



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **Public Disclosure**

**September 27, 2004**

# **Community Reinvestment Act Performance Evaluation**

**First Citizens National Bank  
Charter Number: 4677**

**2601 Fourth Street, S.W.  
Mason City, IA 50401**

**Office of the Comptroller of the Currency**

**Minneapolis South  
920 Second Avenue South Suite 800  
Minneapolis, MN 55402**

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

## **Description of Institution**

First Citizens National Bank (FCNB) has its main office in Mason City, Iowa. It operates twelve locations in ten communities in north central Iowa. FCNB has designated ten whole or partial counties as their assessment area, all contiguous and located in north central Iowa. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income (LMI) areas. For additional information on FCNB's assessment area (AA), see Market Profile – Demographic Information Tables in Appendix B.

At June 30, 2004, FCNB had total assets of \$749 million and held \$73.4 million in Tier 1 capital. The bank's primary focus is small business and small farm customers and to individuals for home loans. As of June 30, 2004, the bank's \$419 million loan portfolio consisted of 38% commercial loans, 27% agricultural loans, 24% residential real estate loans and other loans 11%. As of June 30, 2004, net loans made up 56% of total assets.

FCNB is a subsidiary of First Citizens Financial Corporation, a one-bank holding company located in Mason City. The holding company's assets totaled \$749 million on June 30, 2004. FCNB has one operating subsidiary, First Citizens Trust Company, which conducts fiduciary activities. The activity of this subsidiary does not impact the bank's capacity for community reinvestment. FCNB also funds charitable contributions through First Citizens National Bank Charitable Foundation, an affiliate of First Citizens Financial Corporation. FCNB management asked that we consider these charitable contributions in this evaluation under the Investment Test.

FCNB's performance was rated "Satisfactory" at its last CRA examination on October 1, 2001.

## **Evaluation Period**

We evaluated FCNB's small business, small farm and mortgage data for the period beginning January 1, 2001 through December 31, 2003. The evaluation of this data was completed using two separate analysis periods due to changes in the census data available. Small business, small farm and mortgage loans originated in 2001 and 2002 were compared to demographic data based on 1990 census information while loans originated in 2003 were compared to demographic data based on 2000 census information. Small business and small farm loans for 2001-2002 were compared to 2002 peer data, however, 2003 peer data was not available for comparison with the 2003 small business and small farm loans originated.

For retail services, the evaluation period was October 1, 2001 through December 31, 2003. For community development loans, investments and services, our evaluation period was October 1, 2001 through June 30, 2004. The bank's branch distribution was compared to demographics based on 2000 census data.

## **Scope of the Evaluation**

FCNB is not required to publicly report data on the home mortgage loans it originates, however, it does gather some data on those loans. The validity of that data was verified and was used to draw conclusions about the bank's home mortgage lending activities.

Prior to conducting this evaluation, we tested the accuracy of the bank's small business and small farm loan data. We found errors in the revenue information the bank had reported for its business and farm loans. Management corrected the errors and this evaluation was based on the corrected information.

We also reviewed community development loans, investments, and services provided by FCNB management to ensure they met the regulatory definition of community development. The few that did not meet the definition were excluded from this evaluation.

## Overall CRA Rating

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

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

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

\*The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

An analysis of the geographic distribution of loans in the Mason City AA is not meaningful as the AA does not include any LMI census tracts (CTs). Pursuant to the 1990 census information one CT in the AA was upper-income and the remainder were middle-income. The 2000 census lists all CTs in the AA as middle-income.

In our analysis of borrower distribution, we considered the difficulties that households living below the poverty level have in purchasing a home by affecting their ability to obtain loans. We also considered housing costs relative to area incomes and the limiting affects those costs could have on the demand for loans by lower-income families. Refer to Appendix B: Demographic Information Tables for poverty levels and housing costs for the AA. We noted that based on 1990 census information, 66% of the housing units in the AA were owner occupied. This percentage increased to 69% using 2000 census information, however is still below the State of Iowa owner-occupied housing percentage of 72.3% using 2000 census information.

The major factors that support this overall rating and conclusions with respect to the performance tests are detailed on the following pages:

### Lending

Due to FCNB's business focus, we gave the greatest weight to small farm loans. Although these loans represent 27% of FCNB's loan portfolio by dollar, they represent 43% of the loans reviewed by number. Residential real estate lending is also a large portion of FCNB's operations and was given consideration as 32% of the loan originations by number were for 1-4 family real estate loans. 72% of the residential real estate lending was in the form of

refinances. Small loans to businesses was also considered, representing 25% by number of the originations reviewed.

Refer to Tables 1 through 12 in appendix C for facts and data used to evaluate the bank's lending. Table 5 was intentionally excluded as the information was not available. FCNB is not required to publicly report data on the home mortgage loans it originates and has chosen not to gather data on its multi-family loans.

Lending performance is rated outstanding.

- Ninety-five percent of FCNB's loans were made inside its assessment area, which represents a substantial majority.
- FCNB's lending activity is excellent. The bank's deposit market share is the strongest within its AA at 18.73%. FCNB's small business lending market share, of those bank's reporting CRA data within the AA, reflects a first place market share with 22.20% of loans by number and 44.09% of loans by dollar. Small farm lending market share also represents a first place market share with 57.90% of loans by number and 47.75% by dollar of those banks reporting CRA data within the AA. Because the bank not required to report mortgage information under the Home Mortgage Disclosure Act (HMDA), market share information on its mortgage lending is not available.
- FCNB's distribution of small loans to businesses is good. Loans to businesses with revenues of \$1 million or less represented 58.97% of the bank's reportable loans in 2001-2002. This is somewhat lower than the 73.91% of businesses in the AA based on 2002 Dunn and Bradstreet information; however, the bank did not include revenue information on 30.76% of its reportable loans during this time-frame. For 2003, the bank reported 60.91% of loans to businesses with revenues of \$1 million or less, which is near the 64% of businesses based on 2003 Dunn and Bradstreet information. In 2003, FCNB did not include revenue information for 28.09% of business loans reported.
- FCNB's distribution of loans to small farms is good. Loans to farms with revenues of \$1 million or less represented 65.15% of the bank's reportable loans in 2001-2002 and 71.52% of the bank's reportable loans in 2003. These percentages are somewhat lower than the 98.44% of the farms in the AA based on 2002 Dunn and Bradstreet information and 97.43% of farms based on 2003 Dunn and Bradstreet information with revenues of less than \$1 million. While FCNB's loans with reported revenue information are somewhat lower than the demographic information, we noted that the bank did not report revenues on 32.51% of the farm loans for 2001-2002 and 26.80% of the farm loans for 2003. A separate analysis was conducted considering only those loans where the bank collected revenue information. Of those loans with reported revenue information in 2001-2002, 96.54% represented revenues of \$1 million or less, which is near the demographic information of 98.44%. In 2003, FCNB's loans to small farms with revenues of \$1 million or less represented 97.71% of loans made with reported revenue, which slightly exceeds the demographic of 97.43% using 2003 Dunn and Bradstreet information.
- FCNB's distribution of residential real estate loans to low- and moderate-income individuals during the evaluation period was adequate. FCNB's distribution of real estate

loans to low- and moderate-income individuals for 2001-2002 and for 2003 was adequate. 2003 residential real estate loans accounted for 45% of the residential real estate volume during the evaluation period, compared to 33% for 2002 and 22% for 2001. The years were weighted accordingly in our analysis. Refinance loans represented the largest category of residential real estate lending during the evaluation period.

- FCNB's distribution of home purchase loans to borrowers of different income levels is good. 20% of FCNB's purchase loans in 2001-2002 were made to low-income borrowers, which exceeds the percentage of 16.15% of low-income families in the AA. 10% of FCNB's purchase loans in 2001-2002 were made to moderate-income borrowers, which is lower than the percentage of 19.84% of moderate-income families in the AA and is considered adequate. During 2003, 25% of FCNB's purchase loans were to low-income families, which exceeds the percentage of 16.81% of low-income families in the AA. 10% of FCNB's purchase loans were made in 2003 to moderate-income borrowers, which is lower than the 19.66% of moderate-income families in the AA and is considered adequate.
- FCNB's distribution of home improvement loans to borrowers of different income levels is good. Distribution of home improvement loans to borrowers of different income levels for 2001-2002 is adequate. 10% of FCNB's home improvement loans in 2001-2002 were made to low-income borrowers, which is lower than the percentage of 16.15% of low-income families in the AA but considered good due to the difficulties that low-income families, especially those with incomes below the poverty level, have in affording homes. 10% of FCNB's home improvement loans in 2001-2002 were made to moderate-income borrowers, which is lower than the percentage of 19.85% of moderate-income families in the AA and considered adequate. Distribution of home improvement loans to borrowers of different income levels for 2003 is excellent. 15% of FCNB's home improvement loans were made to low-income borrowers, which is near the percentage of families of those income levels and is considered excellent. In 2003, 25% of FCNB's home improvement loans were made to moderate-income borrowers, which exceeds the percentage of families of those income levels. 76% of FCNB's home improvement loans were made during the 2001-2002 evaluation period.
- FCNB's distribution of refinance loans to borrowers of different income levels is adequate. There were no refinance loans made to low-income borrowers in 2001-2002 which is considered poor. 20% of FCNB's refinance loans in 2001-2002 were made to moderate-income borrowers, which slightly exceeds the percentage of families of that income level in the AA. Distribution of refinance loans to borrowers of different income levels for 2001-2002 is considered adequate. For 2003, 10% of FCNB's refinance loans were made to low-income borrowers, and 15% were made to moderate-income borrowers, which is somewhat lower than the percentage of families of those income levels and considered adequate.
- FCNB's community development lending positively affected the bank's rating. FCNB originated seven qualified community development loans, totaling \$7,103,500. All qualified community development loans benefited LMI individuals by providing additional or renovated housing, including senior LMI housing. Two of these projects are

considered complex due to the layers of financing involved and the bank took a leadership role in providing the financing for these two projects. These two projects represent 94% of the total qualified community development loans. LMI housing was identified as a need in the area based on our contact with local government offices.

## **Investments**

In evaluating the bank's qualified investments, we considered community development opportunities in the AA. While such opportunities do arise, there are fewer opportunities in the AA than there are in other, more populous, areas.

Refer to Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Investment Test performance is rated High Satisfactory. Qualified investments in the bank's AA are limited and the bank has sought out opportunities to make investments. The investments made during the evaluation period are responsive to the identified needs of the AA. Additionally, one of the investments was complex.

- FCNB's level of investment is considered good in relation to available opportunities. Combined current period investments and prior period investments still outstanding total \$1,018,000 and represent 1.39% of Tier I Capital.
- The majority of the current period qualified investments was an investment in a recently completed affordable housing project. The project created 46 units of rental housing in a vacant historic building in downtown Mason City. Low- and moderate-income families will occupy the majority of the units. Financing for the project was complex as it drew on city, state and federal resources. FCNB and other investors will receive state tax credits in return for their investments. In addition to its investment in the project, FCNB provided financing through two construction loans considered in this evaluation under the Lending Test.
- Other current period qualified investments consisted of grants to various organizations that serve a wide variety of Community Development purposes in the AA.
- FCNB's prior period investment has a continuing impact on the area as it continues to finance rental housing for low-income families in a nearby community.

## **Services**

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

Performance under the Service Test is rated High Satisfactory.

- FCNB's service delivery systems are accessible to individuals of different income levels in its AA. The bank operates twelve offices within the AA. An analysis of the geographic distribution of the bank's offices relative to the populations of low- and moderate-income

individuals in the AA shows that branch offices are accessible to these individuals. FCNB did not open or close any branch offices during the evaluation period.

- FCNB's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals. FCNB offers a wide variety of standard banking products and services to meet the needs of the AA. FCNB has tailored its business hours to meet the needs of the ten communities in which it operates. Offices in eight of those communities offer a full range of traditional banking services. The offices also have some extended hours through a combination of evening and Saturday hours. The other two offices are in smaller communities with more limited demand for banking services. FCNB has morning hours only in those communities and does not have lenders onsite. FCNB lenders are available to customers of those offices through other FCNB offices less than 10 miles away. In addition, FCNB personnel will make appointments to accommodate customer needs.
- The alternative delivery systems the bank offers include automated teller machines, Internet banking and telephone banking. Because FCNB does not maintain information on how the alternative delivery systems impact low- and moderate-income individuals, we did not place significant weight on these systems for this evaluation.
- FCNB's community development services are considered adequate. Through its services, the bank works on a variety of community development issues, especially affordable housing for low- and moderate-income individuals, job creation for low- and moderate-income individuals, and small business development. The most predominant type of service FCNB personnel provide is membership on boards of directors of community development organizations. In addition, bank personnel provide their financial expertise to low- and moderate-income individuals to help them apply for housing-related loan and grant programs.
- FCNB's community development services also include accounts or services that increase access to financial services for low- and moderate-income individuals. Specifically, these include Electronic Transfer Accounts, through which the bank provides a low-cost account for customers who receive Federal benefit payments. These also include cashing of Federal- or State-issued checks for no fee for both customers and noncustomers.

## **Fair Lending Review**

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



## Appendix B: Market Profile - Demographic Information Tables

### Mason City Assessment Area

Demographic Information for Full Scope Area: Mason City, Iowa 1990 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	0.00	0.00	97.37	2.63	0.00
Population by Geography	138,724	0.00	0.00	94.37	5.63	0.00
Owner-Occupied Housing by Geography	40,031	0.00	0.00	94.57	5.43	0.00
Businesses by Geography	9,973	0.00	0.00	97.32	2.68	0.00
Farms by Geography	3,344	0.00	0.00	99.43	0.57	0.00
Family Distribution by Income Level	38,599	16.15	19.84	27.17	36.85	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,891	0.00	0.00	96.53	3.47	0.00
Median Family Income		29,303	Median Housing Value		37,965	
HUD Adjusted Median Family Income for 2002		49,400	Unemployment Rate (1990 US Census)		2.35%	
Households Below Poverty Level		11.46%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

Demographic Information for Full Scope Area: Mason City, IA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	0.00	0.00	100.00	0.00	0.00
Population by Geography	136,590	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	41,873	0.00	0.00	100.00	0.00	0.00
Businesses by Geography	9,835	0.00	0.00	100.00	0.00	0.00
Farms by Geography	3,387	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	37,595	16.81	19.66	27.19	36.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,712	0.00	0.00	100.00	0.00	0.00
Median Family Income		44,603	Median Housing Value		68,652	
HUD Adjusted Median Family Income for 2003		50,800	Unemployment Rate (2000 US Census)		2.21%	
Households Below Poverty Level		8.8%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2003 HUD updated MFI

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

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

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

Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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

## Table 1. Lending Volume

LENDING VOLUME		Geography: MASON CITY, IOWA AA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003						
Assessment Area:	% of Rated Area Loans (#) in AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Mason City, IA (Loans from 2001-2002)	100.00	2,055	146,295	1,996	78,391	3,636	131,109	7	7,104	7,694	362,899	100
Mason City, IA (Loans from 2003)	100.00	1,556	120,593	972	36,568	1,489	61,596	N/A	N/A	4,017	218,757	100

\* Loan Data as of December 31, 2002/1990 Census Data; Loan Data as of December 31, 2003/2000 Census Data. Rated area refers to FCNB's entire AA.

\*\* The evaluation period for Community Development Loans is From October 1, 2001 to June 30, 2004.

\*\*\* Deposit Data as of December 31, 2003. Rated area refers to FCNB's entire AA.

## Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF IOWA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	549	100.00	0	0	0	0	94.57	88.16	5.43	11.84	N/A	N/A	N/A	N/A	N/A
2003	266	100.00	0	0	0	0	100.00	100.00	0	0	N/A	N/A	N/A	N/A	N/A

\* Based on Peer Mortgage Data.

\*\* Home purchase loans originated and purchased in the 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 for 2001-2002 loans and based on 2000 Census information for loans in 2003.

### Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF IOWA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	139	100	0	0	0	0	94.57	99.28	5.43	.72	N/A	N/A	N/A	N/A	N/A
2003	46	100	0	0	0	0	100.00	100.00	0	0	N/A	N/A	N/A	N/A	N/A

<sup>\*</sup> Based on Peer Mortgage Data.

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

<sup>\*\*\*</sup> 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 for 2001-2002 loans and based on 2000 Census information for 2003 loans.

## Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography: STATE OF IOWA Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	1,367	100	0	0	0	0	94.57	91.37	5.43	8.63	N/A	N/A	N/A	N/A	N/A
2003	1,244	100	0	0	0	0	100.00	100.00	0	0	N/A	N/A	N/A	N/A	N/A

\* Based on Peer Mortgage Data.

\*\* Home mortgage refinance loans originated and purchased in the 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 for 2001-2002 loans and based on 2000 Census information for 2003 loans.



## Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: STATE OF IOWA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
<b>Mason City, Iowa</b>																					
2001-2002	1,996	100.00	0	0	0	0	97.32	98.70	2.68	1.30	22.20	0	0	23.90	7.87						
2003	972	100.00	0	0	0	0	100.00	100.00	0	0	N/A	N/A	N/A	N/A	N/A						

\* Based on 2002 Peer Small Business Data: US. (2003 data not available)

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

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

## Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF IOWA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	3,636	100.00	0	0	0	0	99.43	99.64	.57	.36	57.90	0	0	58.09	42.86
2003	1,489	100.00	0	0	0	0	100.00	100.00	0	0	N/A	N/A	N/A	N/A	N/A

<sup>\*</sup> Based on 2002 Peer Small Business Data: US. (2003 data not available)

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

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2003).

## Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: STATE OF IOWA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>†</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	549	100	16.15	20	19.84	10	27.17	30	36.84	40	N/A	N/A	N/A	N/A	N/A
2003	266	100	16.81	25	19.66	10	27.19	35	36.34	30	N/A	N/A	N/A	N/A	N/A

<sup>†</sup> Based on [Peer Mortgage Data:

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

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information for 2001-2002 loans and based on 2000 Census information for 2003 loans.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. Because the bank is not a HMDA reporter, the distribution of Home Purchase Loans was based on a sample of 20 loans for 2001-2002 and 20 loans for 2003.

## Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF IOWA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
<b>Mason City, Iowa</b>															
2001-2002	139	100	16.15	10	19.84	10	27.17	45	36.84	35	N/A	N/A	N/A	N/A	N/A
2003	46	100	16.81	15	19.66	25	27.19	25	36.34	35	N/A	N/A	N/A	N/A	N/A

<sup>\*</sup> Based on Peer Mortgage Data:

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

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information for loans in 2001-2002 and based on the 2000 Census information for loans in 2003.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. Because the bank is not a HMDA reporter, the distribution of Home Improvement Loans is based on a sample of 20 loans from 2001-2002 and 20 loans from 2003.

## Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF IOWA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003												
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid
<b>Full Review:</b>																
<b>Mason City, Iowa</b>																
2001-2002	1,367	100	16.15	0	19.84	20	27.17	30	36.84	50	N/A	N/A	N/A	N/A	N/A	N/A
2003	1,244	100	16.81	10	19.66	15	27.19	25	36.34	50	N/A	N/A	N/A	N/A	N/A	N/A

<sup>\*</sup> Based on Peer Mortgage Data:

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

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information for loans in 2001-2002 and based on 2000 Census information for loans in 2003.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. Because the bank is not a HMDA reporter, the distribution of Mortgage Refinance Loans is based on a sample of 20 loans from 2001-2002 and a sample of 20 loans from 2003.

## Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: STATE OF IOWA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2003			
	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
MA/Assessment Area:									
<b>Full Review:</b>									
<b>Mason City, Iowa</b>									
2001-2002	1,996	100	73.91	58.97	92.08	4.86	3.06	22.20	41.74
2003	972	100	64.00	60.91	92.18	5.76	2.06	N/A	N/A

\* Based on 2002 Peer Small Business Data: US.; 2003 Peer Small Business Data Not Available.

\*\* Small loans to businesses originated and purchased in the 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 2001-2002 for 30.76% of small loans to businesses originated and purchased by the bank or for 28.09% of small loans to businesses originated and purchased in 2003.

## Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF IOWA			Evaluation Period: JANUARY 1, 2001 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			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
<b>Mason City, Iowa</b>									
2001-2002	3,636	100	98.44	65.15	91.83	7.48	.69	57.90	57.97
2003	1,489	100	97.43	71.52	89.05	10.01	.94	N/A	N/A

\* Based on 2002 Peer Small Business Data: US.; 2003 Peer Small Business Data Not Available.

\*\* Small loans to farms originated and purchased in the 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 2001-2002 for 32.51% of small loans to farms originated and purchased by the bank or for 26.80% of small loans to farms originated and purchased in 2003.

## Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF IOWA				Evaluation Period: OCTOBER 1, 2001 TO JUNE 30, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
<b>Mason City, Iowa</b>	1	524	33	494	34	1,018	100	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.



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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM & BRANCH OPENINGS/CLOSINGS Geography: IOWA Evaluation Period: OCTOBER 1, 2001 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*	
<b>Full Review:</b>																		
<b>Mason City, Iowa</b>	100	12	100		0	100	0	0	0	0	0	0	0	0	0	100	0	

\* Income of geographies is based on 2000 Census information.