



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

January 03, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank & Trust Company of Clinton
Charter Number 1926**

**400 South Side Square
Clinton, IL 61727**

**Comptroller of the Currency
Central Illinois & Central Indiana
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.

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

DESCRIPTION OF INSTITUTION

First National Bank and Trust Company of Clinton (FNBT) is a \$73 million intrastate institution located in Clinton, Illinois, the county seat of DeWitt County. Clinton is located in the center of DeWitt County on State Highway 51 in central Illinois, approximately 16 miles from Decatur, Illinois, 21 miles from Bloomington, Illinois, 38 miles from Champaign, Illinois, and 40 miles from Springfield, Illinois, the state's capitol. The bank is 100% owned by First Clinton BanCorporation Inc, a single bank holding company. FNBT's one branch and ATM facility is also located in Clinton. FNBT has not opened or closed any branches during this evaluation period.

The bank offers a full range of retail and commercial banking products normally associated with a community bank. Gross loans total \$31 million on September 30, 2004, representing 43% of total assets. The following represents the bank's loan and lease portfolio mix as of September 30, 2004:

Residential Real Estate Loans	\$15 million	47%
Commercial Loans	\$11 million	34%
Agricultural Loans	\$ 3 million	10%
Consumer Loans	\$ 2 million	9%

During 2003 and 2004, the bank originated 981 loans totaling \$36.0 million. According to bank reports, 168 of these loans were commercial (\$16 million), 128 were 1-4 family residential real estate (\$10 million), 505 were consumer (\$6.0 million), and 180 were agricultural (\$4 million).

The bank offers standard loan products to the community. The bank also makes loans to local municipalities totaling \$868,473. Tier one capital totals \$9 million. There are no financial, legal, or other impediments that would hinder the bank's ability to help meet the credit needs of its assessment area. Bank activities are consistent with the bank's size, its financial capacity, local economic conditions, and credit needs of the community. The bank was rated "Satisfactory" at its last CRA examination on September 20, 1999.

DESCRIPTION OF THE ASSESSMENT AREA

The assessment area (AA) consists of DeWitt County. DeWitt County has five census tracts that include four middle-income and one upper-income designations. DeWitt County is not located in a Metropolitan Statistical Area (MSA). This assessment area conforms to the regulation and does not arbitrarily exclude low- or moderate-income areas. The following demographic information for the assessment area is based on 2000 census data:

Population:	16,798
Housing Stock: <i>1-4 family housing units</i>	88%
Occupancy: <i>owner-occupied, renter-occupied, vacant</i>	70%, 23%, 7%
Home Values: <i>Median home value</i>	\$75,938
Age of Homes: <i>Median year of homes built</i>	1955
Income: <i>Median family income</i>	\$43,531
Family Income Levels (%): <i>Low-, moderate-, middle-, upper-income</i>	14%, 16%, 22%, 48%
Household Income Levels(%): <i>Low-, moderate-, middle-, upper-income</i>	18%, 14%, 19%, 49%
	2004 Business Data
Farms: <i>% of small farms in the assessment area</i>	97%
Businesses: <i>% of small businesses in the assessment area</i>	69%
<i>Percent of farms not reporting revenue figures</i>	1%
<i>Percent of businesses not reporting revenue figures</i>	27%

The local economy is stable and driven by small businesses and agriculture. DeWitt County's largest employer is the Clinton Power Plant. Many of the residents commute to Decatur, Bloomington, and Champaign, Illinois for employment with heavy manufacturers and insurance companies. Some of the major employers in the area are the local government, hospital, and school districts. The September 2004 unemployment rate for DeWitt County was 6.1%. The state unemployment rate was 5.7%, compared to the national rate of 5.4%.

FNBT faces competition from several community banks with locations in Clinton, Farmer City, and Kenney, and from larger regional and national competition located in Decatur, Bloomington, Champaign, and Springfield. There are five other banks and one finance company with locations in DeWitt County.

A local government official was contacted during the examination. The contact indicated that the area's financial institutions are meeting the community's credit needs.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This review concentrated on the bank's primary loan products for the years 2003 and 2004, which based on origination information provided by the bank, was primarily commercial and residential real estate loans. We also reviewed consumer loans due to the number of loans generated during this time period. We utilized 2000 census data.

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

The overall distribution of loans reflects reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes, given the demographics of the assessment area.

Commercial Loans

The bank's performance of lending to businesses of different sizes is reasonable. Seventy percent of the number of business loans sampled in the assessment area is made to small businesses. Small businesses are businesses with annual gross revenues of less than one million dollars. Three loans in the sample (15%) did not contain financial information. Demographic data for the assessment area shows that sixty-nine percent of the businesses in the assessment area have revenues equal to or less than one million dollars.

Borrower Distribution of Loans to Businesses in DeWitt County		
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	69%	4%
% of Bank Loans in AA by #	70%	15%
% of Bank Loans in AA by \$	32%	66%

Source: This table is based on 20 commercial loans from the AA that were originated in 2003 and 2004.

Three small loans in the sample totaling \$27,000, did not have revenue information in the file.

* 27% of AA businesses did not report revenue data.

Consumer Loan Originations

The distribution of loans reflects more than reasonable penetration for consumer originations among individuals of different income levels (including low- and moderate-income), given the demographics of the assessment area. The bank's performance in originating consumer loans to both low- and moderate-income borrowers is favorable compared to the demographic data. The following tables show the distribution of consumer loan originations among borrowers of different income levels within the assessment area:

Consumer Loans in DeWitt County by Income Distribution					
<u>Income Level</u>	<u>% of Households in the AA</u>	<u># of Loans</u>	<u>% of #</u>	<u>\$ of Loans</u>	<u>% of \$</u>
Low-Income Less than 50% of Median	18%	8	40%	\$36,642	31%
Moderate-Income 50%-79% of Median	14%	6	30%	\$40,868	35%
Middle-Income 80%-119% of Median	19%	3	15%	\$10,029	9%
Upper-Income 120% or more of Median	49%	1	5%	\$6,510	6%

Source: Sample of 20 consumer loans originated in the AA for 2003 and 2004 and 2000 U.S. Census data.

Two sampled loans totaling \$22,240 did not have income information available.

Residential Real Estate Loans

The distribution of loans reflects reasonable penetration for residential real estate loan among individuals of different income levels (including low- and moderate-income), given the demographics of the assessment area.

The bank’s performance in originating residential real estate loans to low- and middle-income borrowers is comparable to the demographic data. Two loans in the sample (10%) for amounts of \$33,000 and \$51,000 did not contain income information. The following tables show the distribution of consumer loan originations among borrowers of different income levels within the assessment area:

Residential Real Estate Loans in DeWitt County by Income Distribution					
<u>Income Level</u>	<u>% of Families in the AA</u>	<u># of Loans</u>	<u>% of #</u>	<u>\$ of Loans</u>	<u>% of \$</u>
Low-Income Less than 50% of Median	14%	3	15%	\$99,800	9%
Moderate-Income 50%-79% of Median	16%	3	15%	\$121,850	11%
Middle-Income 80%-119% of Median	22%	4	20%	\$253,100	23%
Upper-Income 120% or more of Median	48%	8	40%	\$538,169	49%

Source: Sample of 20 residential real estate loans originated in the AA for 2003 and 2004 and 2000 U.S. Census data. Two sample loans totaling \$84,000 did not have income information available.

Lending in Assessment Area

A substantial majority of the loans are originated within the bank’s assessment areas. Based on a sample of sixty loans originated in 2003 and 2004, 95% of the number and 97% of the dollar amount were made within the bank’s assessment area.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable based on the institution's size, financial condition, assessment area's credit needs, and local competition. During the past twenty-one quarters through September 30, 2004, FNBT's loan-to-deposit ratio has averaged 66%. This average ratio is favorable compared to the 61% quarterly average for three similarly situated banks with total assets between \$64 million and \$94 million headquartered in DeWitt and Logan Counties.

Geographic Distribution of Loans

A geographic distribution analysis was not performed, as the assessment area does not include any low- or moderate-income census tracts.

Responses to Complaints

FNBT has not received any complaints about its performance in helping to meet assessment area needs during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.