



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 4, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Atlanta National Bank
Charter No. 3711
P.O. Box 458
Atlanta, Illinois 61723**

**Office of the Comptroller of the Currency
111 West Washington Street, Suite 300
Peoria, Illinois 61611**

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 **Atlanta National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **November 4, 1996**. This evaluation is based on information from the last CRA examination dated **May 4, 1992** to the current examination dated **November 4, 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 **Outstanding**.

A substantial majority of Atlanta National Bank's (ANB's) loan originations are located within their assessment area. The bank's record of lending to borrowers of different income levels, including low- and moderate-income individuals, is good.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	ATLANTA NATIONAL BANK 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	Geographic distribution not considered meaningful due to the income levels of the geographies within the bank's assessment area.		
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

ANB is a \$28 million bank located in Atlanta, Illinois. The bank serves customers from one facility equipped with a drive-up and automated teller machine (ATM). The bank is located in an upper-income Block Numbering Area (BNA). ANB offers traditional banking services and lending products. The loan portfolio mix is as follows: residential real estate 45%, commercial 12%, agriculture 14%, and loans to individuals 29%. Forty-eight percent of the bank's total assets are represented by net loans. There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of two BNAs and two Census Tracts (CT):

- ▶ BNA 9529, which contains the town of Atlanta (population 1,800) and the rural surrounding area, is located in the northeast corner of Logan County. This BNA is an upper-income geography.
- ▶ BNA 9716 is a middle-income geography located in the northwest corner of DeWitt County.
- ▶ CT 53 is a middle-income geography located in the southwest corner of McLean County.
- ▶ CT 220 is a middle-income geography in the southeast corner of Tazewell County.

All of these counties are adjacent and located in central Illinois. This assessment area meets the legal requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The 1996 non-Metropolitan Statistical Area (MSA) statewide median family income for Illinois is \$36,000. According to the 1990 census, the total population of the bank's assessment area is 14,994. Within the assessment area, 14% of the families are low-income, 21% are moderate-income, 24% are middle-income, and 42% are upper-income. There are 5,651 total housing units in the assessment area of which 71% are owner-occupied, 23% are rental-occupied, and 6% are vacant units.

The economy of the assessment area is based on agriculture, manufacturing, and state government employment. Employment and business opportunities are plentiful due to Atlanta's central location between Bloomington, Lincoln, Decatur, and Peoria. Major employers include State Farm, Mitsubishi Motors, and Illinois State University in Bloomington. In addition, the state prisons in Lincoln and the Caterpillar, Inc. plants in Decatur and Peoria are also major employers for residents of the assessment area. The local economy is stable to growing. In recent years, Atlanta has become a "bedroom community"

for residents who retain employment in the expanding Bloomington market but wish to live in a smaller community. Unemployment in the assessment area is 2%.

ANB is the only financial institution in Atlanta. Competition is provided by several banks and thrift institutions in Lincoln and Bloomington. In addition, there are several small banks in the rural areas surrounding Atlanta. Bank management identified two institutions which they feel are primary competitors given their size and business focus.

A community contact from a Logan County agency indicated that more manufacturing jobs were needed in the area. This contact also felt that credit and financial services education for area consumers would be helpful. The contact did not identify any significant unmet credit needs in the community. Bank management believes that with Atlanta's proximity to Bloomington, plenty of jobs are available if they are desired.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

LOAN-TO-DEPOSIT RATIO

The bank's average loan-to-deposit ratio for the 13 quarters ending 6/30/96 equals 55.52%, substantially above their similarly-situated primary competitors' average of 47.45%. During these thirteen quarters, the loan-to-deposit ratio of ANB and its peers has remained relatively stable with small seasonal fluctuations. However, ANB's ratio has consistently been higher than their peers.

LENDING IN THE ASSESSMENT AREA

A substantial majority of loans are originated within the bank's assessment area as detailed in the following chart. Our analysis, performed using bank trials, included all residential real estate, consumer, agriculture, and commercial loans originated in 1994, 1995, and year-to-date 1996.

**ATLANTA NATIONAL BANK'S
RECORD OF LENDING WITHIN ASSESSMENT AREA**

1994, 1995, AND YEAR-TO-DATE 1996	WITHIN AA	PERCENT IN AA	OUTSIDE AA	PERCENT OUTSIDE AA
RESIDENTIAL REAL ESTATE	\$2,488,884	99%	\$10,000	1%
	73	99%	1	1%
COMMERCIAL	\$2,024,973	97%	\$55,506	3%
	137	98%	3	2%
AGRICULTURE	\$2,540,331	98%	\$55,000	2%
	173	99%	2	1%
CONSUMER	\$5,940,600	94%	\$387,378	6%
	718	94%	43	6%

AA = Assessment Area

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

The distribution of lending reflects good penetration among individuals of different income levels, including low- and moderate-income individuals. The distribution for residential real estate loans corresponds evenly to the income distribution of the population of the assessment area. Our analysis of residential real estate lending was based on a sample of 49 loans from bank loan trials. Following is the distribution of residential real estate loans originated among borrowers of different income levels:

**DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS
AMONG BORROWERS OF DIFFERENT INCOME LEVELS**

1994, 1995 AND YEAR-TO-DATE 1996	# OF LOANS	PERCENT	\$ OF LOANS	PERCENT
LOW-INCOME	8	16%	\$147,137	9%
MODERATE-INCOME	7	14%	\$165,150	11%
MIDDLE-INCOME	12	25%	\$421,597	26%
UPPER-INCOME	22	45%	\$873,205	54%

The distribution for consumer loans reflects excellent penetration of low- and moderate-income individuals. Our analysis of consumer lending was based on a sample of 56 loans from bank loan trials. Following is the distribution of consumer loans originated among borrowers of different income levels:

**DISTRIBUTION OF CONSUMER LOANS AMONG
BORROWERS OF DIFFERENT INCOME LEVELS**

1994, 1995 AND YEAR-TO-DATE 1996	# OF LOANS	PERCENT
LOW-INCOME	14	25%
MODERATE-INCOME	19	34%
MIDDLE-INCOME	13	23%

1994, 1995 AND YEAR-TO-DATE 1996	# OF LOANS	PERCENT
UPPER-INCOME	10	18%

All of ANB's commercial and agriculture loan portfolio is originated to small businesses and small farms. Ninety-four percent of the agriculture loans originated during the evaluation period were less than \$50,000, while 93% of the commercial loans originated were less than \$50,000.

GEOGRAPHIC DISTRIBUTION OF LOANS

A geographic distribution analysis was not considered meaningful because the income level of all geographies comprising the assessment area are middle-income or upper-income.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS

We did not identify violations of any substantive provisions of the antidiscrimination laws and regulations during our examination.