



PUBLIC DISCLOSURE

June 12, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank in Georgetown
Charter Number 13448

111 South Main Street
Georgetown, IL 61846

Office of the Comptroller of the Currency

Harris Center
3001 Research Road
Champaign, IL 61822-1089

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 providing support for the rating include:

- First National Bank of Georgetown's (FNBG) lending to farms of different sizes is reasonable.
- The distribution of loans reflects reasonable dispersion among different income tracts throughout the institution's assessment area (AA).
- FNBG originated a majority of their primary loan products within the institution's AA.
- FNBG's loan-to-deposit ratio is more than reasonable based on its size, financial condition, assessment area's credit needs, and local competition.

SCOPE OF EXAMINATION

We evaluated FNBG's CRA performance under the small bank performance standards, which assess the bank's record of meeting the credit needs of its AA through lending activities. The evaluation period for the review is from May 12, 2009, to June 12, 2014.

The bank's business strategy of moderate loan growth, primarily agricultural loans, remains unchanged since the last evaluation. Therefore, a loan sampling period between January 1, 2012, and December 31, 2013 is representative of loan originations throughout the evaluation period. Based on both the number and dollar volume of loan origination data supplied by FNBG, their primary lending product are farm loans. To evaluate FNBG's lending performance, we sampled farm loans. No affiliate activities were included.

For analysis purposes, we compared the institution's lending performance with the 2013 Business Geodemographic data and the 2010 United States Census data, and utilized FDIC deposit market share data as of June 30, 2013.

DESCRIPTION OF INSTITUTION

FNBG is a \$51.8 million intrastate bank headquartered in Georgetown, IL. Georgetown has a population of 3,474 (2010 census data) and is located in southeast Vermillion County on Route 1 approximately 10 miles south of Danville. FNBG's only office is located in a moderate-income census tract. Longview Capital Corporation, headquartered in Newman, IL, is the bank's holding company. Longview Capital Corporation is a four bank holding company, including Longview State Bank, State Bank of Chrisman, First National Bank of Georgetown, and Bank of Gibson City. FNBG and its affiliates wholly own two subsidiaries, Midwest AgriCredit Company and Illini Community Development Corporation.

At the last evaluation, the bank had three ATMs which were located in Casey's General Stores in Tilton, Westville, and Georgetown. Since the last evaluation, Casey's General Store requested FNBG to remove the ATMs. FNBG had installed an ATM temporarily

in the IGA in Georgetown, until an ATM was installed within the bank’s parking lot. The ATM does not accept deposits. No branches closed during the evaluation period.

The bank offers a full range of lending products, including mortgage, consumer, commercial, and agricultural. The bank also offers a full line of deposit products, including deposit demand accounts (DDA), money market demand accounts (MMDA), savings accounts, certificate of deposits (CD), negotiable orders of withdrawal (NOW), and individual retirement accounts (IRA). Other services the bank offers is ACH, bill pay, notary public, wire transfers, and Internet banking.

As of March 31, 2014, the bank’s gross loans were \$35 million, or 67 percent of total assets. FNBG Tier 1 capital is \$4.2 million. The bank has 3.56 percent of the AA’s deposits. The bank’s plan is to grow deposits and loans with an emphasis on agricultural loans. The last evaluation conducted on May 11, 2009, rated the FNBG as satisfactory.

Loan Portfolio Summary by Loan Product	
Loan Category	% of Outstanding Dollars
Agricultural loans and leases	40.76%
Farmland	23.36%
Commercial loans	14.66%
Commercial real estate	9.06%
Residential real estate	6.03%
Municipal loans	5.04%
Consumer loans	1.09%

Source: March 31, 2014 Uniform Bank Performance Report (UBPR)

Additionally, FNBG sells loans into the secondary market. During 2012 and 2013, FNBG sold \$8 million in residential loans. FNBG has no legal or financial circumstances impeding their ability to meet the AA’s credit needs

DESCRIPTION OF ASSESSMENT AREA(S)

FNBG’s AA consists of the Danville Metropolitan Statistical Area (MSA) #19180 and encompasses the entire county of Vermillion, which borders Indiana. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. The MSA contains 24 tracts, including five upper income, 11 middle income, seven moderate income, and one low-income tract. The low- and moderate-income census tracts are primarily located in the Danville area, with one outlying moderate census tract located in Georgetown. The population of the MSA is 81,625 (2010 U.S. Census) with 40 percent living in Danville.

There are 63.05 percent owner occupied units and 84.13 percent 1–4 family units. There are eight employers in Vermilion County that employ 500 or more people, including Vermilion County Public Schools, Veterans Affairs, Illiana Health Care System, Genpact, McLane Midwest Company Inc., Vermilion County Government, Presence United Samaritans Medical Center, and Quaker Oats Co. Unemployment in

the county was 12.5 percent in 2013, increased to 12.8 percent in February 2014, and decreased to 8.9 percent in April 2014. The county has the third highest unemployment rate in the state. A rail car manufacturer closed in mid-2013, which led to a loss of over 100 jobs. There has been some recent retail growth in Danville. Current unemployment rates are well above state and national rates of 7.5 and 6.3 percent, respectively. The agricultural sector benefits the community and is mostly small farms. A summary of demographic information for the AA follows:

Demographic Information for the AA					
	#	% Low	% Moderate	% Middle	% Upper
Families by Income Level	20,659	21.15%	17.70%	21.00%	40.15%
Farms by census tract	599	0%	9.18%	77.30%	13.52%
# of Small Farms in AA		99.50%	Families Below Poverty		14.62%
HUD- Adjusted MFI: 2012		\$48,200	Unemployment Rate-AA		8.90%
HUD- Adjusted MFI: 2013		\$53,300	Unemployment Rate-state		7.50%

Source: 2010 U.S. Census Data; Unemployment Information is from the Illinois Department of Employment Services as of June 2014; 2013 Business Geodemographic Data; Adjusted MFI is from HUD.

Competition from other institutions is moderate. There are 15 other institutions with at least one office in the AA ranging from other rural small banks to larger interstate banks with several branches. Most of the competition is centered in the Danville area.

We performed one community contact with a federal governmental office covering the state of Illinois who guarantees loans. The contact did not identify any unmet credit needs within the AA. We also utilized a contact performed in the AA during March 2014. This affordable housing contact identified small business loans, loans for rehabilitation of housing, loans for affordable housing for families, and small consumer loans as credit needs in the AA. The contact also stated 60 percent of private rental housing in Danville did not meet HUD’s basic standards for health and safety, which led to a decline in Section 8 vouchers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

FNBG’s performance under the lending test is satisfactory. The loan to deposit ratio is more than reasonable and the bank originated a majority of its primary products within the AA. Both borrower and geographic distributions are reasonable.

Loan-to-Deposit Ratio

FNBG’s net loan-to-deposit ratio is more than reasonable based on its size, financial condition, the AA’s credit needs, and local competition. Their net loan-to-deposit ratio

averaged 76.09 percent over the past 19 quarters since the last CRA evaluation. Over the 19 quarters, the bank’s highest ratio was 91.71 percent while their lowest was 68.17 percent. As of March 31, 2014, the bank’s loan-to-deposit ratio was 75.96 percent. Due to the large number of agricultural loans, the loan to deposit ratio is cyclical and typically lower in the spring. This is due to farmers paying off the previous year’s operating lines of credit, while not significantly drawing on the current year’s line yet.

FNBG’s average loan-to-deposit ratio is significantly higher than the average of similarly situated institutions. The five institutions located within the AA with total assets under \$100 million averaged 48.55 percent over the same time period. Additionally, we note that \$8 million of residential loans were sold by FNBG in 2012 and 2013. If these loans had not been sold, the loan-to-deposit ratio would be even higher.

Lending in Assessment Area

FNBG originated a majority of the loans inside the bank’s AA. Our sample of 20 agricultural loans indicated that 55.00 percent of the farm loans originated during the evaluation period was located within the AA.

Lending in the AA										
Type of Loans	Number of Loans					Dollar of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Farm Loans	11	55.00%	9	45.00%	20	\$2,318	56.79%	\$1,764	43.21%	\$4,082

Source: Sample of 20 loans originated from 1/1/2012 –12/31/2013

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

Lending to farms of different sizes is reasonable. The distribution of farm loans reflects reasonable penetration among farms of different sizes. Based upon a sample of 20 agricultural loans within the AA, the bank originated 90 percent of loans to small farms. Small farms have gross annual revenues of \$1 million dollars or less. This performance is comparable to the demographic comparator.

Borrower Distribution for Farm Loans within AA				
Farm Revenues (or Sales)	< = \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA farm	99.50%	0.33%	0.17%	100.00%
% of bank loans in AA by #	90.00%	10.00%	0%	100.00%
% of bank loans in AA by \$	96.33%	3.67%	0%	100.00%

Source: Sample of 20 loans originated from 1/1/2012 –12/31/2013 & 2013 Business Geodemographic Data

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion among the different income tracts throughout the bank’s AA. We did not identify any unexplainable conspicuous lending gaps in the AA.

The bank originated 5 percent of the agricultural loans sampled within the moderate-income census tract, which is below demographic data. However, the bank originated 5 percent (one loan) of the agriculture loans in the low-income census tract. The performance to low-income geographies is excellent, as the demographic data did not identify any farms located within this census tract. The loan is secured by farmland located on the edge of the low-income census tract, just outside the city limits of Danville.

Geographic Distribution of Agricultural Loans in Vermilion County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
% of Total	0.00%	5.00%	9.18%	5.00%	77.30%	75.00%	13.52%	15.00%

Source: Sample of 20 loans originated from 1/1/2012 –12/31/2013 & 2013 Business Geodemographic Data

Responses to Complaints

FNBG has not received any CRA related complaints during the evaluation period

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), in determining a national bank’s CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.