



PUBLIC DISCLOSURE

July 20, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank in Taylorville
Charter #14769**

**322 West Main Cross Street
Taylorville, Illinois 62568**

Office of the Comptroller of the Currency

**2009 Fox Drive, Suite B
Champaign, IL 61820**

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 CRA performance of **First National Bank in Taylorville** prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of July 20, 1998. Our assessment of the bank's performance covers the period since October 26, 1995. The rating received at that time was "Satisfactory Record of Meeting Community Credit Needs". 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 **Satisfactory Record of Meeting Community Credit Needs**.

This rating is based on analyses of the bank's lending performance from November 1, 1995 - July 20, 1998. The lending performance test includes analysis of the bank's average loan-to-deposit ratio, the volume of total lending within the bank's assessment area, the distribution of credit to borrowers of different incomes and to businesses of different sizes, the distribution of credit among low- and moderate-income geographies within the assessment area, and the bank's level of compliance with Fair Lending laws and regulations.

The bank's Satisfactory Record of Meeting Community Credit Needs rating is supported by the following:

- The bank's loan-to-deposit ratio is reasonable given the assessment area's credit needs.
- The bank's level of lending inside the assessment area is satisfactory.
- The distribution of loans inside the assessment area to individuals of different income levels and small businesses and farms is reasonable.
- The distribution of credit among different geographies within the assessment area is reasonable.

DESCRIPTION OF INSTITUTION

The First National Bank in Taylorville is a \$84 million institution in Taylorville, Illinois. Taylorville is the county seat for Christian County and has approximately 11,400 residents. Taylorville is located on State Highways 48, 29, and 104 in central Illinois, approximately 30 miles from Springfield and Decatur. The bank has no branches or ATM facilities. The institution is 100% owned by First Bancorp of Taylorville, Inc., a one bank holding company.

The table below shows the breakdown of loan originations made from November 1, 1995 through July 20, 1998. A total of 1,559 loans were made, with the dollar volume being \$52,466,529.

Total Originations Since November 1, 1995		
Table 1		
Type of Loans	Number Made	Dollar Amount Made
Residential Real Estate	266	\$9,595,096
Consumer	814	\$8,146,427
Agricultural	224	\$18,714,448
Commercial	255	\$16,010,558
Total	1,559	\$52,466,529

Source: First National Bank in Taylorville reports.

Net loans have been growing over the last few years. On December 31, 1995, net loans totaled \$38,577,000. As of December 31, 1997, net loans totaled \$45,041,000. The real estate and agricultural portfolios are the areas where growth has been seen. The following table shows various changes in major balance sheet categories from December 31, 1995 to June 30, 1998.

MAJOR BALANCE SHEET CATEGORIES			
Table 2			
	<i>December 31, 1995</i>	<i>June 30, 1998</i>	
<i>Category</i>	<i>\$000's</i>	<i>\$000's</i>	<i>Dollar Change</i>
Investments and Federal Funds Sold	\$33,414	\$36,900	+\$3,486
Net Loans	\$38,577	\$43,592	+\$5,015
Total Deposits	\$66,818	\$72,362	+\$5,544

Source: Call Report data submitted for December 31, 1995 and June 30, 1998

Discussions with two county government leaders revealed that extensive local banking services and credit accessibility are available. Credit demand is centered in small business and affordable housing loans. First National Bank in Taylorville serves these credit needs by offering a variety of loan products, which include small business and housing loans.

The bank has no financial or legal impediments that restrict it from meeting the credit needs of its local community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is Christian County, population 34,418. Christian County consists of ten Block Numbering Areas (BNAs). Based on 1990 census data, two BNAs are designated moderate-income. One of these BNAs cover the south-east section of Taylorville. The other moderate-income BNA makes up the north and west sides of Pana. The other eight BNAs are designated middle-income. The following demographic information for Christian County is based on 1990 census data:

Housing Stock:	85% of the housing units are 1-4 family.
Occupancy:	69% are owner occupied, 24% are renter occupied, and 7% are vacant.
Home Values:	Median home value is \$37,566.
Age of Homes:	Median year of homes built is 1950.
Income:	Median family income is \$30,484.
Income Levels:	18% of families are designated low-income, 18% are moderate-income, 25% are middle-income, and 39% are upper-income.

The local economy has experienced moderate growth over the last few years.

Palmer State Bank, First National Bank of Pana, People Bank & Trust, First National Bank (Assumption), The First National Bank (Mount Auburn), Citizens Bank of Edinburg, and Midland Community Bank are other banks headquartered in Christian County. Five other banks also have a presence in the county. One credit union is located in Christian County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

The First National Bank in Taylorville's loan-to-deposit ratio is reasonable. During the assessment period, the bank's net loan-to-deposit ratio ranged from 55% to 63%, and averaged 60%. This average ratio is lower than the 66% average net loan-to-deposit ratio of ten banks in Christian, Sangamon, Macon, Shelby, and Montgomery counties. Total assets of these ten banks range from \$53 million to \$94 million. Six of these ten bank did have branch structures, which First National Bank in Taylorville does not.

LENDING IN THE ASSESSMENT AREA

The bank's lending inside the assessment area is at a satisfactory level. As illustrated on *Table 3*, our analysis of bank prepared reports revealed that 79% of the dollar amount, and approximately 87% of the number of loans, were made inside the bank's assessment area.

LOAN PENETRATION ANALYSIS				
Table 3				
Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$8,430,392	88%	\$1,164,704	12%
	246	92%	20	8%
Commercial Loans	\$10,157,705	63%	\$5,852,852	37%
	209	82%	46	18%
Agricultural Loans	\$16,024,126	86%	\$2,690,322	14%
	193	86%	31	14%
Installment Loans	\$6,900,719	85%	\$1,245,709	15%
	708	87%	106	13%
Total	\$41,512,943	79%	\$10,953,586	21%
	1,356	87%	203	13%

Source: Bank reports of loan originations between 11/1/95 and 7/20/98. Commercial loans include what the bank has designated as business loans and commercial loans secured by real estate. Agricultural loans include farm operating lines and farm loans secured by real estate.

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

First National Bank in Taylorville satisfactorily extends credit to consumers of all income levels, and satisfactorily extends credit to smaller-sized commercial and agricultural borrowers within its assessment area. Eighteen percent of the population of Christian County is considered low-income, with an additional eighteen percent classified as moderate-income. Income levels used in our analysis are based on the 1998 nonmetropolitan median family income for Illinois, which is \$39,500, and the 1997 nonmetropolitan median family income of \$37,600. (Our sample included originations from 1998 and 1997. The applicable year's median was used.)

Consumer Loan Analysis

First National Bank in Taylorville originates loans to individuals of different income levels in reasonable proportion to the area's income characteristics. The amount of mortgage loans made to low- and moderate-income borrowers was low, but adequate. As illustrated on *Table 4*, our analysis of a residential real estate loan sample indicated that 26% of the number, and 16% of the dollars, of residential real estate loans were made to moderate-income borrowers. Our sample of mortgage loans did not contain any low-income customers. The amount of installment loans made to low- and moderate-income borrowers was good. As shown on *Table 5*, analysis of an installment loan sample indicates that 56% of the number, and 47% of the dollars, of installment loans were made to low- and moderate-income borrowers.

RESIDENTIAL MORTGAGE LOANS					
Table 4					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	0	0%	\$0	0%	18%
Proforma	0		0		
Moderate - Income 50% - 79% of Median	9	26%	\$190,686	13%	18%
Proforma	64		\$1,095,951		
Middle - Income 80%-119% of Median	8	23%	\$248,517	16%	24%
Proforma	57		\$1,348,863		
Upper - Income 120% or more of Median	18	51%	\$1,059,047	71%	39%
Proforma	125		\$5,985,578		
Sampled Totals	35	100%	\$1,498,250	100%	100%
Actual Totals	246		\$8,430,392		

Source: This table is based on a sample of 35 residential real estate loans from loans that were made in the bank's assessment area between 1/1/97 and 7/20/98. Proforma is an estimated distribution of loans made using sample data.

INSTALLMENT LOANS					
Table 5					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	5	20%	\$24,405	13%	18%
Proforma	142		\$897,094		
Moderate - Income 50% - 79% of Median	9	36%	\$58,872	33%	18%
Proforma	255		\$2,277,237		
Middle - Income 80%-119% of Median	8	32%	\$75,518	42%	25%
Proforma	226		\$2,898,302		
Upper - Income 120% or more of Median	3	12%	\$21,197	12%	39%
Proforma	85		\$828,086		
Sample Totals	25	100%	\$179,992	100%	100%
Actual Totals	708		\$6,900,719		

Source: This table is based on a sample of 25 consumer installment loans from loans that were made in the bank's assessment area between 1/1/97 and 7/20/98. Proforma is the estimated distribution of loans originated using sample conclusions.

Commercial Loan Analysis

The bank's record of lending to businesses and small farms within the assessment area is good. The bank adequately provides small loans to businesses. As shown on *Table 6*, seventy percent of the commercial loans sampled were extended to businesses with gross revenues below \$1 million. As shown on *Table 7*, the bank satisfactorily provides small dollar agricultural financing to area farmers. Eighty percent of the agricultural loans sampled were made to farms with gross revenues below \$500 thousand.

COMMERCIAL LOANS				
Table 6				
<i>Gross Revenues</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$100,000	1	5%	\$70,000	5%
Proforma	11		\$507,885	
\$100,000 - 250,000	5	25%	\$185,928	12%
Proforma	52		\$1,218,925	
\$250,000 - 500,000	3	15%	\$239,400	16%
Proforma	31		\$1,625,233	
\$500,000 - 1,000,000	5	25%	\$604,890	39%
Proforma	52		\$3,961,505	
More than \$1,000,000	6	30%	\$434,828	28%
Proforma	63		\$2,844,157	
Sample Totals	20	100%	\$1,535,046	100%
Actual Totals	209		\$10,157,705	

Source: This table is based on a sample of 20 commercial loans made to businesses located inside the bank's assessment area between 11/1/95 and 7/20/98. Proforma is an estimated distribution of loans originated based on sample conclusions.

AGRICULTURAL LOANS				
Table 7				
<i>Loan Size</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$50,000	2	10%	\$288,000	8%
Proforma	19		\$1,281,930	
\$50,000 - 100,000	11	55%	\$1,085,000	31%
Proforma	106		\$4,967,479	
\$100,000 - 500,000	3	15%	\$401,000	12%
Proforma	29		\$1,922,895	
More than \$500,000	4	20%	\$1,730,000	49%
Proforma	39		\$7,851,822	
Sample Totals	20	100%	\$3,504,000	100%
Actual Totals	193		\$16,024,126	

Source: This table is based on a sample of 20 agricultural loans made to farmers located inside the bank's assessment area between 11/1/95 and 7/20/98. Proforma is an estimated distribution of loans made using sample conclusions.

GEOGRAPHIC DISTRIBUTION OF LOANS

Within its assessment area, the bank does a good job of lending in all types of geographies. As previously mentioned, portions of Taylorville and Pana are designated as moderate-income, and the remaining areas of the county are designated middle-income. Population of the moderate-income geographies is 5,809, or 17% of the assessment area. There are 2,538 housing units in these areas, which makes up 17% of the housing units. Since the moderate-income BNAs are inside city limits, few if any farms would be contained in these areas. As the next table illustrates, local loans are well dispersed throughout the assessment area.

Geographic Distribution of Loans				
Table 8				
	Loans made in moderate-income BNAs		Loans made in middle-income BNAs	
Residential Mortgage	\$1,063,323	13%	\$7,367,069	87%
	30	12%	215	88%
Installment	\$767,047	11%	\$6,133,672	89%
	97	14%	611	86%
Commercial	\$2,741,495	27%	\$7,416,210	73%
	46	22%	163	78%
Agricultural	\$0	0%	\$16,024,126	100%
	0	0%	193	100%
Total	\$4,571,865	11%	\$36,941,077	89%
	173	13%	1,182	87%

Source: Bank reports containing originations from 11/1/95 through 7/20/98.

COMPLIANCE WITH FAIR LENDING LAWS

The First National Bank in Taylorville is in compliance with the substantive provisions of the anti-discriminatory laws and regulations. There is no evidence of practices to discourage individuals from applying for credit. The bank generally solicits credit from all segments of its assessment area, including the moderate-income areas.

WRITTEN COMPLAINTS

The First National Bank in Taylorville has not received any written complaints about its performance in helping to meet the credit needs within its assessment area.