

PUBLIC DISCLOSURE

October 14, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank in Georgetown
Charter #13448**

**111 South Main Street
Georgetown, Illinois 61846**

**Office of the Comptroller of the Currency
8777 Purdue Road, Suite 105
Indianapolis, Indiana 46268**

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.

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 CRA performance of **First National Bank in Georgetown** prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 13, 1998. Our assessment of the bank's performance covers the period since October 23, 1995. The rating received at that time was "Satisfactory Record of Meeting Community Credit Needs". The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING

This institution is rated **Satisfactory Record of Meeting Community Credit Needs**.

This rating is based on analyses of the bank's lending performance from November 1, 1995 - August 31, 1998. The lending performance test includes analysis of the bank's average loan-to-deposit ratio, the volume of total lending within the bank's assessment area, the distribution of credit to borrowers of different incomes and to businesses of different sizes, and the bank's level of compliance with Fair Lending laws and regulations.

The bank's Satisfactory Record of Meeting Community Credit Needs rating is supported by the following:

- Within the bank's assessment area, both the origination of loans to small farms and small businesses and the distribution of installment loans to borrowers of different income levels are good.
- The bank's loan-to-deposit ratio is reasonable given the assessment area's credit needs.
- The bank's level of lending inside the assessment area is satisfactory.

DESCRIPTION OF INSTITUTION

The First National Bank in Georgetown is a \$24 million institution in Georgetown, Illinois. Georgetown is in the southeastern corner of East Central Illinois' Vermilion County and is located on State Highway 1. Georgetown, with a population of 3,700, is located 13 miles from Danville. The bank has no branches. The bank does have one ATM facility located at a convenience store in Georgetown. The institution is 100% owned by Longview Capital Corporation.

Loans have been growing since the last CRA examination. On December 31, 1995, gross loans totaled \$8,630,000. As of June 30, 1998, gross loans totaled \$14,327,000. The real estate (including commercial real estate and farm land) and commercial portfolios are the areas where growth has been the most significant.

As shown in *Table 1*, loan originations have been centered in commercial and agricultural credit. The table shows the breakdown of loan originations made from November 1, 1995 through August 31, 1998. A total of 1,115 loans were made, with the dollar volume being \$24,371,998.

Total Originations Since November 1, 1995		
Table 1		
Type of Loans	Number Made	Dollar Amount Made
Residential Real Estate	56	\$1,706,044
Consumer	580	\$1,949,765
Agricultural	223	\$8,042,719
Commercial	256	\$12,673,470
Total	1,115	\$24,371,998

Source: A six month sample of loan originations was taken since detailed origination reports were not available from the bank. These sample numbers were applied to the total origination numbers made from 11/1/95 - 08/31/98 to provide the numbers for this table.

Discussions with two local government leaders and one retired business owner revealed that extensive local banking services and credit accessibility are available. According to these contacts, the local area's credit needs are centered in home improvement loans. First National Bank in Georgetown serves these credit needs by offering both secured and unsecured home improvement loans.

The bank has no financial or legal impediments that restrict it from meeting the credit needs of its local community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area includes three Block Numbering Areas (BNAs) in the southeastern corner of Vermilion County. The population of the assessment area is 11,766. Based on 1990 census data, all three BNAs are designated middle-income. The following demographic information for the assessment area is based on 1990 census data:

Housing Stock:	86% of the housing units are 1-4 family.
Occupancy:	75% are owner occupied, 19% are renter occupied, and 6% are vacant.
Home Values:	Median home value is \$35,776.
Age of Homes:	Median year of homes built is 1954.
Income:	Median family income is \$28,064.
Income Levels:	23% of families are designated low-income, 18% are moderate-income, 21% are middle-income, and 38% are upper-income.

While economic conditions have improved in Vermilion County over the last few years, the local unemployment rate is still above the state and national rates.

First National Bank of Catlin, First Ridge Farm State Bank, and credit unions and banks in Danville, IL are the bank's main competition.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

The First National Bank in Georgetown's loan-to-deposit ratio is reasonable. During the assessment period, the bank's net loan-to-deposit ratio ranged from 46% to 71%, and averaged 60%. This average ratio is slightly lower than the 63% average net loan-to-deposit ratio of eighteen banks in Vermilion, Champaign, Edgar, Douglas, Coles, Moultrie, and Piatt counties. These banks all have total assets between \$15 million and \$35 million. However, at June 30, 1998, First National Bank in Georgetown's loan to deposit ratio of 68% was slightly above other area similar-sized banks.

LENDING IN THE ASSESSMENT AREA

The bank's lending inside the assessment area is at a satisfactory level. As illustrated in *Table 2*, our analysis of a sample of loans revealed that 63% of the dollar amount, and approximately 63% of the number of loans, were made inside the bank's assessment area.

LOAN PENETRATION ANALYSIS				
Table 2				
<i>Type of Loan</i>	<i>Within Assessment Area</i>		<i>Outside Assessment Area</i>	
Residential Real Estate	\$1,347,775	79%	\$358,269	21%
	45	80%	11	20%
Commercial Loans	\$9,378,368	74%	\$3,295,102	26%
	133	52%	123	48%
Agricultural Loans	\$2,975,806	37%	\$5,066,913	63%
	112	50%	111	50%
Installment Loans	\$1,618,305	83%	\$331,460	17%
	418	72%	162	28%
Total	\$15,320,254	63%	\$9,051,744	37%
	708	63%	407	37%

Source: This table is a proforma analysis using the following sample: 20 agricultural loans, 21 commercial loans, 20 residential real estate loans, and 25 installment loans. This sample covered the time period of 11/01/95 - 8/31/98.

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

First National Bank in Georgetown satisfactorily extends credit to consumers of all income levels, and satisfactorily extends credit to smaller-sized commercial and agricultural borrowers within its assessment area. Twenty-three percent of the population of Vermilion County is considered low-income, with an additional eighteen-percent classified as moderate-income. Income levels used in our analysis are based on the 1998 nonmetropolitan median family income for Illinois, which is \$39,500, the 1997 nonmetropolitan median family income of \$37,600, and the 1996 nonmetropolitan median family income of \$36,000. (Our sample included originations from 1998, 1997, and 1996. The applicable year's median was used.)

Consumer Loan Analysis

First National Bank in Georgetown originates installment loans to individuals of different income levels in reasonable proportion to the area's income characteristics. Given the bank's limited volume of real estate loan originations, we did not review mortgage activity. As illustrated in *Table 3*, the amount of installment loans made to low- and moderate-income borrowers was good. Our analysis indicates that 66% of the number, and 32% of the dollars, of installment loans were made to low- and moderate-income borrowers during the evaluation period.

INSTALLMENT LOANS					
Proforma Distribution of Borrowers' Income Levels					
Table 3					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	138	33%	\$275,112	17%	23%
Moderate - Income 50% - 79% of Median	138	33%	\$242,746	15%	18%
Middle - Income 80%-119% of Median	96	23%	\$744,420	46%	20%
Upper - Income 120% or more of Median	46	11%	\$356,027	22%	38%
Actual Totals	418	100%	\$1,618,305	100%	100%

Source: This table is a proforma analysis based on a sample of 18 consumer installment loans from loans that were made in the bank's assessment area between 1/1/96 and 8/31/98.

Commercial Loan Analysis

The bank's record of lending to small businesses and small farms within the assessment area is good. As shown on *Table 4* and *Table 5*, our sample of twenty-one commercial and agricultural loans in the assessment area showed 100% of these loans were made to businesses and farms with gross revenues of less than \$500,000. Small businesses are defined as a business with annual gross revenues below \$1,000,000. Small farms are defined as a farm with annual gross revenues below \$500,000.

COMMERCIAL LOANS				
Proforma Distribution to Various Business Sizes				
Table 4				
<i>Gross Revenues</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$100,000	97	73%	\$5,720,805	61%
\$100,000 - 250,000	12	9%	\$3,188,645	34%
\$250,000 - 500,000	24	18%	\$468,918	5%
\$500,000 - 1,000,000	0	0%	\$0	0%
More than \$1,000,000	0	0%	\$0	0%
Totals	133	100%	\$9,378,368	100%

Source: This table is a proforma analysis based on a sample of 11 commercial loans made to businesses located inside the bank's assessment area between 11/1/95 and 8/31/98.

AGRICULTURAL LOANS				
Proforma Distribution to Various Farm Sizes				
Table 5				
<i>Gross Revenues</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$50,000	45	40%	\$297,583	10%
\$50,000 - 100,000	45	40%	\$1,874,772	63%
\$100,000 - 500,000	22	20%	\$803,474	27%
More than \$500,000	0	0%	\$0	0%
Actual Totals	112	100%	\$2,975,829	100%

Source: This table is a proforma analysis based on a sample of 10 agricultural loans made to farmers located inside the bank's assessment area between 11/1/95 and 8/31/98.

GEOGRAPHIC DISTRIBUTION OF LOANS

A review of the geographic distribution of loans was not necessary, due to the fact that all three BNAs in the assessment area are middle-income.

COMPLIANCE WITH FAIR LENDING LAWS

The First National Bank in Georgetown is in compliance with the substantive provisions of the anti-discriminatory laws and regulations. There is no evidence of practices to discourage individuals from applying for credit. The bank generally solicits credit applications from all segments of its assessment area.

WRITTEN COMPLAINTS

The First National Bank in Georgetown has not received any written complaints about its performance in helping to meet the credit needs within its assessment area.