



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

(July 1, 1996)

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank and Trust Company of Clinton
Charter Number 1926
P.O. Box 191 Clinton, Illinois 54220

Office of the Comptroller of the Currency
2009 Fox Drive, Suite B
Devonshire Corporate Centre
Champaign, Illinois 61820

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 Community Reinvestment Act (CRA) performance of First National Bank and Trust Company of Clinton prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of July 1, 1996. 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.

This rating is based on the fact the a substantial majority (94% of the number and 98% of the dollar amount) of the loans sampled were within the assessment area. Additionally, borrowers from each income level were represented in both the residential real estate and consumer loan samples.

The following table indicates the performance level of First National Bank and Trust Company of Clinton with respect to each of the five performance criteria. [Indicate the performance level under each criteria by marking an "X" in the appropriate column. If the institution received no complaints since the prior examination, do not "X" a column, instead type over all three boxes "No complaints were received since the prior examination."]

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>(NAME OF FINANCIAL INSTITUTION)</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans	N/A		
Response to Complaints	No complaints were received since the prior examination		

DESCRIPTION OF INSTITUTION

First National Bank and Trust Company of Clinton is a \$56 million bank located near the center of Dewitt County in Central Illinois, approximately 150 miles southwest of Chicago, Illinois and 150 miles northeast of St. Louis, Missouri. Its one branch and ATM are also located in Clinton. The bank is 81% owned by a one-bank holding company, First Clinton Bancorp Inc. Its primary business focus is in residential real estate lending with a secondary focus on agriculture, small business and consumer lending. Loan mix as of March 31, 1996 was residential real estate 48%, consumer 18%, small business 18% small farm 15% and other 1%. Net loans represented approximately 39% of total assets and 62% of deposits at that time.

The bank's ability to meet identified credit needs is good. The loan to deposit ratio has steadily increased from 43% at the last CRA examination to 62% at March 31, 1996 due to both moderate loan growth and a more recent shift of some public funds from deposits to securities sold under agreement to repurchase. No branches or ATMs have been closed since the last examination and there are no legal or other impediments restricting its ability to continue to meet the credit needs of the community.

DESCRIPTION OF ASSESSMENT AREA

The assessment area meets the criteria of the regulation and does not arbitrarily exclude low or moderate income areas. The assessment area includes all five block numbering areas (BNA's) in Dewitt County, which are 9714 - 9718. All are designated as moderate with the exception of 9717, which is high income and includes a substantial portion of the City of Clinton (population 8,000). Clinton is the largest town in the county and is also the county seat. The remainder of the county is composed of Farmer City, population 2,000, several smaller villages, and numerous small farms. The total population of the county is 16,516 with persons 16 and older constituting 75% of the population and those over 65, 17%. Unemployment is 3%.

Major employers within the assessment area are a nuclear power plant (2,300 employees), a trucking company (745), a utensil and fabrication company (625), two seed companies (300), a rail car producer (225), a computer printer and form producer (200) and a city-owned hospital (120). Larger major employers located in nearby Decatur and Bloomington/Normal, 25 miles to the north and south, respectively, include two insurance company headquarters (9,675), a heavy equipment manufacturer (6,000), an automobile manufacturer (3,400), a state university (3,150) two corn/soybean processors (3,100), and a tire manufacturer (2,000). Competition is high and is provided by five other banks and several savings associations within the assessment area and numerous institutions in Decatur and Bloomington/Normal.

Housing stock is older as the median year built is 1954. The median home value is \$42,900 for the 6,942 housing units. Of those units, 67% are owner occupied and 27% are rental. Only 6% of the units are vacant. Median family income of the area is \$32,825 compared with

the statewide nonmetropolitan average of \$36,000. Of the 4,719 families in the county, 16% are low income, 17% moderate, 25% middle, and 42% upper.

To evaluate overall performance of financial institutions serving the community, we contacted a representative of a local service organization and a local businessman. Both indicated credit needs of the area were being served by local institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

LOAN TO DEPOSIT RATIO

The bank's average loan to deposit ratio for the last ten quarters is 50%. As indicated earlier, it has steadily increased from 43% to 62% at March 31, 1996. This compares favorably to the average for the six banks in Dewitt County of 49% for the same date. Those banks range in size from \$4 million to \$80 million.

LENDING IN THE ASSESSMENT AREA

A substantial majority of both the residential real estate and consumer loans sampled were originated within the assessment area. The sample consisted of 35 real estate and 15 consumer loans, the majority of which were originated within the last 3 months, and all in 1996. The following table indicates that 94% of the total was within the assessment area.

Type of Loan	# of Loans Inside the AA	# of Loans Outside the AA	# of Total Loans
Mortgage Loans	34	1	35
Consumer Loans	13	2	15
Total Number of Loans	47	3	50
Loans Inside/Total Loans	94%		
Loans Outside/Total Loans		6%	

The next table indicates that almost 98% of the total dollar volume of loans sampled was within the assessment area.

Type of Loan	\$ Amount of Loans Within the AA	\$ Amount of Loans Outside the AA	\$ Amount of Total Loans
Mortgage Loans	\$1,875	\$38	\$1,913
Consumer Loans	\$30	\$8	\$38
Total Dollar Amount of Loans	\$1,905	\$46	\$1,951
Loans Inside/Total Loans	97.64%		
Loans Outside/Total Loans		2.36%	

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

Based on the same sample used above, the following table indicates loans were made to borrowers in each income category.

Residential Real Estate and Consumer Loans	# of Loans	Percent	\$ Amount of Loans (000s)	Percent
Low Income	9	18%	\$41	2%
Moderate Income	10	20%	\$191	10%
Middle Income	15	30%	\$493	25%
Upper Income	16	32%	\$1,224	63%
Total	50	100%	\$1,949	100%

The sample is representative of 1990 census data which indicates 16% of Dewitt County families were low income, 17% moderate income, 26% middle income and 42% upper income.

By definition, all of the bank's farm and business loans are small farm and small business loans. They represented 15% and 18% of total loans, respectively, as of March 31, 1996.

GEOGRAPHIC DISTRIBUTION OF LOANS

A geographic distribution analysis was not conducted because it would not be meaningful as all BNA's within the assessment area were either middle or upper income. A review of bank prepared data did indicate, however, that sampled residential real estate loans were located in each of the Northeast, Northwest, Southwest, and Southeast sectors of the City of Clinton and in 6 of 13 townships in the county.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No violations of the substantive provisions of the antidiscrimination laws or regulations were identified. There was no evidence of discriminatory practices or disparate treatment noted.