

PUBLIC DISCLOSURE

February 2, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Capstone Bank
18630**

**216 South Fourth Street
Watseka, Illinois 60970**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Affairs
500 West Monroe Street, Suite 3500
Chicago, Illinois 60661**

NOTE: 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 **Capstone Bank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **February 2, 2004**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	Capstone Bank		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

DESCRIPTION OF INSTITUTION:

Capstone Bank, formerly known as Watseka National Bank, opened for business in 1962 and has been headquartered in Watseka, Illinois, since its inception. The bank's seven Illinois offices are located in Iroquois, Kankakee, and Vermilion Counties, Illinois; although one branch is located in Goodland, Indiana. Six deposit taking automated teller machines (ATMs) are owned and operated by the bank, and are generally located at or near the bank's offices. During the first quarter of 2002, the assets of the Grant Park branch acquisition were merged into the bank.¹ In July of 2002, three additional branches were acquired with one of the offices subsequently consolidated and closed. Early in 2003, an additional office in Hoopeston was acquired from Kankakee Federal. The earlier acquisition was merged into this office. The Capstone Bank is owned by MainSource Financial Group, a four-bank holding company based in Greensburg, Indiana. The holding company has total assets exceeding one billion dollars; thus, the bank is subject to the large bank requirements of the Community Reinvestment Act.

The bank offers a wide range of loan and deposit products for its customers. All types of consumer, mortgage, and commercial loans are available. Mortgage loan products include low down payment and government loan programs that assist disadvantaged individuals in purchasing a home. Various types of deposit accounts (including checking, savings, money market, and certificates of deposit) are also offered. Customers can use products or services such as ATM cards, direct deposit, and automatic withdrawals and transfers from deposit accounts.

The bank's ability to fund the credit needs of the assessment area is not hampered by any legal impediments or by the bank's current financial condition. However, the bank does operate in a competitive environment. There are two other federally insured financial institutions with a main office located in Watseka, Illinois. There are also credit unions, finance companies, and branches of national banks within the assessment area, which further expands the competitive environment of the bank. Capstone Bank received a CRA rating of "Satisfactory" during the March 16, 1998, Community Reinvestment Act Performance Evaluation.

According to the Consolidated Reports of Condition and Income dated September 30, 2003, the bank had total assets of \$203,325,000 and loans totaling \$71,422,000. On the same date, the loans to total deposits ratio was about 41 percent, and the loans to total assets ratio was about 35 percent. The major categories of loans by dollar volume are commercial, real estate mortgage, and consumer installment loans. The makeup of Capstone Bank's loan portfolio as of September 30, 2003 is described in Table A.

¹ Office acquired from Kankakee Federal on 02-18-2003.

Table A - Loan Distribution as of 09/30/2003		
<i>Loan Type</i>	Dollar Amount (000s)	Percent of Total Loans (%)
Construction and Land Development	875	1.23
Secured by Farmland	2,437	3.41
1-4 Family Residential	30,801	43.13
Multi-Family (5 or more) Residential	2,685	3.76
Commercial	13,021	18.23
Total Real Estate Loans	49,819	69.76
Agricultural	6,139	8.60
Commercial and Industrial	9,436	13.21
Consumer	5,666	7.93
Other	362	0.50
Less: Unearned Income	0	0
Total Loans	71,422	100

Source: Report of Condition

SCOPE OF EXAMINATION

The bank has delineated three separate assessment areas. The CRA regulation requires financial institutions to define an assessment area(s) within which the bank will concentrate its lending efforts. Loans reported pursuant to the HMDA (residential lending) and CRA (small business and farm loans) data collection requirements for 2002 and 2003 were included in the review of the bank's performance. The bank is a "large bank" as defined by Part 345.12(t), Community Reinvestment. The bank's performance during 2002 and 2003 represented two full years of lending activity and illustrated the lending practices of the bank since the last evaluation. While both years will be reviewed, only the 2003 HMDA and CRA loans will be included in this report. Should any anomalies in the data between 2002 and 2003 arise, it will be noted in the appropriate sections. Consumer loans were not reviewed, as that category does not constitute a substantial majority of the bank's lending. Since the largest dollar volume of lending is in HMDA-related mortgages and commercial lending (CRA loans), these two categories of loans were used to analyze performance with regard to the Community Reinvestment Act (CRA). These two types of lending products are also important to the economic vitality of the assessment area. Data on small farm loans is included and will not be discussed, as this loan category is not a major one. A review of FDIC records, as well as the bank's Public CRA File, did not reveal

any complaints relating to the bank's CRA performance since the prior evaluation. Demographic data from the 1990 and 2000 U. S. Census is used for the 2002 and 2003 reported loans, respectively.

In accordance with CRA guidelines, evaluations were prepared to identify performance in the following assessment areas:

- Overall assessment area
- State of Illinois Non MSA assessment area (Main Office)
- State of Illinois Kankakee-Bradley MSA assessment area
- State of Indiana Non MSA assessment area

The Illinois Non MSA assessment area will be fully reviewed and evaluated. This area contains the bank's main office and a majority of its deposits. The other Illinois assessment areas will have more of a limited review. Although the Indiana assessment area is of minor importance, it will be fully reviewed because the regulation requires that an analysis of at least one assessment area in each state be completed.

Description of Assessment Areas

The CRA regulation requires financial institutions to define an assessment area(s) within which the bank will concentrate its lending efforts. The bank has delineated four separate assessment areas. Brief descriptions of those areas follow, and more detailed information can be found within the applicable sections. The delineated areas do not arbitrarily exclude any low- or moderate-income geographies nor do they reflect illegal discrimination.

Geographies are classified as low, moderate, middle, or upper income, depending upon statistics gathered in the U.S. Census. Borrower income classifications are based upon the Department of Housing and Urban Development (HUD) adjusted median family incomes for the applicable MSA for the year in which the loan was originated. Please refer to Appendices C, D, and E for definitions of these and other relevant demographic and housing-related terms used throughout this evaluation. Appendix C details the income-level definitions for the various classes of borrowers.

Previously completed community contacts were reviewed for applicable additional information. These contacts were made with organizations located within the four assessment areas. Community contacts normally provide demographic information and their outlook on local financial institutions' performance with respect to the Community Reinvestment Act. Any relative comments and insights from these contacts are included in the following sections.

- State of Illinois Non MSA assessment area (Main Office)

The bank has 3 of its 6 Illinois offices in this assessment area for 2003. Portions of the Iroquois County and all of Vermilion County are designated as the assessment area. This is the bank's

primary deposit and lending area with approximately 57 percent of the bank's total deposits.² Iroquois County remains the bank's home base and holds about 30 percent of the bank's total deposits. This area will be given the most weight in the following analysis.

- State of Illinois Kankakee-Bradley MSA assessment area

The bank has 3 of its 6 Illinois offices in this MSA, and almost the entire MSA is named as the assessment area (Kankakee County). The total deposits of the three offices were \$55,656,000. These deposits equaled approximately 27 percent of the 2003 deposits for Capstone Bank. This area will carry a secondary importance in the overall rating and will be subject to a limited review in this report.

- State of Indiana Non MSA assessment area

The bank has one office in this Indiana Non MSA assessment area which consists of 7 contiguous middle-income geographies in three different counties in Indiana. The total deposits of this office are only \$19,610,000, or approximately 11 percent of total bank deposits. The banking office is in Newton County, which borders Benton and Jasper Counties in northwestern Indiana. While this area will be reviewed fully, the area will receive the minimum amount of weight in the overall CRA rating due to it being the smallest market area..

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

Lending Test Procedures

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Overall, the bank's lending performance reflects good responsiveness to the area's credit needs. The borrowers' characteristics criterion was assigned the most weight, as it details the distribution of lending throughout the assessment area (by income level).

² All deposit information in this section is as of the June 30, 2003 FDIC Summary of Deposits.

Lending Activity

The bank has exhibited an adequate volume of lending activity in the assessment area. In 2003, the bank originated HMDA loans totaling \$21,929,000. Small business loans totaled \$20,008,000 for 2003. The average loan to deposit ratio since the previous evaluation was 51 percent, but because of an increased deposit base, the ratio has declined throughout the time frame reviewed. When the new branches were purchased by the bank, only the deposits were acquired and created an increase in deposits. No loans were acquired as part of the acquisition of those branches. The relative stability of the loan to deposit ratio further substantiates the adequate volume of loan activity in the assessment area.

The lending performance was consistent among each of the years reviewed in this CRA performance evaluation. Tables depicting dollar volume are not presented, but this data was reviewed and was consistent in most cases with performance by number of loans. The percentages quoted in the following sections are based upon the number of loans.

Assessment Area Concentration

The bank originated a high percentage of its loans within its assessment area, which reflects a good responsiveness to assessment area credit needs. Table B details the percentage by number and dollar of HMDA, small business, and small farm loans within the assessment area for 2003. The percentage of loans by number has remained stable for the two years of lending activity reviewed.³ Farm loans are displayed in Table D and in Appendices F and G, but because they represent a small portion of the bank's total lending, no further analysis of these loans will appear in the report.

Table B – Distribution of Loans in the Assessment Area				
Loan Type	2003 by Number	2003 by Dollar Volume (000s)	2003 % by Number	2003 % by Dollar Volume
HMDA Loans	195	18,059	82.3	82.4
Small Business Loans	144	16,071	89.4	80.3
Small Farm Loans	53	3,875	86.9	87.3

Borrower Characteristics and Geographic Distribution

Conclusions and brief comments follow in this section. More details for the loan products evaluated and each assessment area can be found in the separate sections presented later in this evaluation.

Borrower Characteristics

³ Data from 2002 and 2003 was reviewed, but only the 2003 HMDA, small business and farm loans were included in the evaluation.

- HMDA Residential Lending

Overall, the bank has done a good job of making loans to low- and moderate-income borrowers

- Small Business Lending

The bank has done a good job of making loans to small businesses in its assessment areas.

Geographic Distribution of Lending

- HMDA Residential Lending

The bank has a reasonable geographic dispersion of its residential lending.

- Small Business Lending

Loans made to small businesses are dispersed in a reasonable manner in its assessment areas.

Community Development Lending Activities

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities are available to the institution; 2) the responsiveness of the institution to community development lending opportunities; and 3) the extent of leadership the institution has demonstrated in community development lending.

In view of the somewhat limited opportunities for participation in community development projects and the highly competitive nature of this assessment area, Capstone Bank has made an adequate level of community development loans. The bank has originated three community development loans for \$629,000 since the last evaluation.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income or small business creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers or small farm and small businesses, including the number and dollar volume of loans originated during the review period.

The institution makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs. The bank offers FHA, VA, Rural Development, and other loan programs that help first time home buyers. The bank did approximately \$1,952,000 of these loans during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors. To be qualified, the investments must meet the definition of community development, and must benefit the assessment areas, or a broader statewide or regional area that includes the assessment areas. Activities considered under the lending or service test may not be considered under the investment test.

Investment and Grant Activity

Capstone Bank has acquired an adequate level of qualified community development investments and grants and maintained a reasonable responsiveness to credit and community development needs based on the opportunities available and competition for such investments. Any donations and investments funded since the previous evaluation were considered for this test. Additionally, investments opened during the last evaluation and that remained open during this evaluation were included in the dollar amounts given consideration. Table 14 in Appendix F details the investments within each assessment area.

The types of qualified investments held by the bank directly respond to the needs of community development, affordable housing and small businesses, which are the primary needs within the assessment area according to community contacts made and various community needs assessments conducted during the evaluation period.

Capstone Bank's total qualified investments, grants, and donations equal \$1,011,550 and are approximately 6 percent of the bank's total equity capital of \$17,671,000.⁴ This level of investments is considered adequate given the opportunities in the assessment area. The bank made one significant investment in three Kankakee Valley Park District economic development bonds. In addition, the bank has purchased \$500,000 of a CRA Fund which invests in low- and moderate-income housing in the bank's assessment areas. These investments, which account for 90 percent of the bank's total investments, provided permanent financing for an aquatic center, water, and sewer improvements, land acquisition, and various capital improvements intended to revitalize a portion of the assessment area and provide a foundation for additional economic development.

⁴ The bank's total equity capital as of September 30, 2003

Qualifying donations and grants were approximately five percent of total net operating income during this evaluation period.⁵ This level is an adequate level of donations and demonstrates that the bank sought out qualifying entities that assist the community. Fourteen different groups that provide services to low- and moderate-income persons and areas, that promote job growth/economic development, and organizations that work to increase homeownership for low- and moderate-income persons received donations.

Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and community economic development needs. The bank has made donations that support low- and moderate-income services and economic development in its assessment area. Grant and donation activity in this area is adequate given the bank's financial capability and branch presence. A number of community development organizations are in this assessment area, and the bank actively participates in many community development and service initiatives.

Community Development Initiatives

Capstone Bank rarely uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

⁵ 5 Years ending September 30 of 2002 and 2003.

The institution's overall performance under the service test for the assessment areas is rated High Satisfactory. Refer to Tables 15 in Appendices F and G for a breakdown of the distribution of the bank's offices by State, MSA, and non-MSA. Services and delivery systems do not vary in a way that inconveniences the major portions of the assessment areas. The bank provides a high level of community development services.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all of the Illinois portions of the institution's assessment areas. The Indiana assessment area's accessibility is satisfactory. The institution maintains eight offices that provide financial services. Within the State of Illinois, one of the offices is located in a moderate-income geography. Alternate delivery systems, such as ATMs and drive-up facilities as listed in the description of the institution, do not vary materially among assessment areas. Refer to the separate Illinois and Indiana sections of this evaluation for further detail.

Alternate Delivery Systems

The bank offers a traditional variety of alternative delivery systems that increase the availability of its loan and deposit products outside of its traditional branch facilities. Most of these delivery systems utilize technology to provide customers with 24-hour access to their accounts and the bank's product information. The bank offers the following electronic methods of alternative delivery systems. These delivery systems are available in all assessment areas.

Capstone offers automatic teller machines (ATMs) services that use a combination access device (debit card). This gives the customers access to the bank's ATM machines located in the assessment areas. Additional account access is available through the institution's automated telephone banking service, which allows customers to make account inquiries and transfer funds. Customers, during normal banking hours, have the option of directing their calls to the bank's offices, which allows them to contact a bank representative to obtain account information and resolve problems, or just ask about the bank's other products and services.

The bank's holding company maintains a general Internet site at www.mainsourcebank.com to service its consumer and commercial loan customers. The site gives customers and/or consumers 24-hour access to the bank's deposit and loan service offerings. In addition, this secure site gives customers the ability to transfer funds, pay bills, view account information, and use other services.

Changes in Branch Locations

The bank acquired three branches of Old National Bank in Vermilion County, Illinois during 2002. One small branch was subsequently merged into the two remaining branches. An additional branch was acquired in Grant Park, Illinois in the Kankakee MSA in early 2002. During 2003 another branch was acquired in Hoopston, Illinois. Subsequently, an earlier

acquired branch was merged into this office. Other than adding these new branches, there were no other significant changes to any branches during this evaluation period.

Reasonableness of Business Hours and Services in Meeting Assessment Area(s) needs

Services, including business hours, do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. The same services and products are generally available at all offices throughout the assessment area.

Community Development Services

The bank provides a good level of community development services in all assessment areas. Bank personnel work with organizations that provide community development services within the assessment area. Further details on these services are reflected within the applicable evaluation sections.

STATE OF ILLINOIS

CRA RATING FOR STATE OF ILLINOIS: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

SCOPE OF EVALUATION

A full scope review of the Illinois Non-MSA assessment area was conducted consistent with the scope of the evaluation for the institution. A more limited review was completed on the Kankakee MSA assessment areas within the state. All areas were evaluated for lending, investment, and service performance.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

Capstone's operations in the State of Illinois are consistent with the overall description of the operations of the institution. The following summarizes Capstone's assessment areas within the State of Illinois. A more detailed discussion of the assessment areas follows within the applicable sections.

Illinois non-MSA area:

- A portion of Iroquois County and all of Vermilion County:

Kankakee MSA:

- Kankakee County

PERFORMANCE TEST CONCLUSIONS, STATE OF ILLINOIS

The discussion of the institution's overall performance is reflective of the performance in the State of Illinois excluding the comments relative to the Indiana assessment area. This takes into consideration that approximately 90 percent of the HMDA and CRA reportable lending, for 2002 and 2003, was in the bank's Illinois assessment areas. As stated before, only the 2003 data will be analyzed in this report. The 2002 data was reviewed and is generally consistent with the 2003 data. Discussion of performance in the individual assessment areas within the State of Illinois follows.

NON-METROPOLITAN STATEWIDE AREAS⁶

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA STATEWIDE AREA, ILLINOIS:

The institution's assessment area consists of all of Vermilion and portions of Iroquois Counties. The assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income areas. All of the geographies are contiguous to one another. The assessment area is located in northeastern Illinois comprising large rural areas.

Capstone Bank maintains two offices in Vermilion County and one office in Iroquois County. The Iroquois County office is the bank's main office and generates about thirty percent of the bank's deposit base. The relatively new offices in Vermilion County generate about twenty-seven percent of the bank's total deposits. Numerous financial institutions, mortgage companies, and credit unions serve this area.

The assessment area's chief employment sectors by number of employees are services, retail trade, manufacturing, and government. The November 2003 unemployment rates for Iroquois and Vermilion Counties are 5.5 percent and 8.4 percent, respectively. The State of Illinois's unemployment rate for November 2003 is 6.4 percent. The total labor force has remained relatively stable during the past 12 months, with the unemployment rates of the two counties approximately the same as in November of 2002. Table 17 in Appendix F contains additional demographic information on this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA:

LENDING

The bank has an overall high satisfactory performance in this assessment area. The bank maintains three offices in this market including the bank's main office.

Borrowers' Profile

The borrower income distribution for HMDA loans is quite good. Please refer to the Tables 8a – 12a in Appendix F for a complete breakdown of the bank's lending. The major product group of home refinance on Table 10a shows that the bank's lending is reasonably comparable to the adjusted low-income family population and exceeds the family population in the moderate-

⁶The discussion of an institution's CRA performance within a Non-Metropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a Non-Metropolitan statewide area for intrastate banks that have branches in metropolitan and Non-Metropolitan areas is optional because the performance in the Non-Metropolitan areas has been reviewed and discussed in the overall evaluation of the institution. Examiners may wish to discuss in greater detail; however, the assessment areas within Non-Metropolitan areas that were reviewed using the examination procedures for intrastate banks with branches in metropolitan and Non-Metropolitan areas, or for intrastate banks with branches only in Non-Metropolitan areas.

income category.⁷ The bank's performance in the home purchase area (Table 8a) is equally good, as HMDA lending was comparable to the adjusted low-income family population and greatly exceeded the moderate-income family population. As displayed in Table 11a, the distribution of business loans among businesses of various sizes was also good as a substantial majority of loans were in the \$100,000 and less category. A sizeable volume of very small business loans indicates that the bank is striving to meet the needs of small businesses. The bank compared very favorably to the Dun and Bradstreet data. This data indicated that about 64 percent of the business in the assessment area had revenues of less than \$1 million while approximately 85 percent of the bank's loans were made to these same small businesses.

Geographic Distribution of Lending

The geographic distribution of lending is adequate throughout the assessment area. Tables 2a – 7a in Appendix F display this analysis. Purchase and refinance loans are within a reasonable range of the owner-occupied housing data. The majority of the moderate-income geographies are located some distance from the bank's offices. Small business lending is adequate in the moderate-income geographies. Again, most of the moderate-income geographies are located in the Danville area, some distance from Capstone's nearest branch.

Community Development Lending

The bank has few opportunities for participation in community development projects within this assessment area. Capstone bank has not made any community development loans in this assessment area.

Innovative and Flexible Loan Products

The institution makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs. The bank offers FHA, VA, Rural Development, and other loan programs that help first time home buyers. The bank did 12 of these loans totaling approximately \$803,000 during the review period in this assessment area.

INVESTMENTS

Capstone Bank has an adequate level of qualified community development investments in this assessment area. During the evaluation period, the bank funded \$605,000 in new investments and donations. The largest investment was a \$500,000 investment in a CRA Fund for low- and moderate-income housing in the assessment area. The remainder was grants and donations.

The bank has displayed an adequate responsiveness to community development needs. A number of community development organizations are in this assessment area, and the bank actively participates in community housing, business development, and community service

⁷ Adjusted family population subtracts the families living below the poverty level from the number of total low-income families. According to the 2000 U S Census, approximately nine percent of the families in this assessment area live below the poverty level. These families would find it difficult to afford housing in this market.

initiatives. The bank has used some innovative investments and has participated in some innovative investment issues.

SERVICES

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to essentially all portions of the institution's assessment area. The institution maintains three offices that provide financial services. Table 15 in Appendix F details the distribution of the bank's offices by income category of the census tract in comparison to the population by tract income level. One office is located in a moderate-income geography. These locations correlate to the total population located in the moderate- and -middle income geography, approximately 16 and 75 percent, respectively.

Changes in Branch Locations

Since the last CRA evaluation Capstone has opened/acquired four offices and closed three facilities in this assessment area. All the open and closed branches are the result of the bank seeking additional operational efficiencies. The institution's closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs Community Development Services

Services, including business hours, do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. Services are generally tailored to the convenience and needs of the assessment area, particularly low- and moderate-income geographies and/or individuals. The bank offers totally free checking accounts that include ATM access.

Community Development Services

The bank has provided a good level of community development services. Bank employees serve on the boards of several organizations that provide community development services, including housing for low-income persons and other services. Capstone Bank is a leader in providing community development services in this assessment area. The following table summarizes some of the community development services provided by Capstone Bank since its previous evaluation. Bank officers and employees provide technical assistance or serve on the board of many other organizations not listed in the table below.

Table F - Community Development Services			
Brief Service Description	Bank Sponsored Event, Program or Seminar	Technical Assistance or Director Involvement by Bank Employee	Bank Product or Service
A bank officer/employee serves as a director of the Multi Agency Service Center (Vermilion County).		X	
A bank officer/employee serves as a treasurer of a local academic foundation.		X	
A bank officer/employee serves as a director of the Watseka Park District.		X	
A bank officer/employee serves as a member of a local chamber of commerce (Vermilion County).		X	
A bank officer/employee serves as a member of a local chamber of commerce (Iroquois County).		X	
The bank co-sponsors a Christmas Holiday project to benefit low-income children.	X		
A bank officer/employee serves on the board of the Big Brothers/Big Sisters of Vermilion County.		X	
The bank participates in the IOLTA program			X

Capstone Bank works with the Interest on Lawyers Trust Account (IOLTA) program. Banks enrolled in this program waive all service charges and handling fees on lawyers' pooled client trust accounts. The Lawyers Trust Fund, a not-for-profit foundation, uses the interest from these accounts to make charitable contributions to legal aid programs. These programs assist low- and moderate-income families.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KANKAKEE MSA ASSESSMENT AREA, ILLINOIS:

The institution's assessment area consists of all of Kankakee County. The assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income areas. All of the geographies are contiguous to one another. The assessment area is located in northeastern Illinois comprising both urban and large rural areas.

Capstone Bank maintains three offices in Kankakee County. These offices generate about thirty-two percent of the bank's total deposits. One new office was acquired since the last CRA public evaluation. Numerous financial institutions, mortgage companies, and credit unions serve this area.

The assessment area's chief employment sectors by number of employees are services, retail trade, government, and manufacturing. The November 2003 unemployment rate for Kankakee County is 7.6 percent. The State of Illinois's unemployment rate for November 2003 is 6.4 percent. The total labor force has decreased during the past 12 months, with the unemployment rate edging upward from November of 2002. The Kankakee economy is stagnant with no appreciable job gains reappearing until later in 2004.⁸ Table 16 in Appendix F contains additional demographic information on this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANKAKEE MSA

LENDING

The bank has an overall low satisfactory performance in this MSA. The bank maintains three well-positioned offices in this market.

Borrowers' Profile

The borrower income distribution for HMDA loans is adequate. Please refer to the Tables 8a – 12a in Appendix F for a complete breakdown of the bank's lending. The major product group of home refinance on Table 10a shows that the bank's lending is reasonably comparable to the adjusted low-income and moderate-income family populations.⁹ The bank's performance in the home purchase area (Table 8a) is also adequate, while the HMDA lending is lower than the adjusted low-income family population; it exceeded the moderate-income family population. As

⁸ FDIC Internal Analysis from RECON, dated October 2003.

⁹ Adjusted family population subtracts the families living below the poverty level from the number of total low-income families. According to the 2000 U S Census, approximately nine percent of the families in this assessment area live below the poverty level. These families would find it difficult to afford housing in this market.

displayed in Table 11a, the distribution of business loans among businesses of various sizes is adequate as a majority of loans were in the \$100,000 and less category. This volume of very small business loans indicates that the bank is striving to meet the needs of small businesses. The bank's small business lending is comparable to the Dun and Bradstreet data. This data indicated that about 67 percent of the business in the assessment area had revenues of less than \$1 million while approximately 63 percent of the bank's loans were made to these same small businesses.

Geographic Distribution of Lending

The geographic distribution of lending is strong throughout the assessment area. Tables 2a – 7a in Appendix F display this analysis. Purchase and refinance loans are reasonably comparable to the owner-occupied housing data. Small business lending is good in the moderate-income geographies. The bank has no lending in the low-income geographies, but less than two percent of the area's business is located in these census tracts.

Community Development Lending

The bank has originated three community development loans totaling \$629,000. These loans funded multi-unit apartment complexes.

Innovative and Flexible Loan Products

The institution makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs. The bank offers FHA, VA, Rural Development, and other loan programs that help first time home buyers. The bank did 16 of these loans totaling approximately \$1,074,000 during the review period in this assessment area.

INVESTMENTS

Capstone Bank has an adequate level of qualified community development investments in this assessment area. During the evaluation period, the bank funded \$405,450 in new investments and donations. The largest investment was a \$405,000 investment in three economic development bonds. The remainder was grants and donations.

The bank has displayed an adequate responsiveness to community development needs. A number of community development organizations are in this assessment area, and the bank actively participates in community housing, business development, and community service initiatives.

SERVICES

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to essentially all portions of the institution's assessment area. The institution maintains three offices that provide financial services. Table 15 in Appendix F details the distribution of the bank's offices by income category of the census tract in comparison to the population by tract income level.

Changes in Branch Locations

Since the last CRA evaluation, Capstone has opened/acquired one office in this assessment area. The institution's additional branch has enhanced the accessibility of its delivery systems, and has not adversely impacted any low- and moderate-income geographies and/or to low- and moderate-income individuals.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs Community Development Services

Services, including business hours, do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. Services are generally tailored to the convenience and needs of the assessment area, particularly low- and moderate-income geographies and/or individuals. The bank offers totally free checking accounts that include ATM access.

Community Development Services

The bank has provided a good level of community development services. Bank employees serve on the boards of several organizations that provide community development services, including housing for low-income persons and other services.

STATE OF INDIANA

CRA RATING FOR STATE OF INDIANA: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

SCOPE OF EVALUATION

A full scope review of this area was conducted consistent with the scope of the evaluation for the institution. The one assessment area within the state was evaluated for lending, investment, and service performance.

Indiana Non-MSA:

- Portions of Benton, Jasper and Newton Counties

PERFORMANCE TEST CONCLUSIONS, STATE OF INDIANA

Capstone's operations in the State of Indiana are consistent with the overall description of the operations of the institution. The following summarizes Capstone's assessment areas within the State of Indiana. As stated before, only the 2003 data will be analyzed in this report. The 2002 data was reviewed and is generally consistent with the 2003 data. A more detailed discussion of the assessment area follows within the applicable sections.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANA NON-MSA ASSESSMENT AREA:

One office is present in this Non-MSA area, and it is located in Newton County, bordering Jasper and Benton Counties in the Northwestern Indiana. The branch had less than \$20 million in total deposits as of June 30, 2003. This is a largely rural area with a total population of 23,213 and no major cities.¹⁰ The assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income areas. All of the geographies are contiguous to one another. The bank's assessment area contains two geographies in each of Benton and Newton counties, and three geographies in Jasper County. All seven geographies in this assessment area are middle-income.

This area's chief employment sectors by number of employees are services, retail trade, and manufacturing. The economy has softened over the past year and some layoffs have occurred. The November 2003 unemployment rate for Benton, Jasper, and Newton Counties was 4.9, 5.2, and 5.8 percent, respectively. The State of Indiana was approximately the same at 4.7 percent in

¹⁰ SOURCE: 2000 U S Census.

November 2003. All the rates are approximately the same as the previous year. Table 16 in Appendix G contains additional demographic information on this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE INDIANA MSA:

LENDING

Lending Activity

The bank has reasonable lending activity in the Indiana Non-MSA based upon its volume of lending. For 2003 the bank originated HMDA loans totaling \$696,000 and small business loans of \$3,819,000. The bank only has one branch in this assessment area with \$19,610,000 in deposits as of June 30, 2003 or approximately eleven percent of total deposits. This small market presence in an area with numerous competitors means that the bank will not make a significant impact in this area. Further, the area will receive the minimum amount of weight in the overall CRA rating due to it being the smallest market area. Comments on this market will be brief, as it does not have a significant impact on the rating. A full-scope review was required because this was the only assessment area in the State of Indiana. The CRA procedures require that at least one assessment area per state is given a full-scope review and a rating must be completed.

Borrowers' Profile

The dispersion of borrowers reflects, given the demographics of the assessment area, an adequate distribution among borrowers of different incomes (including low- and moderate-income), and businesses of different sizes.

The borrower distribution for HMDA loans is acceptable when compared to the family population. Tables 8(a) to 10(a) in Appendix G provide information on the bank's HMDA lending by borrower income level. The bank's one office is located in a middle-income geography in Newton County, Indiana. The poverty rate for the assessment area is about five percent, which is lower than the State of Indiana poverty rate of 9.5 percent. One purchase loan was made to low-income persons, but this is not considered unreasonable given the one office location and the lending level of the office. No refinancings were to low-income borrowers, but 20 percent of the bank's refinancings were made to moderate-income borrowers, approximately the same as the percentage of moderate-income families. Overall, the borrower distribution is adequate.

The distribution of small business loans is adequate among businesses of different sizes. Table 11(a) in Appendix G details the small business lending activity of the bank and the 2003 Dun and Bradstreet data. This performance is shown by the acceptable comparison to the business population data. Small business loans of \$100,000 and less were 37 percent; however, small business loans exceeding \$100,000 to \$250,000 was also 37 percent. Therefore, the bank has a

good performance in the second loan category and this helps to offset the lower percentage of loans in the \$100,000 and less category.

Sixty-three percent of small business loans were to entities with gross annual revenues of \$1 million and less. Dun and Bradstreet data states that 66 percent of businesses had gross annual revenues of \$1 million and less and is similar to the bank's lending. The bank's performance is acceptable given that its lending is so close to the Dun and Bradstreet data.

Geographic Distribution of Lending

All geographies in the nonmetropolitan area are middle income; therefore, the geographic distribution of lending is reasonable. Tables 2a – 7a in Appendix G display this analysis.

Community Development Lending

There are restricted opportunities for participation in community development projects within this assessment area. Capstone Bank has not made any community development loans.

Innovative and Flexible Loan Products

The institution makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs. The bank offers FHA, VA, Rural Development, and other loan programs that help first time home buyers. The bank did one of these loans totaling approximately \$75,000 during the review period in this assessment area.

INVESTMENTS

Capstone Bank has an adequate level of qualified community development investments in this assessment area. During the evaluation period, the bank funded \$1,100 in grants and donations. The bank has displayed an adequate responsiveness to community development needs. A number of community development organizations are in this assessment area, and the bank actively participates in community housing, business development, and community service initiatives.

SERVICES

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to essentially all portions of the institution's assessment area. The institution maintains one office that provides financial services. Table 15 in Appendix G details the distribution of the bank's offices by income category of the census tract in comparison to the population by tract income level.

Changes in Branch Locations

The bank has maintained the same branch location. No offices were opened or closed since the last public evaluation.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services, including business hours, do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. Services are generally tailored to the convenience and needs of the assessment area, particularly low- and moderate-income geographies and/or individuals. The bank offers totally free checking accounts that include ATM access.

Community Development Services

The bank has provided a good level of community development services. Bank employees serve on the boards of several organizations that provide community development services, including housing for low-income persons and other services.

Response to Complaints

A review of FDIC records, as well as the bank's Public CRA File, did not reveal any complaints relating to the bank's CRA performance since the prior evaluation.

Compliance with Anti-discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified.

Other Information

This bank has offices located in the Kankakee, Illinois Metropolitan Statistical Area (MSA) number 3740. HMDA information for all institutions in the Champaign MSA is available at the following address:

MSA: 3740 KANKAKEE, IL

Contact Name: Kelly Schultz

Department: Community Development Agency

Depository: City of Kankakee

Address 1: 199 South East Ave., #1

City: Kankakee

State: IL

Zip Code: 60901

Phone Number: (815)933-0506

Fax Number: (815)933-0523

Email: kschultz@keynet.net

APPENDIX A

SCOPE OF EXAMINATION:

Capstone Bank
SCOPE OF EXAMINATION: Full Scope
TIME PERIOD REVIEWED: 2003 for lending, 2001, 2002, and 2003 for Investments and Services.
PRODUCTS REVIEWED: HMDA Residential Loans (Purchases and Refinances) and Small Business Loans.

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
Illinois Non-MSA	Full Scope	One	None
Illinois Kankakee MSA	Limited Scope	None	None
Indiana Non-MSA	Full Scope	None	None

APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS				
STATE OR MULTISTATE MSA NAME:	LENDING TEST RATING:	INVESTMENT TEST RATING:	SERVICE TEST RATING:	OVERALL STATE RATING:
Illinois	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Indiana	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

APPENDIX C - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (Bans): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural

classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX D - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX E - STANDARD PE LANGUAGE

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community Development Lending:

Performance Criteria

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices:

Performance Criteria

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

Appendix F CRA Performance Tables - Illinois

Institution ID: 18630

Table 1. Lending Volume

LENDING VOLUME		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						
MA/Assessment Area (2003):	% 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:												
Capstone 2000 AA 01	57.18	89	5,851	71	4,536	40	2,246	3	629	203	13,262	64.06
Limited Review:												
Capstone 2000 AA 02	42.82	93	11,512	54	7,716	5	196	0	0	152	19,424	35.94

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 2001 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area (2003):	% 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 MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:														
Capstone 2000 AA 01	0.00	0	0	0	0	0	0	0	0	0	0	0	0	64.06
Limited Review:														
Capstone 2000 AA 02	0.00	0	0	0	0	0	0	0	0	0	0	0	0	35.94

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME					
		Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003	
	Other Unsecured Consumer Loans*			Other Optional Loans*	
MA/Assessment Area (2003):	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Capstone 2000 AA 01	0	0	0	0	
Limited Review:					
Capstone 2000 AA 02	0	0	0	0	

* The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						Aggregate HMDA Lending (%) by Tract Income*			
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Capstone 2000 AA 01	20	39.22	0.00	0.00	11.75	5.00	77.17	95.00	11.08	0.00	0.00	0.00	0.00	0.00	
Limited Review:															
Capstone 2000 AA 02	31	60.78	1.63	0.00	8.65	3.23	73.76	74.19	15.97	22.58	0.00	0.00	0.00	0.00	

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				Aggregate HMDA Lending (%) by Tract Income*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans				
Full Review:														
Capstone 2000 AA 01	2	50.00	0.00	0.00	11.75	0.00	77.17	100.00	11.08	0.00	0.00	0.00	0.00	0.00
Limited Review:														
Capstone 2000 AA 02	2	50.00	1.63	0.00	8.65	0.00	73.76	50.00	15.97	50.00	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

** 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 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003										
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*															
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp												
Full Review:																										
Capstone 2000 AA 01	67	54.47	0.00	0.00	11.75	7.46	77.17	91.04	11.08	1.49	0.00	0.00	0.00	0.00												
Limited Review:																										
Capstone 2000 AA 02	56	45.53	1.63	0.00	8.65	8.93	73.76	62.50	15.97	28.57	0.00	0.00	0.00	0.00												

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY														Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
Full Review:																					
Capstone 2000 AA 01	0	0.00	0.00	0.00	39.64	0.00	51.58	0.00	8.78	0.00	0.00	0.00	0.00	0.00							
Limited Review:																					
Capstone 2000 AA 02	4	100.00	1.42	0.00	30.55	0.00	53.10	100.00	14.93	0.00	0.00	0.00	0.00	0.00							

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 01	71	56.80	0.00	0.00	27.91	9.86	65.67	90.14	6.42	0.00	0.00	0.00	0.00	0.00
Limited Review:														
Capstone 2000 AA 02	54	43.20	1.95	0.00	20.07	27.78	68.45	50.00	9.53	22.22	0.00	0.00	0.00	0.00

* Based on Aggregate Small Business Data Only.

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

*** Source Data - Dun and Bradstreet (2003).

Institution ID: 18630

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS														Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*														
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp											
Full Review:																									
Capstone 2000 AA 01	40	88.89	0.00	0.00	3.97	10.00	91.40	90.00	4.63	0.00	0.00	0.00	0.00	0.00											
Limited Review:																									
Capstone 2000 AA 02	5	11.11	0.00	0.00	2.20	40.00	83.92	40.00	13.88	20.00	0.00	0.00	0.00	0.00											

* Based on Aggregate Small Farm Data Only.

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

*** Source Data - Dun and Bradstreet (2003).

Institution ID: 18630

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
Full Review:																					
Capstone 2000 AA 01	20	39.22	19.09	10.53	19.73	31.58	23.81	10.53	37.37	47.37	0.00	0.00	0.00	0.00							
Limited Review:																					
Capstone 2000 AA 02	31	60.78	18.87	3.45	18.95	24.14	23.13	27.59	39.05	44.83	0.00	0.00	0.00	0.00							

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 5.88% of loans originated and purchased by BANK.

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

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

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 01	2	50.00	19.09	50.00	19.73	0.00	23.81	0.00	37.37	50.00	0.00	0.00	0.00	0.00
Limited Review:														
Capstone 2000 AA 02	2	50.00	18.87	0.00	18.95	0.00	23.13	0.00	39.05	100.00	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

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

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ILLINOIS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 01	67	54.47	19.09	9.68	19.73	24.19	23.81	30.65	37.37	35.48	0.00	0.00	0.00	0.00
Limited Review:														
Capstone 2000 AA 02	56	45.53	18.87	9.62	18.95	15.38	23.13	26.92	39.05	48.08	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 7.32% of loans originated and purchased by BANK.

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

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

Institution ID: 18630

Table11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Capstone 2000 AA 01	71	56.80	63.88	84.51	81.69	11.27	7.04	0	0
Limited Review:									
Capstone 2000 AA 02	54	43.20	66.26	62.96	57.41	24.07	18.52	0	0

* Based on Aggregate Small Business Data Only.

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.40% of small loans to businesses originated and purchased by the bank.

Institution ID: 18630

Table12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ILLINOIS			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Capstone 2000 AA 01	40	88.89	97.91	97.50	82.50	12.50	5.00	0	0
Limited Review:									
Capstone 2000 AA 02	5	11.11	96.26	100.00	100.00	0.00	0.00	0	0

* Based on Aggregate Small Business Data Only.

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

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

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

Institution ID: 18630

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 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:									
Capstone 2000 AA 01	0	0	0	0	7	605	60.00	0	0
Limited Review:									
Capstone 2000 AA 02	0	0	0	0	5	406	40.00	0	0

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

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

Institution ID: 18630

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
								Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 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:																	
Capstone 2000 AA 01	64.06	3	67	0.00	33.33	67.67	0.00	4	3	0	0	2	0	0.00	16.10	74.75	9.15
Limited Review:																	
Capstone 2000 AA 02	35.94	3	33	0.00	0.00	100.00	0.00	1	0	0	0	1	0	2.65	14.57	68.64	14.14

Institution ID: 18630

Table16. Capstone 2000 AA 02

Demographic Information for Limited Scope Area: Capstone 2000 AA 02						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	23	4.35	17.39	65.22	13.04	0.00
Population by Geography	90,478	2.65	14.57	68.64	14.14	0.00
Owner-Occupied Housing by Geography	22,887	1.63	8.65	73.76	15.97	0.00
Business by Geography	4,010	1.95	20.07	68.45	9.53	0.00
Farms by Geography	454	0.00	2.20	83.92	13.88	0.00
Family Distribution by Income Level	23,424	18.87	18.95	23.13	39.05	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,860	4.07	21.98	64.93	9.02	0.00
Median Family Income HUD Adjusted Median Family Income for 2003		48,975 54,600	Median Housing Value Unemployment Rate (2000 US Census)		95,800 4.21%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2003 HUD updated MFI

Institution ID: 18630

Table17. Capstone 2000 AA 01

Demographic Information for Full Scope Area: Capstone 2000 AA 01						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	0.00	19.35	70.97	9.68	0.00
Population by Geography	104,628	0.00	16.10	74.75	9.15	0.00
Owner-Occupied Housing by Geography	30,115	0.00	11.75	77.17	11.08	0.00
Business by Geography	4,300	0.00	27.91	65.67	6.42	0.00
Farms by Geography	907	0.00	3.97	91.40	4.63	0.00
Family Distribution by Income Level	28,212	19.09	19.73	23.81	37.37	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,952	0.00	21.44	73.77	4.79	0.00
Median Family Income HUD Adjusted Median Family Income for 2003		43,392 48,200	Median Housing Value Unemployment Rate (2000 US Census)		58,868 3.19%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2003 HUD updated MFI

Appendix G – CRA Performance Tables - Indiana

Institution ID: 18630

Table 1. Lending Volume

LENDING VOLUME												
Geography: INDIANA												
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003												
MA/Assessment Area (2003):	% 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:												
Capstone 2000 AA 03	100.00	13	696	19	3,819	8	1,433	0	0	40	5,948	100.00

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 2003 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area (2003):	% 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 MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:														
Capstone 2000 AA 03	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: INDIANA		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003	
MA/Assessment Area (2003):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Capstone 2000 AA 03	0	0	0	0	0

* The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 03	2	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				Aggregate HMDA Lending (%) by Tract Income*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans				
Full Review:														
Capstone 2000 AA 03	1	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

** 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 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*																
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp													
Full Review:																											
Capstone 2000 AA 03	10	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00													

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY														Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
Full Review:																					
Capstone 2000 AA 03	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							

* Based on Peer Data is not available.

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

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

Institution ID: 18630

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: INDIANA		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003										
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*															
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp												
Full Review:																										
Capstone 2000 AA 03	19	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00												

* Based on Aggregate Small Business Data Only.

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

*** Source Data - Dun and Bradstreet (2003).

Institution ID: 18630

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: INDIANA					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 03	8	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on Aggregate Small Farm Data Only.

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

*** Source Data - Dun and Bradstreet (2003).

Institution ID: 18630

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*																
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp													
Full Review:																											
Capstone 2000 AA 03	2	100.00	15.96	50.00	18.10	50.00	27.21	0.00	38.73	0.00	0.00	0.00	0.00	0.00													

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

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

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

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*															
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp												
Full Review:																										
Capstone 2000 AA 03	1	100.00	15.96	0.00	18.10	0.00	27.21	0.00	38.73	100.00	0.00	0.00	0.00	0.00												

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

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

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

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Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Capstone 2000 AA 03	10	100.00	15.96	0.00	18.10	20.00	27.21	40.00	38.73	40.00	0.00	0.00	0.00	0.00

* Based on Peer Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

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

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

Institution ID: 18630

Table11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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:									
Capstone 2000 AA 03	19	100.00	65.96	63.16	36.84	36.84	26.32	0	0

* Based on Aggregate Small Business Data Only.

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.26% of small loans to businesses originated and purchased by the bank.

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Table12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: INDIANA		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Capstone 2000 AA 03	8	100.00	95.49	75.00	50.00	12.50	37.50	0	0

* Based on Aggregate Small Business Data Only.

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

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

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

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: INDIANA		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 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:									
Capstone 2000 AA 03	0	0	0	0	10	1	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
								Geography: INDIANA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 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:																	
Capstone 2000 AA 03	100.00	1	100	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00

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Table16. Capstone 2000 AA 03

Demographic Information for Full Scope Area: Capstone 2000 AA 03						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	100.00	0.00	0.00
Population by Geography	23,213	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	6,207	0.00	0.00	100.00	0.00	0.00
Business by Geography	1,516	0.00	0.00	100.00	0.00	0.00
Farms by Geography	466	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	6,210	15.96	18.10	27.21	38.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,115	0.00	0.00	100.00	0.00	0.00
Median Family Income		45,849	Median Housing Value		83,227	
HUD Adjusted Median Family Income for 2003		52,000	Unemployment Rate (1990 US		2.86%	
Households Below Poverty Level		8.42%	Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2003 HUD updated MFI