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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

October 29, 1996

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

**Citizens National Bank of Paris  
Charter #6451**

**110-114 West Court  
Paris, IL 61944**

**Office of the Comptroller of the Currency**

**2009 Fox Drive, Suite B  
Champaign, IL 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 Citizens National Bank of Paris prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 7, 1996. Our assessment of the bank's performance covers the period since October 22, 1993, the date of the last CRA examination. 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**.

The bank's loan to deposit ratio is increasing and reflects a ongoing commitment to the credit needs of the assessment area. Also, the bank has a reasonable distribution of loan originations to customers of different income levels.

The following table indicates the performance level of Citizens National Bank of Paris with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>Citizens National Bank of Paris</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	Not performed. All BNAs are designated middle income.		
Response to Complaints	No complaints were received since the prior examination		

## **DESCRIPTION OF INSTITUTION**

Citizens National Bank of Paris is a \$110 million dollar bank operating from 2 locations in Paris, Illinois. The main office is in downtown Paris and a full service facility (including a ATM) is located on Route 133 on the east side of town. A stand alone ATM is in service 10 miles south of Paris at the junction of Interstate 70 and Illinois Route 1. The bank is a wholly-owned subsidiary of First Citizens of Paris, Inc., a two-bank holding company. Paris is a community of 9,000 located in Edgar County in East Central Illinois approximately 25 miles northwest of Terre Haute, Indiana. Paris houses the county seat of Edgar County.

This institution serves the needs of the community by offering a variety of loan products. These loan products include commercial and agricultural loans (operating, equipment, and real estate), residential loans (construction, purchase, refinance, and improvement), and consumer and personal loans (new and used autos and trucks, debt consolidation, home equity and unsecured). The bank recently began offering credit cards to its customer base.

The following represents this institution's loan portfolio mix as of September 30, 1996:

Commercial	13%
Residential Real Estate	24%
Commercial and Farm Real Estate	37%
Consumer and Personal	12%
Agricultural related	14%

The bank does not have any financial or legal impediments restricting it from meeting the credit needs of the Edgar County area.

## **DESCRIPTION OF ASSESSMENT AREA**

The bank's assessment area consists of the five Block Numbering Areas (BNAs) #701-705 in Edgar County. This assessment area does conform to the regulation and does not arbitrarily exclude any low or moderate income areas. All of the BNAs are middle income. The following demographic information on the bank's assessment area is based on 1990 census data:

- Housing Stock - 84% of the housing units are 1-4 family.
- Occupancy - 65% owner occupied, 24% renter occupied and 10% vacant.
- Home Values - The Median Home Value is \$34,900.
- Age of Homes - The Median Year of Homes Built is 1950.
- Income - Illinois Median Family income for non-MSA areas is \$36,000 (1996 HUD statistics).
- Income Levels - 22% of the families are low income and 22% are moderate income.

The following table represents the percentage of families, by income category, in each of the census tracts in the bank's assessment area:

<b>Population</b>	<b>Low Income Families %</b>	<b>Moderate Income Families %</b>	<b>Middle Income Families %</b>	<b>Upper Income Families %</b>
Low Income Tracts	0%	0%	0%	0%
Moderate Income Tracts	0%	0%	0%	0%
Middle Income Tracts	22%	22%	24%	32%
Upper Income Tracts	0%	0%	0%	0%
<b>Total</b>	<b>22%</b>	<b>22%</b>	<b>24%</b>	<b>32%</b>

The local economy is stable to growing and has become well diversified. Several of the large, local employers are governmental/service organizations which helps to keep the local economy stable. These include Simington Windows, Grain Systems, Inc., Eagle Pitchers, Illinois Department of Transportation, Cargill, Arkay Plastics, Cadillac Products, and PVC Container Co. Of course Edgar County remains heavily dependent on the farming and agribusiness sectors of the local economy. Other employment opportunities are provided by a number of small businesses, city and county governmental agencies and local service businesses.

The bank's primary competitor's are First Bank and Trust, S.B., Paris, Illinois, The Edgar County Bank & Trust Company, Paris, Illinois and the three other banks chartered within Edgar County. Other competition stems from credit unions, securities dealers and other purveyors of financial instruments and services.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

**LOAN-TO-DEPOSIT RATIO**

The bank's loan-to-deposit ratio is reasonable based on the institution's size and assessment area credit needs. Citizens National Bank of Paris's average loan-to-deposit ratio equaled 63% for the most recent 13 calendar quarters. While below the average ratio for the other five financial institutions in Edgar County (74%), the ratio has been increasing and is currently 72% as of September 30, 1996.

**LENDING IN ASSESSMENT AREA**

A majority of the loans being originated are from within the assessment area. Based on a sample of loans (including 16 commercial and agricultural, 18 consumer/installment and 13 residential mortgage) originated throughout 1996, 80% of the number of loans and 39% of the dollar amount of the loans were made within the bank's assessment area, with the latter figure

skewed by a large agricultural credit 15 miles away from Paris but not in the assessment area.

(All amounts detailed below are in 000's)

Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$508	78%	\$140	22%
	10	77%	3	23%
Consumer/Installment	\$ 138	63%	\$82	37%
	13	72%	5	28%
Business and Farm	\$546	24%	\$ 1,766	76%
	12	75%	4	25%
Total	\$1,194	37%	\$1,989	63%
	35	74%	12	25%

**CITIZENS NATIONAL BANK'S RECORD OF LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES:**

The bank has done a reasonable job of lending to people of all income levels. Although all the block numbering units within the bank's assessment area are designated as middle income, 44% of the population is in the low and moderate income category.

The following tables show the distribution of installment and residential loan originations among borrowers of different income levels within the assessment area:

Installment Loans

Income Level	# of Loans	%	\$ of Loans	%
Low - Income	9	29%	\$ 92	10%
Moderate-Income	7	22%	\$ 130	15%
Middle-Income	7	22%	\$ 274	31%
Upper - Income	8	26%	\$397	44%

Based upon the sample, the bank has made 51% of its installment loans to low and moderate income people. This percentage is greater than the percentage of low and moderate income families in the population of the assessment area.

### Residential Mortgage Loans

Income Level	# of Loans	%	\$ of Loans	%
Low - Income	3	23%	\$55	9%
Moderate-Income	2	15%	\$64	10%
Middle - Income	3	23%	\$206	32%
Upper - Income	5	38%	\$323	49%

This breakdown is reasonable based on the cost and availability of homes in the Edgar County area. The bank has demonstrated a reasonable willingness to finance home purchases for all income level families.

The bank has also demonstrated a reasonable job of lending to small businesses and farms. Out of 16 commercial loans sampled, inside and outside of the assessment area, 63% were for amounts under \$100,000. Additionally, of the business and farm loans sampled, 13 of the sixteen had revenues of less than \$1,000,000.

### **GEOGRAPHIC DISTRIBUTION OF LOANS**

The geographic distribution of loans was not performed because all of the bank's block numbering areas were designated middle income.

### **COMPLIANCE WITH FAIR LENDING LAWS**

Citizens National Bank of Paris 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, including low- and moderate-income areas.