



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

May 24, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Illinois National Bank
Charter Number: 11443

322 East Capitol Street
Springfield, IL 62701

Office of the Comptroller of the Currency

North Central Illinois & Eastern Iowa Field Office
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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.

INSTITUTION'S CRA RATING:

Illinois National Bank (INB) is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

- INB's distribution of loans to individuals of different income levels and businesses of different sizes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area (AA), including low- and moderate-income census tracts (CTs).
- INB's community development performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.
- A majority of the loans originated by INB are to customers from within its AA.
- INB's quarterly average loan-to-deposit ratio of 79 percent over the evaluation period is reasonable.

Scope of Examination

This Performance Evaluation assesses Illinois National Bank's record of meeting the credit needs of the communities in which it operates. We evaluated INB under the Intermediate Small Bank performance criterion, which includes a lending test and a community development test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities. The community development test evaluates a bank's community development lending, qualified investments, and community development service activities.

- The evaluation period covers loans originated or purchased from July 9, 2007, through May 24, 2010.
- The Vermilion County AA, the Logan County AA, and the Peoria County AA, will receive a limited scope review since INB's presence in these counties is limited and the volume of loans and deposits is substantially less than that in the Sangamon County AA. The Sangamon County AA will receive a full-scope review.
- The lending test is based on INB's primary loan products. Conclusions regarding the bank's lending performance are based on commercial and residential mortgage loans originated or purchased from January 1, 2008, through March 31, 2010, utilizing 2000 census data.

- We reviewed residential related loans reported under the Home Mortgage Disclosure Act (HMDA) for the years 2008, 2009, and through March 31, 2010.
- We conducted Data Integrity reviews of the HMDA data by comparing information from the bank's loan application registers to actual loan files. We found the HMDA data for 2009 and 2010 to be accurate and reliable for use in this examination. We found the HMDA data for 2008 to be accurate and reliable, except for the reporting of borrowers' income, which was outside of the error tolerance. Thus, a sample of 60 loans from the 2008 HMDA-LAR was used in the testing of lending to borrowers of different income for residential related loans.
- Although INB is not required to maintain the geographical and revenue information on commercial loans outside of the individual credit files, they did collect and maintain this information. Thus, we conducted a Data Integrity review on the commercial loan information by comparing it to actual loan files. We found the information to be accurate and reliable for use in this examination.

Description of Institution

Illinois National Bank is a community bank headquartered in Springfield, Illinois. Springfield is the state capitol and is located near Interstate 55 and Interstate 72 in Sangamon County in central Illinois. As of March 31, 2010, INB reported total assets of \$619 million. INB is an intrastate financial institution with twelve offices serving all of Sangamon County and portions of Logan, Peoria, and Vermilion Counties. In addition, INB has one wholly-owned subsidiary, INB Park, LLC, which does not negatively impact the bank's ability to meet the credit needs of the community.

Since the previous CRA evaluation, INB has opened one new branch office on North Knoxville Avenue in Peoria, Illinois, and added one branch in Mt. Pulaski, Illinois, through acquisition. During the acquisition of Mt. Pulaski, one branch office was closed. INB already operated an established branch office on South Sixth Street in Springfield across the street from the branch office received in the acquisition of Mt. Pulaski. All offices are equipped with drive-up facilities, with the exception of the offices in the state capitol building in downtown Springfield and at the Fairmount branch.

INB has a network of thirty-one ATMs; twenty-eight located throughout the AA and three located outside of the AA in conjunction with various State of Illinois governmental agencies (one in Carbondale, Deerfield, and Downer's Grove). INB has an ATM at each branch office except for Pleasant Plains and Fairmount. However, there is a stand-alone ATM located in Pleasant Plains. There are twenty-six ATMs located in Sangamon County: nineteen regular ATMs, seven restricted access ATMs (located in a corporate or state government building not accessible by the public).

The bank is a wholly-owned subsidiary of Illinois National Bancorp, Inc., ("INBI"), a one-bank holding company headquartered in Springfield, Illinois. As of December 31, 2009, the holding company had total assets of \$620 million. INBI does not negatively impact

the bank's ability to meet the credit needs of the community.

In January 2008, INBI acquired First National Bank of Mt. Pulaski and merged it into INB in March 2008. The acquired office is located in Mt. Pulaski, Illinois. This acquisition enhanced the bank's presence in Sangamon County and gave it the ability to provide banking services in the southern portion of Logan County. INB's business strategy is to provide a full range of traditional banking services to individuals and businesses including personal, commercial, and retail banking, trust and brokerage, cash management, Internet banking, and remittance processing; while providing high quality customer service, a constant search for innovative delivery systems, and ensuring INB meets the ever-changing needs of their central Illinois customer base.

INB's two primary lending products are commercial and residential real estate loans. These two lending categories account for 93 percent of all loan originations during the evaluation period and make up 88 percent of the outstanding loan balances as of March 31, 2010. Thus, these two lending products were used for the analysis in this evaluation. Agricultural and consumer lending are not primary loan products, accounting for 7 percent of all loan originations during the evaluation period and the remaining 12 percent of the outstanding loan balances as of March 31, 2010.

Table 1 – Loan Originations by Loan Type from January 1, 2008 through March 31, 2010		
Loan Category	\$ (000)	%
Commercial Loans	\$ 292,254	50%
Residential Loans	\$ 250,070	43%
Consumer Loans	\$ 25,195	4%
Agricultural Loans	\$ 17,280	3%
Total Originations	\$ 584,799	100%

Source: Bank Records from January 1, 2008 – March 31, 2010

As of March 31, 2010, INB reported \$351 million in outstanding loans and a net loans and leases to total assets ratio of 57 percent. The loan portfolio consists of:

Table 2 – Loan Portfolio Summary by Loan Type March 31, 2010		
Loan Category	\$(000)	%
Commercial Loans	\$ 255,070	73%
Residential Loans	\$ 52,556	15%
Consumer Loans	\$ 25,991	7%
Agricultural Loans	\$ 16,946	5%
Total Loans	\$ 350,563	100%

Source: March 31, 2010 Call Report

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 the communities within its assessment area. Tier 1 capital was reported at \$52 million as March 31, 2010. The bank's previous CRA rating as of July 9, 2007, was Satisfactory.

Description of Assessment Areas

INB's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. INB has four AAs: the Logan County AA, the Peoria County AA, the Sangamon County AA, and the Vermilion County AA. This is a change from the prior evaluation, due to the opening of a branch in Peoria and the acquisition of the location in Mt. Pulaski in Logan County.

Sangamon County AA

The Sangamon County AA covers fifty-two CTs located the Springfield MSA. Five CTs in Sangamon County are designated low-income (9%), fourteen CTs in Sangamon County are designated moderate-income (27%), while the remaining thirty-three CTs in Sangamon County are designated as middle- or upper-income (64%). The following is demographic information for the assessment area:

Table 3 - Demographic Information for the Sangamon County Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	52	9%	27%	35%	29%
Population by Geography	188,951	5%	24%	39%	32%
Owner-Occupied Housing by Geography	55,098	3%	20%	41%	36%
Businesses by Geography	15,180	9%	26%	31%	34%
Farms by Geography	717	2%	10%	56%	32%
Family Distribution by Income Level	50,106	18%	19%	24%	39%
Distribution of Low- and Moderate-Income Families throughout the AA	18,806	9%	35%	37%	19%
Median Family Income	\$56,041	Median Housing Value		\$97,037	
2009 HUD Adjusted Median Family Income for the MSA	\$66,000	Median Year Built		1966	
Families Below the Poverty Level	6%	Average Monthly Gross Rent		\$ 494	

Source: 2000 U.S. Census Data

Peoria County AA

The Peoria County AA covers twenty-two CTs located the Peoria MSA. There are no low-income CTs in the AA. Two CTs in Peoria County AA are designated moderate-income (9%), while the remaining twenty CTs in Peoria County AA are designated as middle- or upper-income (91%). The following is demographic information for the assessment area:

Table 4 - Demographic Information for the Peoria County Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	22	0%	9%	55%	36%
Population by Geography	100,619	0%	8%	55%	37%
Owner-Occupied Housing by Geography	29,619	0%	7%	54%	39%
Businesses by Geography	6,921	0%	6%	47%	47%
Farms by Geography	409	0%	1%	60%	39%
Family Distribution by Income Level	26,836	16%	17%	23%	44%
Distribution of Low- and Moderate-Income Families throughout the AA	8,926	0%	13%	62%	25%
Median Family Income	\$58,936	Median Housing Value		\$100,736	
2009 HUD Adjusted Median Family Income for the MSA	\$65,800	Median Year Built		1964	
Families Below the Poverty Level	6%	Average Monthly Gross Rent		\$ 530	

Source: 2000 U.S. Census Data

Vermilion County AA

The Vermilion County AA covers three CTs located in the Danville MSA. There are no low- or moderate-income CTs in the AA. All three CTs are designated as middle- or upper-income (100%). The following is demographic information for the assessment area:

Table 5 - Demographic Information for the Vermilion County Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	3	0%	0%	67%	33%
Population by Geography	9,538	0%	0%	69%	31%
Owner-Occupied Housing by Geography	3,139	0%	0%	69%	31%
Businesses by Geography	494	0%	0%	77%	23%
Farms by Geography	126	0%	0%	91%	9%
Family Distribution by Income Level	2,856	12%	17%	23%	48%
Distribution of Low- and Moderate-Income Families throughout the AA	837	0%	0%	69%	31%
Median Family Income	\$47,614	Median Housing Value		\$63,521	
2009 HUD Adjusted Median Family Income for the MSA	\$50,300	Median Year Built		1959	
Families Below the Poverty Level	5%	Average Monthly Gross Rent		\$ 471	

Source: 2000 U.S. Census Data

Logan County AA

The Logan County AA covers two CTs in Logan County, not located in a MSA. There are no low- or moderate-income CTs in the AA. Both CTs are designated as middle- or upper-income (100%). The following is demographic information for the assessment area:

Table 6 - Demographic Information for the Logan County Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	2	0%	0%	50%	50%
Population by Geography	8,707	0%	0%	40%	60%
Owner-Occupied Housing by Geography	1,907	0%	0%	57%	43%
Businesses by Geography	434	0%	0%	59%	41%
Farms by Geography	160	0%	0%	44%	56%
Family Distribution by Income Level	1,822	12%	15%	24%	49%
Distribution of Low- and Moderate-Income Families throughout the AA	501	0%	0%	62%	38%

Median Family Income	\$50,677	Median Housing Value	\$73,700
2009 HUD Adjusted Median Family Income for Illinois non-MSA	\$54,400	Median Year Built	1947
Families Below the Poverty Level	4%	Average Monthly Gross Rent	\$ 455

Source: 2000 U.S. Census Data

Economic Data

The local economy is relatively stable and heavily concentrated in the service and government sectors. The April 2010 unemployment rates for one of the four counties within the AA compare favorably to the 9.5 percent national average and to the 10.8 percent state of Illinois average rate. The April 2010 unemployment rates for each county are; 8.4 percent Sangamon, 9.7 percent Logan, 11.4 percent Peoria, and 12.7 percent Vermilion. The economy of the AA is concentrated in the governmental service, retail, healthcare, education, and agricultural industries. Major employers include; state of Illinois, St. John's Hospital, Memorial Medical Center, Illinois National Guard, Springfield school system, Horace Mann Insurance Company, SIU School of Medicine, and the city and county governments.

We contacted a Sangamon County community development official during the examination. The official indicated the primary credit needs in the AA are small business loans for operations, equipment, and real estate, and personal loans to purchase homes, cars, and trucks. She felt INB and other local financial institutions are meeting the credit needs of the area. The official stated the economy in the AA is stable, due to the heavy influence of state government, along with the medical, financial, and retail service related industries. The official stated the opportunity for banks to participate in Community Development projects in low- and moderate-income CTs is limited to lending to small businesses and working with non-profit agencies. The contact indicated there are no credit needs or banking services not met or provided for by the local financial institutions. She said all local banks and their employees remain actively involved in the community.

Conclusions with Respect to Performance Tests

LENDING TEST

INB meets the standards for satisfactory performance. In making this determination, we gave more weight to the performance of lending in the Sangamon County AA as a majority of loan originations are from this AA.

- The distribution of loans to individuals of different income levels and businesses of different sizes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA, including low- and moderate-income CTs.

- A majority of the loans originated by INB are to customers from within its AA.
- INB's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of loans reflects a reasonable penetration among individuals of different income levels (including low-, and moderate-income) and businesses of different sizes.

Commercial Loans

The distribution of loans to businesses reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes. Based on the commercial loans originated by INB, seventy-one percent from the Sangamon County AA and sixty-eight percent from the Peoria County AA, were to small businesses. Small businesses are businesses with gross annual revenues of one million dollars or less. The demographic data shows seventy-four percent of the businesses in the Sangamon County AA and seventy-one percent of the businesses in the Peoria County AA reporting revenue data, have annual gross revenues equal to or less than one million dollars. INB's performance in the Vermilion County AA was excellent; in the Logan County AA the performance was reasonable and consistent with that of the Sangamon County AA. The following tables show the distribution of commercial loans among businesses of different sizes within the AAs:

Table 7 – Borrower Distribution of Loans to Businesses of Different Sizes in the Sangamon County AA					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	237	71%	74%	\$ 35,692	64%
>\$1,000,000	97	29%	5%	\$ 20,412	36%
Total	334	100%	79%	\$ 56,104	100%

Source: Bank records on new loans originated during 2008 through March 31, 2010; 2000 Census Data.

** 21 percent of AA businesses did not report revenue data.

Table 8 – Borrower Distribution of Loans to Businesses of Different Sizes in the Peoria County AA					
Business Revenues	Number of Loans		% Businesses in AA**	Dollars of Loans	
	#	%		\$(000)	%
≤\$1,000,000	69	68%	72%	\$ 12,106	61%
>\$1,000,000	33	32%	6%	\$ 7,647	39%
Total	102	100%	78%	\$ 19,753	100%

Source: Bank records on new loans originated during 2008 through March 31, 2010; 2000 Census Data.

** 22 percent of AA businesses did not report revenue data.

Residential Real Estate Loans

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels. The distribution of HMDA loans is reasonable. INB's lending to moderate-income borrowers is reasonable and consistent with the percentage of moderate-income families in the Sangamon County AA. Although the lending to low-income borrowers is below the percentage of low-income families in the Sangamon County AA, this is considered reasonable given the percentage of families in the Sangamon County AA below the poverty level.

In making this determination, we weighed INB's performance in the Sangamon County AA more heavily because ninety-four percent of the residential originations during the evaluation period were from the Sangamon County AA. INB's performance in the Logan County AA was excellent; in the Vermilion County AA, the performance was reasonable and consistent with that of the Sangamon County AA; however, the performance in the Peoria County AA was poor. The Peoria County branch is substantially a commercial loan origination branch office.

Table 9 – Borrower Distribution of Residential Real Estate Loans in the Sangamon County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Residential	18%	8%	19%	18%	24%	26%	39%	48%

Source: HMDA records from January 1, 2005 to June 30, 2007; 2000 Census Data.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of loans reflects reasonable dispersion throughout the Sangamon County AA and the Peoria County AA. In making this determination, we weighed the reasonable dispersion of commercial loans as compared to the poor

dispersion of residential loans in the Sangamon County AA, and we took into consideration the reasonable dispersion of commercial and residential loans in the Peoria County AA. The geographic distribution of loans was limited to the Sangamon County AA and the Peoria County AA because there are no low- or moderate-income census tracts in the Logan or in the Vermilion County AA.

Commercial Loans

INB's geographic distribution of commercial lending reflects a reasonable dispersion in CTs of different income levels, including low- and moderate-income CTs. Based on the population of commercial loans originated in the evaluation period, the percentage of commercial loans originated in the low- and moderate-income CTs is slightly below the level of commercial businesses located in the low- and moderate income CTs within the Sangamon County AA and the Peoria County AA.

Table 10 – Geographic Distribution of Loans to Businesses in the Sangamon County AA								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number
Commercial	9%	8%	26%	25%	31%	30%	34%	37%

Source: Bank records on new loans originated during 2008 through March 31, 2010; 2000 Census Data.

Table 11 – Geographic Distribution of Loans to Businesses in the Peoria County AA								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number	% of AA Businesses	% of Number
Commercial	0%	0%	6%	4%	47%	48%	47%	48%

Source: Bank records on new loans originated during 2008 through March 31, 2010; 2000 Census Data.

Residential Real Estate Loans

INB's geographic distribution of residential lending reflects a poor dispersion throughout the CTs of different income levels, including low- and moderate-income CTs. The percentage of residential loans originated in low- and moderate-income CTs is well below the level of owner occupied housing located in the low- and moderate-income CTs within the Sangamon County AA.

In making this determination, we weighed INB's performance in the Sangamon County AA more heavily because ninety-four percent of the residential originations during the evaluation period were from the Sangamon County AA. INB's performance in the Peoria County AA was reasonable as compared to the level of owner-occupied housing.

The geographic distribution of loans was limited to the Sangamon County AA and the Peoria County AA because there are no low- or moderate-income CTs in the Logan County AA or the Vermilion County AA.

Table 12 – Geographic Distribution of Residential Real Estate Loans in the Sangamon County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number
Residential	3%	1%	20%	9%	41%	36%	36%	54%

Source: HMDA records from January 1, 2008 to March 31, 2010; 2000 Census Data.

Table 13 – Geographic Distribution of Residential Real Estate Loans in the Peoria County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number	% of AA Owner Occupied Housing	% of Number
Residential	0%	0%	7%	5%	54%	57%	39%	38%

Source: HMDA records from January 1, 2008 to March 31, 2010; 2000 Census Data.

LENDING IN THE ASSESSMENT AREA

A majority of the loans originated by INB are to customers within its AA. INB's lending to customers within the AA for all loan types is satisfactory. The following table details the bank's lending within the AA based on the number of loan originations and dollar volume during the evaluation period.

Table 14 – Loans Originated within the Assessment Area

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total \$(000)
	#	%	#	%		\$(000)	%	\$(000)	%	
Commercial	605	79%	161	21%	766	\$229,491	79%	\$ 62,763	21%	\$292,254
Residential	1,904	86%	318	14%	2,222	\$212,110	85%	\$ 37,558	15%	\$250,070
Totals	2,509	84%	479	16%	2,988	\$441,601	81%	\$100,723	19%	\$542,324

Source: Bank HMDA-LAR and bank records on small business loans originated in 2008, 2009, and through March 31, 2010.

LOAN-TO-DEPOSIT RATIO

INB's average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and AA credit needs. INB's quarterly average loan-to-deposit ratio for the period July 1, 2007, to March 31, 2010, was seventy-nine percent. The quarterly average loan-to-deposit ratio for other similarly situated financial institutions over the same time period ranged from sixty-one percent to ninety-nine percent. INB's average loan-to-deposit ratio is comparable with the other seven similarly situated banks, which range in asset size from \$254 million to \$838 million. The similarly situated banks utilized for comparison purposes are community banks located within the AA counties.

RESPONSES TO COMPLAINTS

INB has received no complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

COMMUNITY DEVELOPMENT TEST

INBs community development performance demonstrates adequate responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services.

Number and amount of community development loans

INB has eight qualifying loans totaling \$2,628,716 originated during the evaluation period.

- INB originated four loans, one real estate mortgage for \$1,178,716, and an annual \$300,000 operating line of credit, renewed each of the three years during the evaluation, to the Central Counties Health Centers, Inc. (CCHC). CCHC is a not-for-profit organization started in 1995 in Springfield to bring health care services to the

east side of Springfield, all low- and moderate-income census tracts. This is the only medical service facility providing health care services to low- and moderate-income regardless of their ability to pay.

- INB originated a \$200,000 operating line of credit to Habitat for Humanity of Sangamon County, for home construction projects and to assist with a thrift store.
- INB originated a \$150,000 operating line of credit for Fifth Street Renaissance, a nonprofit 501(c)(3) organization, in April 2009. In addition, INB originated a \$150,000 standby letter of credit in April 2009 to the Illinois Housing Development Authority for a renovation project. Fifth Street Renaissance provides housing and services to low- and moderate-income adults who are HIV positive returning from an Illinois Department of Corrections facility.

Number and amount of qualified investments

INB has made a total of \$118,779 in cash contributions and donations to community development organizations assisting low- and moderate-income individuals and families within the assessment area. Some of the notable qualifying grants and donations are as follows:

- \$103,579 to the United Way.
- \$ 11,000 to the Springfield Urban League.
- \$ 3,000 to the Central Illinois Foodbank.

Extent to which the bank provides community development services

Delivery systems are reasonably accessible to individuals of different income levels. INB operates twelve full-service offices and twenty-eight ATM's in the AA. The main office located at 322 E. Capitol Avenue and four ATMs are located in low-income CTs, while the branch in the state capitol building and six ATMs are located in moderate-income CTs. The remaining branches and ATM locations are in middle- and upper-income CTs. Extended hours are available at all locations, except the branch in the state capitol building. Ten of the twelve offices are open on Saturdays, and all drive-up locations are open longer on weekdays and on Saturdays. INB's loan and deposit products are available at all branch locations.

INB offers a satisfactory level of community development services based on the capacity of the bank, and the need and availability of opportunities in the AA.

- Illinois Housing Development Authority's first-time homebuyer program - 8 loans - \$536,000.

This program offers low- and moderate-income families, low-interest, fixed-rate, long-term mortgages. The IHDA provides \$1,000 toward the closing costs for low- and moderate-income families and provides a \$5,000 grant for low-income families. INB retains the servicing on the loans generated through this program.

- Small Business Administration Guaranteed Loan Program – 23 loans - \$3,014,000

The SBA assists businesses to get loans from banks they would not be able to receive without a guarantee. The SBA is available for start-up businesses or existing businesses to expand their current operations.

- USDA Guaranteed Rural Housing Loan Program – 33 loans - \$2,731,000

This federal government program is designed to encourage people to purchase homes in rural areas. The USDA sets maximum income guidelines for people to qualify for the program.

- Veteran's Administration (VA) – 8 loans - \$739,000

This federal government program for veterans features a mortgage product with no down payment requirements at loan rates established by the VA. The product assists buyers with limited resources for the significant up-front costs often associated with buying a home. Another positive feature of this product is that debt-to-income ratio requirements are more flexible than conventional mortgage loans.

Bank's responsiveness, through community development activities, to community development lending, investment, and services needs

INB continues to be responsive to the needs of the community. The bank is a member of the Springfield Financial Institutions CRA Council, which coordinates a number of projects each year assisting low- and moderate-income families. The officers and employees of the bank are heavily involved in a large number of community service organizations.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.