



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 29, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Fisher National Bank
Charter Number 14757**

**108 South Third Street
Fisher, IL 61843**

**Comptroller of the Currency
3001 Research Road Suite E2
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 Satisfactory.

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

DESCRIPTION OF INSTITUTION

The Fisher National Bank (FNB) is a \$36 million intrastate bank situated and operated from a main office located at 108 South Third Street in Fisher, Illinois. Fisher is a small rural community located in the northwest corner of Champaign County, approximately twenty miles north of Champaign, Illinois. The population of Fisher is 1,647.

Fisher Bancorp, Incorporated, a one-bank holding company located in Fisher, Illinois, owns FNB. Total holding company assets as of December 31, 2002, were approximately \$36 million. FNB has one branch office within eleven miles of the main office, located in Mahomet, Illinois. The bank also has two automated teller machines (ATMs). One ATM is located at the branch in Mahomet, Illinois. The other ATM is in a convenience store located in Fisher, Illinois. Both ATMs are non-deposit taking ATMs.

FNB offers a full range of retail and commercial banking products normally associated with a community bank. These products include commercial and agricultural loans (operating, equipment, and real estate), residential real estate loans (construction, purchase, refinance, and home improvement), and consumer installment loans (new and used autos and trucks, debt consolidation, unsecured, and credit cards). FNB's primary lending products include residential real estate loans, commercial loans, and agricultural loans. At December 31, 2002, total loans amounted to \$25 million, which comprised 69% of total assets. The following represents this institution's loan and lease portfolio mix as of December 31, 2002:

Residential Real Estate Loans	\$12,820	51%
Commercial Loans	\$ 5,605	22%
Agricultural Loans	\$ 3,659	15%
Consumer Loans	\$ 2,728	11%
Other	\$ 252	1%
Total	\$25,064	100%

Tier one capital totals approximately \$5 million as of December 31, 2002. The bank does not

have any financial or legal impediments restricting it from meeting the credit needs of its local community. The bank has adequate resources to provide for the credit needs of its assessment area. The type and amount of CRA activities are consistent with the bank's size, its financial capability, local economic conditions, and credit needs of the community. FNB's last CRA examination was November 3, 1997 and the rating was "Satisfactory".

DESCRIPTION OF THE ASSESSMENT AREA

The bank's assessment area consists of census tract #105 in Metropolitan Statistical Area (MSA) #1400 in Champaign County. This census tract is located in a middle-income geography. There are no low- or moderate-income geographies in the AA. This AA conforms to the regulation and does not arbitrarily exclude low- or moderate-income areas.

The following changes have occurred in the bank's structure since November 3, 1997. In October 2002, the bank opened a branch in Mahomet, Illinois, which is located in census tract #106.1 in MSA #1400 in Champaign County. This census tract is located in an upper-income geography. This branch is not being included in our CRA assessment as the assessment period had only three months remaining when the branch was opened, and an evaluation of this information would not be meaningful.

The following demographic information on the bank's AA is based on 1990 census data:

Population	3,748 people live in the assessment area.
Housing Stock	90% of the housing units are 1-4 family.
Occupancy	72% owner occupied; 23% renter occupied; 6% vacant.
Home Values	The median home value is \$62,500.
Age of Homes	The median year of homes built is 1963.
Income	Median family income of the assessment area is \$38,617.
Income Levels	12% of the families are low-income, 20% are moderate-income, 25% are middle-income, and 43% are upper-income.
Updated Income	2002 HUD Non-MSA Illinois median family income is \$59,600.

Many of the communities in the county are growing retirement areas with 12% of the number of households headed by residents over 65 years of age. Five percent of the households are below poverty level.

The local economy is stable and is driven by agriculture and small manufacturing. The town of Fisher, located in Champaign County, is made up of four townships consisting of East Bend, Condit, Newcomb, and Brown. The largest employers include the following small manufacturing companies: Vesuvius (steel mill gates), and Design and Manufacturing Ltd. (motion picture film plates). Many residents commute to Champaign, Illinois to work. Unemployment in Champaign County is less than state and national averages. In December of 2002, the unemployment rate for Champaign County was 3.0%. The state unemployment rate for the same period was 6.7%, compared to the national rate of 5.7%.

FNB faces competition from rural community banks and from branches of larger regional and national banks located in Champaign County, specifically in the cities of Champaign, Mahomet, Rantoul, and Gibson City, Illinois. The bank's closest competition consists of the Dewey State Bank in Dewey, Illinois, which is located within the bank's assessment area.

A local government unit in Fisher, Illinois was contacted during this examination. No community or credit needs were identified. According to the contact, FNB is doing a good job of meeting the local community and credit needs.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This review concentrated on the bank's primary loan products. Based upon the bank's portfolio mix as of December 31, 2002, residential real estate loans, commercial loans, and agricultural loans were the primary loan products. Based upon this information, the samples used to evaluate the lending performance components were residential real estate loan originations, residential real estate refinances, commercial loans, and agricultural loans. It should be noted that only those residential real estate loans originated in 2002 were utilized in our analysis. Through data integrity testing, it was determined that the bank's 2001 data was not accurate, and the bank was unwilling to correct the data.

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

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration for residential real estate originations and refinances among individuals of different income levels (including low- and moderate-income). Penetration among businesses of different sizes is good and penetration among farms of different sizes is reasonable.

Residential Real Estate Loan Originations and Refinances

The bank's performance with low- and moderate-income borrowers for residential real estate loan originations is reasonable compared to the demographic data from the 1990 census, which shows that low-income families comprise 12% of the assessment area's population and moderate-income families comprise 20% of the assessment area's population. It is important to note that 5% of the assessment area's population is below poverty level, making it difficult to own a home.

The bank's performance with low- and moderate-income borrowers for residential real estate loan refinances is reasonable compared with the percent of low- and moderate-income families that make up the assessment area's population.

The bank's performance with middle- and upper-income borrowers for both residential real estate loan originations and refinances is also reasonable. The 1990 census data shows that middle-income families comprise 25% of the assessment area's population and that upper-income families comprise 43% of the assessment area's population.

The following tables show the distribution of residential real estate loan originations and

refinances among borrowers of different income levels within the assessment area:

Table 1 - Borrower Distribution of Residential Real Estate Loans in the AA by Number Volume								
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
RE Originations	12%	25% 5	20%	25% 5	25%	25% 5	43%	25% 5
RE Refinances	12%	14% 5	20%	19% 7	25%	43% 16	43%	24% 9

Source: This table is based on a sample of 20 residential real estate loans that were originated in 2002 and on a sample of 37 residential real estate loans that were refinanced in 2002. 100% of all loans originated and refinanced were utilized in this analysis.

Table 2 - Borrower Distribution of Residential Real Estate Loans in the AA by Dollar Volume								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Dollar of Loans	% of AA Families	% of Dollar of Loans	% of AA Families	% of Dollar of Loans	% of AA Families	% of Dollar of Loans
RE Originations	12%	14% \$214	20%	18% \$280	25%	29% \$436	43%	39% \$592
RE Refinances	12%	7% \$221	20%	15% \$467	25%	34% \$1,073	43%	44% \$1,414

Source: This table is based on a sample of 20 residential real estate loans that were originated in 2002 and on a sample of 37 residential real estate loans that were refinanced in 2002. 100% of all loans originated and refinanced were utilized in this analysis.

Commercial Loans

Within the bank's assessment area, eighty percent (80%) of the number and ninety percent (90%) of the dollar of twenty commercial loans sampled were to small businesses. A small business is defined as those businesses with annual gross revenues of less than one million dollars. This activity is good when compared to the number of businesses located in the assessment area (81%) that have revenues equal to, or less than, one million dollars. The following table shows the distribution of commercial loans among businesses of different sizes within the assessment area:

Table 3 - Borrower Distribution of Loans to Businesses in the AA		
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	81%	2%

% of Bank Loans in AA by #	16 (80%)	0 (0%)
% of Bank Loans in AA by \$	\$484,827 (90%)	\$0 (0%)
% Unknown in AA by #	4 (20%)	
% Unknown in AA by \$	\$51,437 (10%)	

Source: This table is based on a sample of 20 commercial loans that were originated in 2001 and 2002, and business demographic data. In the assessment area demographics, 17% of businesses did not report revenue data.

Agricultural Loans

Within the bank's assessment area, 85% of the number of loans and 93% of the dollar of agricultural loans were to small farms. A small farm is defined as those farms with annual gross revenues of less than one million dollars. This activity is reasonable when compared to the number of small farms located in the assessment area (98%) that have revenues equal to, or less than, one million dollars.

The following table shows the distribution of agricultural loans among farms of different sizes within the assessment area:

Table 4 – Borrower Distribution of Loans to Farms in the AA		
Farm Revenues	≤\$1,000,000	>\$1,000,000
% of AA Farms*	98%	2%
% of Bank Loans in AA by #	17 (85%)	0 (0%)
% of Bank Loans in AA by \$	\$866,093 (93%)	\$0 (0%)
% Unknown in AA by #	3 (15%)	
% Unknown in AA by \$	\$70,000 (7%)	

Source: This table is based on a sample of 20 agricultural loans that were originated in 2001 and 2002, and farm demographic data.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable based on the institution's size, financial condition, and assessment area's credit needs. During the past 24 calendar quarters, FNB's loan-to-deposit ratio has averaged 72.22%. Five banks with asset size of \$20 million to \$66 million, and having at least one office in the assessment area, were used for comparison. The average loan-to-deposit ratios of these five banks ranged from 57.07% to 76.80%.

Lending in Assessment Area

A majority of the loans being originated is within the bank's assessment area. Based upon a sample of loans (29 residential restate loan originations, 50 residential real estate loan refinances, 20 commercial loans, and 20 agricultural loans) originated in 2001 and 2002, 77% of the number and 83% of the dollar amount of the loans were made within the bank's assessment area. The following tables show the dollar amount and the number of loans from our sample that fall within and outside the assessment area:

Table 5 - Lending in the AA by Number and Dollar Volume

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential RE Loan Originations	20	69%	9	31%	29	\$1,522	79%	\$414	21%	\$1,936
Residential RE Loan Refinances	37	74%	13	26%	50	\$3,175	80%	\$815	20%	\$3,990
Commercial Loans	17	85%	3	15%	20	\$423,708	91%	\$40,400	9%	\$464,108
<i>Agricultural Loans</i>	17	85 %	3	15%	20	\$718,093	79%	\$190,000	21%	\$908,093
Totals	91	77%	28	23%	119	\$1,146,498	83%	\$231,629	17%	\$1,378,127

Source: This table is based on a sample of 29 residential real estate loan originations, 50 residential real estate loan refinances, 20 commercial loans, and 20 agricultural loans originated in 2001 and 2002

Geographic Distribution of Loans

A geographic distribution analysis was not performed. The bank’s assessment area does not include any low- or moderate-income BNAs.

Responses to Complaints

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

Fair Lending Review

An analysis of recent public comments and consumer complaint information was performed according to the OCC’s risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in November 1997.