



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**January 21, 2009**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Fisher National Bank  
Charter Number 14757

102 East Division Street  
Fisher, IL 61843

Office of the Comptroller of the Currency

CENTRAL ILLINOIS & CENTRAL INDIANA  
3001 Research Road, Suite E-2  
Champaign, IL 61822

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**INSTITUTION'S CRA RATING: This institution is rated Outstanding.**

The primary factors supporting the bank's rating include:

- The bank's loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are originated to borrowers inside the bank's AA.
- The distribution of loans reflects more than reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes, given the demographics of the AA.

**SCOPE OF EXAMINATION**

We evaluated the bank under the small bank performance standards. Using bank generated reports of all loan originations for the period January 1, 2006 through August 6, 2008, we determined the bank's primary credit products by dollar and number to be business loans and residential real estate purchase and refinance mortgages. For this analysis, we used the Home Mortgage Disclosure Act (HMDA) data for residential real estate purchase and refinance loans and a sample of twenty business loans. To assess the accuracy of the HMDA data, we conducted an independent test of the home mortgage loan data. We also used deposit information, reported annually to the Federal Deposit Insurance Corporation, to determine the bank's market share and market presence in the AA. The most recent deposit information available is as of June 30, 2008. There is no affiliate activity considered in this evaluation.

**DESCRIPTION OF INSTITUTION**

The Fisher National Bank (FNB) is a \$62 million intrastate financial institution located in Fisher, Illinois. Fisher is located in the northwest corner of Champaign County, approximately twenty miles north of Champaign, Illinois. The bank is a wholly owned subsidiary of Fisher Bancorp, Incorporated, a one-bank holding company located in Fisher, Illinois.

The bank is a full service banking institution and operates two banking offices in Champaign County, including the main bank office in Fisher and a branch facility in Mahomet, Illinois. Automated teller machines (ATMs) are available at four locations, including a gas station in Fisher, the branch and a restaurant in Mahomet, and a laundromat in Mansfield. None of the ATMs accept deposits, but transfers between accounts can be completed. The bank also offers Internet and telephone banking. In June 2006, the bank relocated the Mahomet branch to a new building on the east side of town.

The bank offers a full range of retail and commercial banking products and services normally associated with a community bank. Gross loans total \$46 million on

September 30, 2008, representing 70% of total assets and 83% of deposits. The following represents the bank's loan portfolio mix as of September 30, 2008: 42 percent residential real estate loans, 39 percent commercial business loans, 12 percent agricultural loans, and 7 percent consumer loans. Tier 1 capital is \$5.6 million as of September 30, 2008. The bank's business strategy during the evaluation period has been to grow through origination of business, farm, and real estate loans inside and outside the AA. The bank's legal and financial circumstances do not impede its ability to meet the credit needs of the AA. The bank received a Satisfactory rating on its last CRA performance evaluation dated December 29, 2003.

## DESCRIPTION OF ASSESSMENT AREA(S)

The bank's assessment area (AA) consists of three census tracts (#105, #106.01, and #106.02) in Champaign County in the Champaign-Urbana, Illinois, Metropolitan Statistical Area (MSA). Since the last CRA evaluation, the bank's assessment area expanded to include an additional census tract (#106.02) when the Mahomet branch was relocated to a new building on the east side of town in June 2006. This AA is legal, meets the requirements of the regulation, and does not arbitrarily exclude any low- or moderate-income geography. The AA is 100% middle-income with no low-, moderate-, or upper-income census tracts.

The following demographic information is based on 2000 census data:

Population:	18,500
Population by Geography: <i>Low-, moderate-, middle-, upper-income tract</i>	0%, 0%, 100%, 0%
Housing Stock: <i>1-4 family housing units</i>	97%
Occupancy: <i>Owner-occupied, renter-occupied, vacant</i>	77%, 18%, 5%
Home Values: <i>Median home value</i>	\$101,707
Age of Homes: <i>Median year of homes built</i>	1976
Income: <i>Updated median family income for 2008</i>	\$61,600
Family Income Levels: <i>Low-, moderate-, middle-, upper-income</i>	11%, 19%, 25%, 45%
Income: <i>Weighted Average median household income</i>	\$53,223
Household Income Levels: <i>Low-, moderate-, middle-, upper-income</i>	11%, 12%, 20%, 57%
	<b>2008 Business Data</b>
Farms:	187
Farms: <i>Percent of small farms in the assessment area</i>	99%
Farms: <i>Percent not reporting revenue figures</i>	0%
Businesses:	1,078
Businesses: <i>Percent of small businesses in the assessment area</i>	66%
Businesses: <i>Percent not reporting revenue figures</i>	30%

The local economy is stable, but declining. Employment is driven by agriculture, service, and small manufacturing industries. Major employers in the AA include Vesuvius USA, Design and Manufacturing LTD, and the local school districts. Many residents commute to Champaign, Illinois for work. The November 2008 unemployment rate for the Champaign-Urbana MSA was 6.4%, compared to the state and national rates of 7.3% and 6.8% respectively. The bank faces strong competition from several other financial institutions in Champaign County, including larger regional and national

banks. The bank's deposit market share in Champaign County is 1.09% as of June 30, 2008.

During this examination, we made one community contact with a representative of a not-for-profit affordable housing organization in Champaign County. She indicated there is a need for more affordable housing and financial literacy in homeownership counseling and foreclosure prevention in the county.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance under the Lending Test is outstanding.

### Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. The bank's loan-to-deposit ratio averaged seventy-nine percent (79%) over twenty-one quarters between March 2003 and September 2008, ranging from a low of 74% to a high of 89%. The bank's loan-to-deposit ratio was 83% on September 30, 2008. This ratio is above the average loan-to-deposit ratio for similarly situated banks in and near the AA. The similarly situated banks include five banks in Champaign, Ford, and Piatt Counties with assets ranging between \$57 million and \$67 million. The combined loan-to deposit ratio for the similarly situated banks was sixty-eight percent (68%), ranging from 52% to 79%, for the same time period. In addition, the bank sold \$10.5 million in residential real estate loans into the secondary market between 2006 and 2008. The bank's adjusted loan-to-deposit ratio would increase to 102% for September 30, 2008.

### Lending in Assessment Area

The bank originated a majority of loans within the AA. Sixty-five percent (65%) of the number and sixty-eight percent (68%) of the dollar amount of loans originated to borrowers within the bank's AA.

Lending in the Assessment Area										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	14	70%	6	30%	20	\$1,235	68%	\$590	32%	\$1,825
RE – Home Purchase	48	59%	33	41%	81	\$5,006	67%	\$2,472	33%	\$7,478
RE – Home Refinance	84	68%	39	32%	123	\$8,781	68%	\$4,096	32%	\$12,877
Totals	146	65%	78	35%	224	\$15,022	68%	\$7,158	32%	\$22,180

*Source: HMDA data for January 1, 2006 – December 10, 2008 for residential purchase and refinance loans, and a sample of 20 business loans from the AA that were originated between January 1, 2006 and August 6, 2008.*

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects more than reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes, given the demographics of the AA.

### Residential Real Estate Loans

The distribution of residential real estate loans to borrowers of different income levels is more than reasonable. Performance with low-income borrowers is excellent and above the demographic comparator for refinance mortgage loans, and meets the demographic comparator for purchase mortgage loans. Performance with moderate-income borrowers is excellent and above the demographic comparator for purchase mortgage loans, and near the demographic comparator for refinance mortgage loans. Furthermore, the combined performance with low- and moderate-income borrowers at 36% and 34% for purchase and refinance mortgage loans respectively is substantially higher than the demographic comparator of 30%.

<b>Borrower Distribution of Residential Real Estate Loans in the AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	11%	11%	19%	25%	25%	31%	45%	33%
Refinance	11%	17%	19%	17%	25%	32%	45%	34%

*Source: HMDA data January 1, 2006 – December 10, 2008 for residential purchase and refinance loans, and 2000 U.S. Census data.*

### Business Loans

The bank’s performance of lending to businesses of different sizes is more than reasonable. Ninety percent (90%) of the number of business loans sampled in the AA was made to small businesses. Small businesses are businesses with gross revenues equal to or less than one million dollars. Demographic data for the AA shows that sixty-six percent of the businesses in the AA have revenues equal to or less than one million dollars. A high percentage of businesses in the AA have unreported financial information available for analysis.

<b>Borrower Distribution of Loans to Businesses in the Assessment Area</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses*	66%	4%	30%	100%
% of Bank Loans in AA by #	90%	10%	0%	100%
% of Bank Loans in AA by \$	84%	16%	0%	100%

*Source: This table is based on 20 commercial loans from the AA that were originated between January 1, 2006 and August 6, 2008, and 2000 U.S. Census data.*

### **Geographic Distribution of Loans**

A geographic distribution analysis was not meaningful to the evaluation. There are no low- or moderate-income census tracts in the AA.

### **Responses to Complaints**

The bank has not received any CRA related complaints.

### **Fair Lending or Other Illegal Credit Practices Review**

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