



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 13, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank in Staunton
Charter Number 14310**

**115 South Elm Street
Staunton, Illinois 62088**

**Comptroller of the Currency
St. Louis Field Office
2350 Market Street, Suite 100
St. Louis, Missouri 63103**

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.

TABLE OF CONTENTS

<i>INSTITUTION'S CRA RATING</i>	<i>2</i>
<i>DESCRIPTION OF INSTITUTION</i>	<i>2</i>
<i>DESCRIPTION OF MACOUPIN COUNTY</i>	<i>3</i>
<i>DESCRIPTION OF MADISON COUNTY</i>	<i>3</i>
<i>CONCLUSIONS ABOUT PERFORMANCE CRITERIA.....</i>	<i>4</i>

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

All the lending performance components meet or exceed the standards for satisfactory performance. The major factors that support this rating are:

- A substantial majority of the bank's loans are in the assessment areas;
- There is a reasonable level of lending; and
- Loans are reasonably distributed by geography classification, to borrowers of different income levels, and to businesses of different revenue sizes.

DESCRIPTION OF INSTITUTION

As of March 31, 2001, The First National Bank in Staunton (FNB) had assets of approximately \$221 million. FNB is wholly owned by First Staunton Bancshares Inc, which is a one-bank holding company located in Staunton. FNB assets represent substantially all of the holding company's assets. FNB has an operating subsidiary, 1st BancFinancial, which sells annuities, debt and equity securities, and mutual funds. There have been no changes in the bank's corporate structure since the last CRA evaluation.

All of the bank's offices, including the main office in Staunton and full-service branches in Bethalto, Livingston, Worden, Benld, Edwardsville, and Troy, are located in Illinois. FNB also has ATMs at each office, and one at a grocery store in Bethalto. All of the ATMs are deposit taking, with the exception of two. Management has neither opened nor closed any branches since the last CRA evaluation.

FNB is primarily a residential real estate lender. As of March 31, 2001, net loans total approximately \$120 million, or about 54 percent of total assets.

Loan Category	Approximate Dollar Volume	Percentage of Net Loans
Residential Real Estate	\$63,215,000	52
Commercial Real Estate	\$17,222,000	14
Loans to Individuals	\$15,264,000	12
Construction & Land Development	\$ 9,373,000	8
Commercial and Industrial Loans	\$ 8,691,000	7
Farm Real Estate	\$ 4,557,000	4
Other	\$ 4,147,000	2
Farm	\$ 789,000	1

There are no legal or financial impediments to the bank's ability to meet the credit needs of the assessment areas.

FNB's last CRA evaluation was July 1, 1996, and we rated the bank Satisfactory.

DESCRIPTION OF MACOUPIN COUNTY

Management designated Macoupin County as one of the bank's assessment areas (AAs). This assessment area meets the requirements of the regulation, and it contains 13 middle-income block numbering areas.

As of the 1990 Census, the county's population was 47,679, which included 13,489 families. Of these families, about 21 percent were classified as low income, almost 19 percent were classified as moderate income, just over 23 percent were classified as middle income, and approximately 37 percent were classified as upper income. The non-MSA statewide median family income as of the 1990 Census was \$29,693, and the most recent updated figure is \$43,600.

Economic conditions in the county are stable. Agriculture and coal mining are still major employers, although their importance has declined in recent years. The county's unemployment rate is about 3 percent.

There is stiff competition in the county in the financial services industry. There are 32 offices of 18 banks and thrifts operating in the county. These numbers do not include multiple credit unions, mortgage companies, insurance offices that now offer lending services, retailer-based lending (e.g., John Deere), or national business lenders (e.g., American Express).

We made one contact with an economic development agency. Although community needs differ throughout the county, small business lending is a common need.

DESCRIPTION OF MADISON COUNTY

Management designated Madison County as the other of the bank's assessment areas, and it also meets the requirements of the regulation. Madison County is in the St. Louis Metropolitan Statistical Area (MSA), and it contains 2 low-income census tracts, 16 moderate-income tracts, 30 middle-income tracts, and four upper-income tracts. The low- and moderate-income tracts are concentrated in the southern and western edges of the county.

As of the 1990 Census, the county's population was 249,238, which included 69,071 families. Of these families, about 21 percent were classified as low income, almost 20 percent were classified as moderate income, 26 percent were classified as middle income, and just over 33 percent were classified as upper income. The MSA median family income as of the 1990 Census was \$37,995, and the most recent updated figure is \$56,500.

Economic conditions in the county are stable and the economic base is diversified. Health care, manufacturing and retail trade are major employers. The county's unemployment rate is about 3 percent.

There is intense competition in the county in the financial services industry. There are 91 offices of 25 banks and thrifts operating in the county. These numbers do not include myriad credit unions, mortgage companies, insurance offices that now offer lending services, retailer-based lending (e.g., GMAC), or national business lenders (e.g., American Express).

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

FNB does a reasonable job of meeting the credit needs of its assessment areas, including those of low- and moderate-income people.

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable. As of March 31, 2001, the bank's quarterly average ratio calculated since the 1996 CRA evaluation was 66.38 percent. This compares favorably with ratios ranging from 67.43 percent to 78.52 percent for FNB's four self-identified competitors.

Lending in Assessment Areas

A substantial majority of the bank's loans are originated in the AAs. We analyzed Home Mortgage Disclosure Act (HMDA) data to review residential real estate loans originated and purchased from 1997 through 2000. The data shows that just over 98 percent of the number and almost 99 percent of the dollar volume were originated in the AAs. A sample of 23 small business loans taken from loans originated and purchased throughout the evaluation period shows that almost 96 percent of the number and almost 93 percent of the dollar volume were in the AAs.

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

FNB's primary product lines are residential real estate loans and commercial loans. The bank's lending distribution to borrowers of different income levels and to businesses of different sizes is reasonable. Using only loans from within the AA, we reviewed all HMDA reportable loans originated and purchased from 1997 through 2000, and 22 originated and purchased loans from the small business sample discussed above.

Macoupin County

Residential Real Estate

Borrower Designation	Percentage of Families	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Low	21	7	4
Moderate	19	22	17
Middle	23	29	27
Upper	37	40	52

Small Business Loans

Business Designation	Percentage of Businesses	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Revenue<\$1MM	94	100	100
Revenue>\$1MM	5	0	0

Madison County

Residential Real Estate

Borrower Designation	Percentage of Families	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Low	21	13	6
Moderate	20	25	19
Middle	26	31	31
Upper	33	31	43

Small Business Loans

Business Designation	Percentage of Businesses	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Revenue<\$1MM	93	91	98
Revenue>\$1MM	6	9	2

Geographic Distribution of Loans

The geographic distribution of loans is reasonable, given the performance context. We only analyzed Madison County for this factor because it is the only AA with tracts of different income levels. We reviewed all HMDA-reportable loans originated and purchased in the county from 1997 through 2000, and 11 loans in the county from the small business sample discussed above.

Residential Real Estate

Tract Type	Percentage of Owner-Occupied Housing Units	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Low	1	0	0
Moderate	21	8	6
Middle	66	89	90
Upper	12	3	4

Small Business Loans

Tract Type	Percentage of Businesses	Percentage of Loans by Number	Percentage of Loans by Dollar Volume
Low	2	0	0
Moderate	23	9	1
Middle	64	91	99
Upper	11	0	0

There are also tracts with no loan penetration. These tracts are in the western and southern parts of the county, and FNB's Madison County branch network is not dispersed throughout the county. Most branches are located in the northeastern part of the county, close to the bank's home office and base in Macoupin County; many economically depressed areas of Madison County are concentrated in the extreme western and southern parts of the county. The gaps do not appear to be due to geography income characteristics. Forty-five percent of the tracts without loan penetration are classified as middle or upper income.

Responses to Complaints

The bank has no known complaints regarding its CRA performance.

Fair Lending Review

An analysis of public comments and consumer complaint information since the last CRA evaluation in 1996 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 1996.