1997.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding Community Development (CD) Loans, is January 1, 1997 through December 31, 2002. The evaluation period for the Investment Test, the Service Test, and CD loans is January 1, 1997 through August 13, 2003.

Products included in FNB's Lending Test analysis are home mortgage loans, small loans to businesses, small loans to farms, and CD loans.

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 residential real estate loans (FNB is not subject to the Home Mortgage Disclosure Act since it does not have any locations in a MSA).

As part of our evaluation, we performed a data integrity review on the bank's 1999, 2000, and 2001 CRA data by comparing information from the bank's loan application registers to actual loan files. We found the data to be reliable.

In addition, we reviewed CD loans, investments and services, submitted by FNB management, to determine that they met the regulatory definitions for CD. The review indicated that some of the items submitted by FNB for consideration did not meet the definition or purpose of CD. Therefore, this evaluation was based on only those CD loans, investments and services that met the regulatory definitions.

Selection of Area for Full-Scope Review

FNB has one assessment area. Refer to Appendix A for additional information regarding the review.

Ratings

When determining conclusions for the Lending Test, small business and small farm loans were weighted as heavily as home mortgage lending. This weighting is reflective of the bank's primary product lines, small business and small farm lending and residential real estate lending.

Other

Two community contacts from the bank's AAs were made during the evaluation. They were supportive of the Muscatine banks' participation in the local community. Both cited active involvement and high regard for FNB and other financial institutions in meeting the credit needs of their local communities. Other information obtained from community information indicated a need for redevelopment in the downtown community.

Fair Lending Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

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

FNB's lending activity in the AA is excellent. The bank has strong performance, but especially dominates the market in small business and residential real estate.

Information on deposit market share compiled by the FDIC for the year 2002 shows that the bank ranks second behind Central State Bank, ahead of the eight institutions in Muscatine County with a deposit market share of 30.66 percent. The bank's deposit market share and rank compares very favorably with its market share and rank from the various loan products. Market share information is not available for home mortgage loans, because the bank is not a HMDA reporter. But 2001 aggregate data for small loans to businesses and farms shows the bank ranked first in both loan products, with market shares of 61% and 56% respectively. This exceeds its deposit taking activity, indicating excellent lending activity in those two products.

Distribution of Loans by Income Level of the Geography

Because FNB's AA does not include any low- or moderate-income geographies, analysis of geographic distribution of loans is not meaningful.

Lending Gap Analysis

This analysis is not meaningful due to the absence of low- or moderate-income geographies in the bank's AA.

Inside/Outside Ratio

A substantial majority (85 percent) of home mortgage loans and small loans to businesses originated or purchased by FNB over the evaluation period are within the AA. We were not able to break out home mortgage loans by product type due to limitations on the available information.

Distribution of Loans by Income Level of the Borrower

FNB's lending reflects a good dispersion among borrowers of different income levels and businesses of different sizes.

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 good in the bank's AA. We placed more emphasis on home purchase loans and refinance loans because the volume of these loans equally exceeds the volume of home improvement loans.

In evaluating the borrower distribution of home mortgage loans, we considered the large number of households that live below the poverty level (10 percent of households) and the barriers that this may have on home ownership.

The borrower distribution for home purchase loans is good. Home purchase and refinance loans (3.45 percent) made to low-income borrowers are below the percentage of low-income families (15.65 percent) in the AA. Opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level. Home purchase and refinance loans (13.79 percent) made to moderate-income borrowers, is comparable to the percentage of moderate-income families (14.35 percent) in the AA.

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 excellent. FNB's small loans to businesses with revenues less than \$1 million (79.40 percent) substantially meets the percentage of small businesses (73.35 percent) in the AA. The percentage of loans in amounts of \$100 or less exceeds the demographic for small businesses. And the bank's market share of small business loans exceeds its overall market share for reported small loans to businesses. In all three aspects of the analysis, the bank's performance exceeds the comparator, indicating excellent performance. This bolsters your outstanding rating for the lending test.

Small Loans to Farms

Refer to Table 12 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 businesses. The data available indicates excellent performance, with the bank performance exceeding the comparator in two of the three pieces of the analysis.

Community Development Lending

Senior officers have been active and the bank has made loans to three different entities working for the stabilization and revitalization of the downtown area. They participate in an organization which offers grants and forgivable loans for mixed-use retail and residential properties in the downtown area. Rents in these apartments are significantly lower than rents in other developments in Muscatine. They have also made loans to an agency which built 12 units of low-income housing tax credits housing and for a company which manufactured low-cost housing, which is a need in the community. The company also offered jobs to low- and moderate-income individuals.

Product Innovation and Flexibility

Product flexibility had a positive effect on the Lending Test conclusions because of the number of flexible products offered and the dollar amount of loans originated under these programs.

FNB offers several flexible-lending products in order to serve its AA's credit needs, including below-market interest rates, extended terms, and closing cost assistance.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 in Appendix C for information supporting this rating.

The bank's performance under the Investment Test is rated **"Low Satisfactory."**

Based on the full-scope review, the bank's performance in the AA is adequate. Information gathered from bank management, performance evaluations of similarly situated local financial institutions and the Community Reinvestment Development Specialist at the OCC indicated that investment opportunities in the area are limited. The community development needs of the AA are limited, but those needs that exist are being met by the bank's lending and services activities.

Examples of the bank's donations include contributions to Habitat for Humanity, the Domestic Violence Shelter, United Way and Muscatine Charities. These entities focus their activities towards providing affordable housing and community services primarily to low- and moderate-income persons.

SERVICE TEST

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

Retail Banking Services

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

FNB operates five offices in the AA. Full service is available at the main bank, and at the Oakview North branch. The Wal-Mart Superstore branch offers consumer lending. The Drive-in branch and Southside branch offer depository services. Deposit gathering ATMs are available at the Drive-in and Southside branches. Hours are expanded before and after traditional hours at all the branches, including Sunday hours at the Wal-Mart branch. In May 2003, the bank closed its Muscatine Mall location and constructed a new facility on Highway 61 (Oakview North). The change in locations does not inconvenience the bank's customer base. The difference in services offered at the various offices does or does not inconvenience or disadvantage low- or moderate-income persons. The offices are convenient to all segments of the community, including low- and moderate-income persons.

FNB offers other alternate delivery systems, which include twenty-four hour customer access to their account through telephone and personal computers via the Internet. FNB, however, does not monitor the usage of these alternative delivery services by low- and

moderate-income individuals. Therefore, we did not place significant weight on these alternative systems when drawing our CRA performance conclusions.

Community Development Services

Officers of FNB were instrumental in the establishment of and serve on the boards of a number of local community development organizations by providing financial expertise. The financial expertise includes decisions regarding loan requests and advice on commercial development projects. The organizations make loans to businesses to assist with down payment needs, provide start-up capital and also provide below market loans to assist new businesses locating in the market area. The programs are designed to stimulate economic development and job creation for low- and moderate-income persons and families, under-served rural communities, or governmentally designated redevelopment areas. One of the organizations focuses on programs for planning and implementation for revitalization of the town's main street. This is a local program to revitalize the deteriorating downtown business section of the city.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/97 to 12/31/02) Investment and Service Tests and CD Loans: (01/01/97 to 8/13/03)	
Financial Institution	Products Reviewed	
First National Bank of Muscatine (FNB) Muscatine, Iowa	Residential Real Estate Small Business/Small Farm Community Development Loans Investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Muscatine County #139	“Full-Scope”	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profile for Area Receiving Full-Scope Review

Muscatine CountyB-2

Demographic Information for Full-Scope Area: Muscatine County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	0.00	0.00	70.00	30.00	0
Population by Geography	39,907	0	0	73.88	26.12	0
Owner-Occupied Housing by Geography	10,662	0	0	71.52	28.48	0
Businesses by Geography	2,465	0	0	79.35	20.65	0
Farms by Geography	395	0	0	57.47	42.53	0
Family Distribution by Income Level	10,975	15.65	14.35	22.24	47.75	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,293	0%	0%	79.81	20.19	0
Median Family Income = \$29,303 HUD Adjusted Median Family Income for 2002 = \$49,400 Households Below the Poverty Level = 10.48%				Median Housing Value = \$51,890 Unemployment Rate = 3%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD Updated MFI

- The bank has one AA, which includes all of Muscatine County, Iowa.
- FNB has a 30.66% market share of deposits in the AA.
- Major competitors include Central State Bank, with a 33.99% market share of deposits in the AA.
- The bank has five offices in the AA.
- FNB's primary business focus is residential real estate and commercial lending.
- Economic conditions in the area are good.
- Unemployment is low.
- Many local organizations benefit from the large commercial businesses in the area, including Fortune 500 companies, and by local foundations, leaving few unfulfilled opportunities for participation by the banking community.
- We made two community contacts in the course of the examination who could not identify any specific unmet credit needs.

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. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and

purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: MUSCATINE COUNTY						Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 2002				
MA/Assessment Area:	% 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:												
Muscatine Co. AA	100.00	1,555	148,115	1,102	80,316	183	11,039	0	0	2,840	239,470	100.00
Limited Review:												

* Loan Data as of 12/31/02. Rated area refers to either the state or multi-state MA rating area.
 ** The evaluation period for Community Development Loans is January 1, 1997 to August 13, 2003.
 *** Deposit Data as of 12/31/02. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: MUSCATINE CO.								Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 2002				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Muscatine Co. AA	100,00	2,030	51,789	11	538	372	8,378	593	5,776	98	294	368	4,846	
Limited Review:														

* Loan Data as of 12/31/02. Rated area refers to either the state or multi-state MA rating area.
 ** The evaluation period for Optional Product Line(s) is From January 1, 1997 to August 13, 2003.
 *** Deposit Data as of 12/31/03. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 2002					Market Share (%) by Geography *				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans					
Full Review:															
Muscatine Co. AA															
Limited Review															

This information is not meaningful since the AA has no low- or moderate-income geographies.

* Based on 2000 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.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 1997 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***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% CFNB Loans					
Full Review:															
Muscatine Co. AA															
Limited Review:															

This information is not meaningful since there are no low- or moderate-income geographies in the AA.

* Based on 2000 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.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: ILLINOIS					Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																		
	#	% of Total**	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	% Owner Occ Units***	% FNB Loans	Overall	Low	Mod	Mid	Upp														
Full Review:																													
Muscatine Co. AA																													
Limited Review:																													

This information is not meaningful since there are no low- or moderate-income geographies in the AA.

* Based on 2000 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.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY																	
Geography: ILLINOIS																	
Evaluation Period: JANUARY 1, 1997 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***	% FNB Loans	% MF Units***	% FNB Loans	% MF Units***	% FNB Loans	% MF Units***	% FNB Loans	% MF Units***	% FNB Loans	Overall	Low	Mod	Mid	Upp
Full Review:																	
Muscatine Co. AA																	
Limited Review:																	

This information is not meaningful as there are no low- or moderate-income geographies in the AA.

* Based on 2000 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.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: ILLINOIS					Evaluation Period: JANUARY 1, 1997 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***	% FNB Loans	% of Businesses***	% CFNB Loans	% of Businesses***	% FNB Loans	% of Businesses***	% FNB Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Muscatine Co. AA																								
Limited Review:																								

This information is not meaningful as there are no low- or moderate-income geographies in the AA.

* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																	
Geography: ILLINOIS																	
Evaluation Period: JANUARY 1, 1997 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***	% FNB Loans	% of Farms**	% FNB Loans	% of Farms**	% FNB Loans	% of Farms**	% FNB Loans	% of Farms**	% FNB Loans	Overall	Low	Mod	Mid	Upp
Full Review:																	
Muscatine Co. AA																	
Limited Review:																	

This information is not meaningful as there are no low- or moderate-income geographies in the AA.

* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 8. Borrower Distribution of Home Purchase, Home Improvement and Home Refinance Loans

Borrower Distribution: HOME PURCHASE 31, 2002		Geography: MUSCATINE CO.								Evaluation Period: JANUARY 1, 1997 TO DECEMBER					
MA/Assessment Area:	Total Home Purchase 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****	Overall	Low	Mod	Mid	Upp
Full Review:															
Muscatine Co. AA	29	100.00	15.65	3.45	14.35	13.79	22.24	37.93	47.75	44.83	0.00	0.00	0.00	0.00	0.00
Limited Review:															

* Based on 2000 Peer Mortgage Data: ILLINOIS Region.
 ** As a percentage of loans with borrower income information available.
 *** 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.

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: MUSCATINE CO		Evaluation Period: JANUARY 31, 1997 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:									
Muscatine Co. AA	1,102	100.00	73.35	79.40	80.58	14.25	5.17	55.83	68.83
Limited Review:									

* Based on 2000 Peer Small Business Data: US.

** 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 - Year).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: MUSCATINE CO. Evaluation Period: JANUARY 1, 1997 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 \$500,000	All	Rev \$1 Million or Less
Full Review:									
Muscatine Co. AA	183	100.00	97.22	98.36	80.33	15.85	3.83	61.25	62.42
Limited Review:									

Name of the assessment area is missing. Fix the footnotes.

^{*} Based on 2000 Peer Small Business Data: US.

^{**} 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 - Year).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																		Geography: MUSCATINE CO.		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 2002			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution												
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers						
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans					
Full Review:																							
Muscatine Co. AA	2,019	100.00	0.00	0.00	0.00	0.00	74.61	67.46	25.39	32.54	18.47	21.79	12.73	23.12	17.57	24.20	51.23	30.88					
Limited Review:																							

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.
 ** Percentage of Households is based on the 1990 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: MUSCATINE CO.									
Evaluation Period: JANUARY 1, 1997 TO AUGUST 13, 2003									
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:									
Muscatine Co. AA	0	0	25	170	25	170	100.00	0	0
Limited Review:									

* '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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MUSCATINE CO. Evaluation Period: JANUARY 1, 1997 TO AUGUST 13, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Muscatine Co. AA	30.66	4	100.00	0	0	4	0	1	1	0	0	0	0	0	0	75.00	25.00
Limited Review:																	

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