



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

August 10, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BankChampaign, National Association
Charter Number 16643

2101 South Neil
Champaign, IL 61824-0000

Office of the Comptroller of the Currency

CENTRAL ILLINOIS & CENTRAL IND Field Office
3001 Research Road Suite E2
Champaign, IL. 61822-0000

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 Satisfactory.

The major factors that support this rating include:

- BankChampaign, N.A.'s (BankChampaign) distribution of loans represents reasonable penetration among businesses of different sizes.
- The distribution of loans reflects a reasonable dispersion throughout the different geographies within the bank's assessment area (AA).
- BankChampaign's loan to deposit ratio is more than reasonable.
- A substantial majority, of BankChampaign's primary loan product (business loans), are originated within the bank's AA.

SCOPE OF EXAMINATION

BankChampaign was evaluated under the small bank examination procedures, which evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period is from August 11, 2004 to August 10, 2009.

To evaluate the bank's lending performance, we utilized loans originated by BankChampaign from January 1, 2007 to August 10, 2009. The current year, plus the prior two years were utilized, as the primary products did not change throughout the evaluation period. Based on both number and dollar volume of loan origination information supplied by the bank, BankChampaign's primary loan product is business loans. Since January 1, 2007, sixty-six percent of the number and eighty percent of the dollar amount of originated loans were coded as business loans. To evaluate the bank's lending performance within this primary product, we selected a sample of twenty business loans made during this time period.

DESCRIPTION OF INSTITUTION

BankChampaign is an intrastate bank headquartered in Champaign, Illinois. Champaign is located in East Central Illinois at the intersections of Interstates 57, 74, and 72. The cities of Chicago, Illinois, Indianapolis, Indiana, and St. Louis, Missouri are approximately two to three hours away by car.

BankChampaign is wholly owned by Market Place Bancshares, Inc., a one-bank holding company. As of June 30, 2009, BankChampaign had total assets of \$198 million and tier one capital of \$13 million. In addition to the main office located in southwest Champaign, BankChampaign operates a branch located by Market Place Mall in north Champaign. Deposit-taking ATMs are located at both offices. The bank has not opened or closed any branches during the evaluation period.

The bank offers a range of deposit and loan products, and services. The bank also offers trust services through its trust department. Net loans were \$139 million as of June 30, 2009, and represent seventy percent of total assets. During the evaluation period, shifts within the loan portfolio have occurred, as the portfolio has shifted to business loans. The following represents the bank's loan and lease portfolio mix, as of June 30, 2009:

Loan Portfolio Summary by Loan Product, as of June 30, 2009	
Loan Category	% of Outstanding Dollars
Business Loans	67.80%
Home Loans	24.65%
Farm Loans	5.64%
Consumer Loans	1.91%

Source: June 30, 2009 Call Report Data Business loans include multi-family mortgages and construction loans. Consumer loans include home equity lines of credit.

There are no legal or financial impediments to BankChampaign's ability to meet the credit needs of its AA. The bank was rated Satisfactory at its last CRA examination dated August 10, 2004.

DESCRIPTION OF ASSESSMENT AREA(S)

BankChampaign's AA is comprised of Champaign County. Champaign County is located within the Champaign-Urbana Metropolitan Statistical Area (MSA) 16580. Champaign County is the eleventh largest county in the state of Illinois, based on a population of 179,669 from the 2000 Census. Based on 2007 Census Estimates, the county has grown to a population of approximately 190,000.

The AA consists of forty-one census tracts, including three low-income tracts, thirteen moderate-income tracts, fifteen middle-income tracts, nine upper-income tracts, and one undefined tract. The assessment area conforms to the regulation and does not arbitrarily exclude low- or moderate-income areas.

The current economy in the AA is characterized as stable. The local economy is positively influenced by the University of Illinois. Due to the university and several well known technology startup companies, the area is referred to as the Silicone Prairie. The area is surrounded by farming communities, which also positively impact the local economy.

The largest employer in the county is the University of Illinois, which employed 10,900 individuals in 2008. The top ten employers in the county are a mix of education, medical, manufacturing, and retail industries. In addition to the University of Illinois, top employers include: Carle Clinic Association; Carle Foundation Hospital; Champaign Schools Unit #4; Kraft Foods; Provena Covenant Medical; Kirby Foods; Christie Clinic Association; Urbana Schools Unit # 116; and Hobbico. As of June 2009, average unemployment for the area was at 7.70 percent and is lower than the state average of 10.50 percent and national average of 9.70 percent.

Within the AA there are 11,403 non-farm businesses. Businesses, with annual gross revenues of \$1 million or less, are considered small businesses. Based on this criteria, 63.87 percent of the businesses with the AA are considered small businesses. Businesses reporting annual gross revenues over \$1 million totaled 4.50 percent, with the remaining 31.63 percent not reporting revenue data.

Here is a summary of additional demographic information for this AA:

Demographic Information for the AA					
	#	% Low	% Moderate	% Middle	% Upper
Businesses located w/in CT Income Levels*	11,403	4.91%	28.22%	43.81%	20.93%
Families by Income Level	39,751	18.12%	18.34%	24.52%	39.02%
Households by Income Level	70,619	25.00%	15.30%	18.03%	41.67%
Census Median Family Income (MFI)		\$51,878	Median Housing Value		\$96,578
HUD- Adjusted MFI: 2009		\$65,200	Families Below the Poverty Level		6.92%
HUD- Adjusted MFI: 2008		\$61,600	Households Below the Poverty Level		16.04%
HUD- Adjusted MFI: 2007		\$60,600	Unemployment Level		7.70%

Source: 2000 U.S. Census Data; Unemployment Information is from the Department of Labor as of June 2009; Adjusted MFI is from Department of Housing and Urban Development (HUD). (MFI used is for MSA 16580)

*Business information is from 2008 Business Geodemographic Data and 2.13% of the AA businesses are located within the undefined census tract.

Competition from other financial institutions is strong. The bank’s competitors include twenty-nine other banks with at least one location within the AA. Competitors consist of branches from larger regional and nationwide institutions, as well as local community banks.

In conducting the assessment of the bank’s performance, we performed one community contact with an economic development agency located within the AA. We also reviewed information from contacts at three local community development organizations. While most credit needs are being met, there is still a need for more affordable housing for low- and moderate-income individuals in the AA. Additional community development needs include small business loans and community services to the low- and moderate-income families, including improving financial literacy with home ownership counseling and foreclosure prevention.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

BankChampaign’s performance of meeting the community credit needs is satisfactory. This review concentrated on business loans, the bank’s primary loan product. BankChampaign had a more than reasonable loan-to-deposit ratio and a substantial majority of the loans originated were within the AA.

The borrower and geographic distribution portions of this review received the most weight when arriving at the overall rating. BankChampaign has reasonable distribution among businesses of different sizes. BankChampaign also had reasonable geographic distribution.

All criteria pertaining to the lending test is documented below:

Loan-to-Deposit Ratio

BankChampaign’s net loan-to-deposit ratio is more than reasonable given the bank’s size, financial condition, AA’s credit needs, and local competition.

The bank’s net loan-to-deposit ratio averaged 87.59 percent over the twenty quarters since the last CRA examination. This ratio ranged from a low of 74.80 percent to a high of 101.48 percent during the time period.

BankChampaign’s net loan-to-deposit ratio is favorable when compared with the other twelve financial institutions, with total assets between \$50 million and \$250 million, located in MSA 16580. The average quarterly net loan-to-deposit ratio for these similarly-situated banks was 69.87 percent over the same time period.

Lending in Assessment Area

A substantial majority of BankChampaign’s primary loan product was originated within the bank’s assessment area. Ninety percent of the business loans sampled were made within the AA.

Lending in the AA										
Type of Loans	Number of Loans					Dollar of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business	18	90.00%	2	10.00%	20	\$3,960	91.57%	\$364	8.43%	\$4,324

Source: Sample of 20 business loans originated between 1/1/07 and 8/10/09.

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

The distribution of loans reflects reasonable penetration among businesses of different sizes. Fifty-two percent of the bank’s loans to businesses originated in the loan sample were made to small businesses. Small businesses are businesses with gross annual revenues of one million dollars or less. While this ratio is less than demographic data that shows sixty-three percent of the businesses located in the AA are small

businesses, the bank’s ratio is not considered to be significantly lower and is reasonable.

Borrower Distribution for Business Loans within AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA businesses	63.87%	4.50%	31.63%	100.00%
% of bank loans in AA by #	52.00%	30.00%	18.00%	100.00%
% of bank loans in AA by \$	37.46%	53.67%	8.87%	100.00%

Sources: Sample of 50 business loans originated between 1/1/07 and 8/10/09 made within the AA and 2008 Business Geodemographic Data.

Geographic Distribution of Loans

The distribution of loans reflects a reasonable dispersion throughout the bank’s AA. There were no conspicuous gaps identified within BankChampaign’s AA.

BankChampaign’s geographic distribution of business loans reflects reasonable dispersion throughout the census tracts of different income levels. Four percent of the business loans originated were to businesses located in the low-income census tracts. Twenty-six percent of the business loans sampled were to businesses in the moderate-income census tracts. These numbers are comparable to demographic data.

Following is a table that details the bank’s performance as compared to the percentage of businesses in each census tract income level.

Geographic Distribution for Business Loans within AA										
Census Tract Income Level	Low		Moderate		Middle		Upper		N/A	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	4.91%	4.08%	28.22%	26.22%	43.81%	30.61%	20.93%	38.78%	2.13%	0.44%

Sources: Sample of 50 business loans originated between 1/1/07 and 8/10/09 within the AA and 2008 Business Geodemographic Data.

Responses to Complaints

BankChampaign has not received any complaints about its performance in helping to meet the assessment area needs during this evaluation period.

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.