



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

PUBLIC DISCLOSURE

September 27, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Decatur
Charter Number 4920**

**130 North Water Street
Decatur, Illinois 62525**

**Comptroller of the Currency
Champaign Field Office
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Champaign, Illinois 61822**

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.

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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 **First National Bank of Decatur, Decatur, Illinois**, as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of **September 27, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

DEFINITIONS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Assessment Area (AA)- The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of a Metropolitan Statistical Area (MSA). A rural assessment area may contain one or more neighboring counties.

Block Numbering Area (BNA)- Statistical subdivisions of counties in which census tracts have not been established. BNA's have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT)- Small, locally defined statistical areas within an MSA. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

FNBD- First National Bank of Decatur.

Community Development (CD)- Affordable housing (including multi-family rental housing) for low- and moderate-income (LMI) individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA)- The statute that requires OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Full-Scope Review- Performance under the Lending, Investment, and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g. geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g. innovation, complexity).

Geography- A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA)- The statute that requires certain mortgage lenders that do business or have banking offices in MSA's to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of the applicant(s), the amount of loan requested, and the disposition (e.g. approved, denied, and withdrawn) of the application.

Home Mortgage Loans- Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Income-Levels- These relate to individuals, families, and the CT's in an MSA.

Low-Income- Income levels that are less than 50 percent of the median family income.

Moderate-Income- Income levels that are at least 50 percent and less than 80 percent of the median family income.

Middle-Income- Income levels that are at least 80 percent and less than 120 percent of the median family income.

Upper-Income- Income levels that are 120 percent or more of the median family income.

Limited-Scope Review- Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Median Family Income (MFI)- The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA)- Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Small Business Loans- Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans- Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital- The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

OVERALL CRA RATING

INSTITUTION’S CRA RATING: This institution is rated “**Satisfactory.**”

The following table indicates the performance level of First National Bank of Decatur with respect to the lending, investment, and service tests.

Performance Levels	First National Bank of Decatur Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory		X	X
Low satisfactory	X		
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Major Conclusions:

- The bank's record of lending to small business customers is good. Over 88% of small business loans were made to businesses with revenues of less than \$1 million.
- The bank's distribution of lending to borrowers reflects adequate penetration among retail customers of different income levels. Almost 9% of home purchase loans were originated to low- and over 14% to moderate-income borrowers.
- The geographic distribution of lending to small businesses shows adequate performance in low- and moderate-income census tracts. FNBD made 21% of its small business loans in low- and 20% in moderate-income census tracts.

- FNBD's lending levels reflect adequate responsiveness to its assessment area's credit needs. FNBD originated 1,544 HMDA, small business, small farm and community development loans totaling \$118,246,000 during this evaluation period.
- A substantial majority (78%) of the loans originated was made within the bank's assessment area.
- FNBD originated a significant level of qualified community development investments and grants based on its size, financial capacity and assessment area (AA) opportunities. During the evaluation period, FNBD made \$862,375 in qualified investments and donations, which benefited its assessment area. Another \$400,000 of investments made in prior periods remain outstanding.
- FNBD's delivery systems are accessible to geographies and individuals of different income levels in its AA. One third (33%) of the bank's branches and 11% of its ATM's are located in low-income census tracts. Another 17% of the branches and 33% of the ATM's are in moderate-income census tracts. Only 13% of the population live in low-income census tracts and 19% in moderate-income census tracts. .
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

The First National Bank of Decatur (FNBD) is a \$373 million intrastate institution with 6 full-service locations. Five offices, including the main office, are in Decatur, Illinois, and 1 office is in Mt. Zion, Illinois. The bank operates 9 proprietary ATM's. Four of the bank's ATM's are onsite at bank branches and 5 are offsite.

FNBD is a wholly owned subsidiary of First Decatur Bancshares, Inc. (FDBI). FDBI's consolidated assets, as of December 31, 1998 were \$442 million. The holding company has two other subsidiaries. The First Trust Bank of Shelbyville is a state bank, which had total assets of \$68 million on June 30, 1999. The other affiliate, Firstech, Inc., is a remittance-processing center. Firstech, Inc. processes payments for Sprint, Illinois Power Company and several other companies. Firstech, Inc. also provides data processing services to the 2 banks in the company.

The bank offers a variety of products and services in order to meet the needs of the community. Some of the bank products are discount brokerage, non-deposit investment products and debit cards along with loan and deposit products. As of June 30, 1999, gross loans amounted to \$205,599,000. Real estate loans account for 54% of the bank's portfolio. Thirty-two percent (32%) of the loans are 1-4 family residential, 17% are commercial real estate, 3% are construction, and 2% are secured by farmland. Loans to individuals make up 23%, commercial loans make up 18%, agricultural loans make up 2%, and all other loans complete the portfolio with 2%. The bank does not have any financial or legal impediments that would restrict it from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA - Decatur MSA #2040

FNBD's assessment area (AA) consists of 37 census tracts in the Decatur MSA (#2040) which includes all of Macon County. The 1990 census data showed an area median income of \$34,861. Based on this income level, there are 5 (13%) low-, 7 (19%) moderate-, 17 (46%) middle-, and 8 (22%) upper-income census tracts in this MSA. The Market Profile in Appendix B provides additional detail to describe the Decatur MSA.

Total population of the assessment area is 117,206 persons. The HUD updated median family income for 1999 is \$47,400. There are 32,601 families in Macon County. Of the total, 21% are low-, 18% are moderate-, 24% are middle-, and 38% are upper-income families. Fifty-eight percent (58%) of low- and moderate-income families live in middle- and upper-income census tracts.

There are 50,049 housing units within the assessment area. Of this total, 64% (32,268) of the housing units are owner-occupied, 27% are rental occupied, and 8% are vacant. Four percent (4%) of the owner-occupied units in the assessment area are in low-income census tracts. The rest of the owner-occupied units are 17% in moderate-, 49% in middle-, and 30% in upper-income census tracts. The median housing value in Macon County is \$43,370 as of the 1990 Census. The median age of housing

in the Decatur MSA is 43 years old.

Total number of businesses within the assessment area is 3,975. Of the total, 16% are in low-, 26% are in moderate-, 37% are in middle-, and 20% are in upper-income census tracts. Sixty-nine percent (69%) of the businesses have revenue of less than \$1 million, 9% reported revenues greater than \$1 million, and the remaining 22% of the businesses' revenues are unknown.

Based on 1990 census data, there are 446 farms within the assessment area. The largest majority of farms (73%) are in middle-income census tracts. Only 1% of the farms is in low-, 7% are in moderate-, 73% are in middle-, and 19% are in upper-income census tracts. Ninety-three percent (93%) of the farms have revenue of less than \$1 million, less than 1% reported revenue greater than \$1 million, and the remaining 7% of the farms' revenues are unknown.

The local economy is primarily dependent on manufacturing and agriculture. Major employers in the assessment area include Caterpillar, Inc., Archer Daniel's Midland, Firestone, Decatur Memorial Hospital, Illinois Power Company, and AE Staley. The local unemployment rate as of August 31, 1999, is 6.2%. The unemployment rate is high due to temporary seasonal slow downs in the manufacturing industry. Prior to August, the unemployment rate had been around 5.5% for quite some time.

Competition in the area is strong. Based on June 30, 1998 FDIC information there are 14 Commercial Banks with 31 offices, and 3 Savings and Loans with 12 offices for a total of 17 financial institutions with 43 locations in Macon County. Two (2) of these are major multi-state regional banks.

We conducted interviews with 2 local organizations involved with affordable housing during our evaluation. Our contacts indicated the local economy is very good and unemployment is at its lowest in 8 to 10 years. The housing market is the best it has been in 27 years. The west-end and northeast sectors of the City of Decatur have been in the process of redevelopment in recent years. Substandard public housing and single family residences are being demolished and replaced with new and upgraded housing units. The contacts also stated the local financial institutions are very involved with the community. Many financial institutions participate in programs that provide for flexibility in lending to low- and moderate-income applicants.

SCOPE OF THE EVALUATION

Evaluation Period/Products Evaluated

We reviewed home mortgage, small business, small farm, and community development loans for the time period of January 1, 1997, to June 30, 1999. FNBD chose not to have its consumer lending activity included in the CRA evaluation. The last CRA evaluation dated April 30, 1997, rated the bank “Outstanding Record of Meeting Community Credit Needs.”

The review of investments included a review of the investment portfolio and an analysis of the donations and grants provided to community service organizations. Our evaluation of services included analyzing the bank’s branch and ATM network for the availability and effectiveness of delivering retail-banking services. We analyzed the effect of the changes in branch locations since the previous CRA examination. We also considered the extent and innovativeness of its community development services in meeting the credit needs of the assessment area.

Data Integrity

In order to determine the accuracy of data presented by the bank, we verified a sample of HMDA, small business, and small farm loans. We reviewed a sample of HMDA reportable transactions to ensure the purpose, action taken, race, gender, applicant income, loan size, and geographic location were accurately included on the Loan Application Register (LAR). The sample of small business and small farm loans was reviewed to ensure the loan type, original amount, geographic location, and revenue categories were properly reported. Our review of the HMDA, small farm, and small business information identified errors significant enough that the bank was required to correct the data prior to the examination. We conducted a follow-up review of the accuracy of the data and noted only minor clerical errors.

We also reviewed 100% of the loans the bank was reporting as community development. In addition, we reviewed all the donations the bank made from January 1, 1997, through June 30, 1999. With assistance from bank personnel, we determined which organizations met the definition of community development. The bank submitted several donations that did not meet the definition of community development; however, we only included the donations and loans that met the definition of community development in our analysis.

Selection of Areas for Full-Scope Review

Our analysis included full-scope examination procedures for FNBD’s only assessment area.

Ratings

Since the bank has only one assessment area, the overall rating is based on the entire performance of FNBD during the evaluation period. Small farm lending is a very small portion of FNBD's operations. As of June 30, 1999, small farm loans accounted for only 4% of the total loan portfolio. Additionally, FNBD made only 53 small farm loans during this evaluation period. Therefore, the bank's performance in small farm lending was given very little weight in reaching the overall rating.

Other

During this examination, we conducted two (2) community contacts. These organizations represented housing organizations in the assessment area. There were no unmet credit needs identified through these contacts.

FAIR LENDING REVIEW

Our fair lending review consisted of two (2) separate comparative file analyses. Both analyses consisted of comparing loan terms provided to female applicants versus male applicants. We looked at home improvement loan applicants from July 1, 1998, to June 30, 1999. We also compared the rates and terms provided to individual male and female borrowers for home purchase loans for this same one-year time period. Neither the review of the group of applicants for home improvement credit nor the group of borrowers for home purchase loans showed any disparate treatment.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank's performance under the Lending Test is rated "Low Satisfactory."

Major Conclusions:

- The bank's record of lending to small business customers is good. Over 88% of small business loans were made to businesses with revenues of less than \$1 million.
- The bank's distribution of lending to borrowers reflects adequate penetration among retail customers of different income levels. Almost 9% of home purchase loans were originated to low- and over 14% to moderate-income borrowers.
- The geographic distribution of lending to small businesses shows adequate performance in low- and moderate-income census tracts. FNBD made 21% of its small business loans in low- and 20% in moderate-income census tracts.
- FNBD's lending levels reflect adequate responsiveness to its assessment area's credit needs. FNBD originated 1,544 HMDA, small business, small farm and community development loans totaling \$118,246,000 during this evaluation period.
- A substantial majority (78%) of the loans originated was made within the bank's assessment area.

Lending Activity

Overall responsiveness to credit needs is adequate. During the evaluation period, FNBD originated 1,544 home mortgage, small business, small farm and community development loans totaling \$118,246,000 inside its assessment area. FNBD ranks among the top 10 lenders for HMDA, small business and small farm lending for 1997. Refer to Table 1 in Appendix B for data used in evaluating the bank's lending activity.

The level of HMDA lending by FNBD reflects adequate responsiveness to the housing needs of the assessment area and represents the bank's highest volume of lending. One thousand and three (1,003) loans totaling \$82,058,000 were HMDA related loans. Market share during 1997 for FNBD was 8.35%, which resulted in a rank of 4th for FNBD among 164 lenders who reported at least one HMDA reportable loan in FNBD's assessment area.

Small business loan activity is adequate and provides additional evidence of FNBD's commitment to serving the needs of the community. The bank originated 487 small business loans for a total of \$34,348,000 during this evaluation period. Twenty-six (26) lenders reported making a total of 1,043 small business loans during 1997 within the bank's assessment area. FNBD ranks 4th with 15.44% share of the small business loan market in its AA.

FNBD's small farm lending is good. FNBD originated 53 small farm loans for a total of \$1,340,000 during the evaluation period. Out of 6 lenders reporting small farm loan activity for 1997, FNBD ranks 2nd with 28.81% share of the small farm loan market in Macon County.

FNBD made 1 community development loan for \$500,000 during this evaluation period. There is no market share information available for this type of lending.

FNBD's lending activity is adequate in relation to its share of deposits in this assessment area. The bank has a market rank of 1st of 17 institutions with a 19.58% share of the deposits in this MSA. FNBD's market rank for HMDA and small business loans is 4th. The bank's market rank for small farm lending is 2nd. Small farm loan market share (28.81%) is higher than the deposit market share; however, the market share for HMDA loans (8.35%) is much lower than the deposit market share. Small business market share of 15.44% is similar to the deposit market share. The fact that there are only 17 financial institutions with offices in this assessment area but, there are many more institutions and other types of companies, which make home mortgage loans in this assessment area (164), explains why the home mortgage lending performance is considered adequate.

Assessment Area Concentration

The bank's level of lending inside the assessment area is good. Over 78% of the home mortgage, small business, small farm and community development loans originated inside Macon County. The following data shows the level of lending within the AA during this evaluation period. It is a clear indication of the bank's efforts to meet the credit needs of its community.

Home Purchase: FNBD originated or purchased 430 home purchase loans. Three hundred and ninety-one (391) or 91% of these loans were made within the bank's AA.

Home Improvement: FNBD originated or purchased 179 home improvement loans. One hundred and sixty-three (163) or 91% were made within the bank's AA.

Refinance: FNBD originated or purchased 482 refinance loans. Four hundred and forty-nine (449) or 93% of these loans were made within the AA.

Small Business: FNBD originated 718 small business loans. Four hundred and eighty-seven (487) or 68% of these loans were made within the AA. A significant level of the loans made outside the

assessment area relates to a significant lending relationship of the bank. As discussed below, FNBD has a large volume relationship with a farm implement dealer. This dealership has an affiliated business located outside the assessment area, which also does a significant amount of business credit with FNBD.

Small Farm: FNBD originated 162 small farm loans. Fifty-three (53) or 33% of these loans were made within the AA. A large amount of the activity outside the AA is a result of a large relationship with a farm implement dealer outside the assessment area. The borrower is located just outside the assessment area in a neighboring county. This relationship generates farm loans around the country.

Distribution of Loans by Income Level of the Geography

The geographic distribution of FNBD's loans reflects an adequate distribution of loans in low- and moderate-income census tracts inside the AA. Refer to Tables 2, 3, 4, 5 and 6 in Appendix B for data used to evaluate the bank's geographic distribution within the AA.

Since the 1990 census data was compiled, there have been significant changes in the demographic data within the bank's low- and moderate-income census tracts. These changes are significant enough to render the 1990 census data outdated and misleading. Demographic data from the 1990 census show that owner-occupied units in low-income census tracts in the bank's AA represent 4.29% of the owner-occupied housing in the assessment area. Also, the owner-occupied units in moderate-income census tracts in the bank's AA represent 16.58% of the owner-occupied housing. The low- and moderate-income census tracts in the bank's AA are located in the center of the county, mostly in the City of Decatur. According to information from the bank, community contacts, the Internet, and on-site observations, the level of owner-occupied housing in these areas has declined significantly. Many areas directly to the north, west, and south of the City of Decatur have been demolished. Some have been redeveloped, while others are just sitting vacant. These areas were previously sites of substandard or abandoned single family, public, or multifamily housing units. Owner-occupied housing inhabitants were relocated to upgraded single family residences outside of the low- and moderate-income census tracts. Rental unit occupants were given relocation certificates and quickly filled available rental units in areas other than low- and moderate-income census tracts. Availability of rental units is now at a premium and rental costs are much higher than 1990 data indicates.

Bank personnel and external community contacts also indicated a general migration of population from the City of Decatur. The migrating population has been drawn to new housing developments to the north (in and around Forsyth, Illinois) and south (in and around Mount Zion, Illinois) of Decatur.

Home Purchase Loans

The bank's geographic distribution of home purchase loans reflects adequate performance in lending in low- and moderate-income census tracts within the AA. During this evaluation period, FNBD extended 1 or 0.26% of its home purchase loans in the low-income census tracts and 24 or 6.14% of its home purchase loans in moderate-income census tracts. The bank's distribution of home purchase loans in low- and moderate-income census tracts falls below the percentage of owner-occupied units in low- (4.29%) and moderate-income (16.58%) census tracts.

Based on 1997 aggregate HMDA data, 21 lenders reported extending 33 home purchase loans in low-income census tracts within the bank's AA. FNBD ranks 4th with 3.03% market share in home purchase loans in low-income census tracts. This data also shows that 44 lenders reported extending 204 home purchase loans in moderate-income census tracts. FNBD ranks 6th with 4.41% market share in home purchase loans in moderate-income census tracts during 1997. FNBD's market share for home purchase loans is lower in both low- and moderate-income census tracts than in middle- (7.05%) and upper-income (10.33%) census tracts. Although the bank's distribution of home purchase loans is below the distribution of owner-occupied units based on 1990 census data, it is considered adequate based on the migration of the population and the reduced numbers of owner-occupied units in these areas since 1990 (as discussed above).

Home Improvement Loans

The bank's geographic distribution of home improvement loans reflects adequate performance in lending in low- and moderate-income census tracts within the AA. During this evaluation period, FNBD extended 2 or 1.23% of its home improvement loans in the low-income census tracts and 19 or 11.66% of its home improvement loans in moderate-income census tracts. The bank's distribution of home improvement loans in low- and moderate-income census tracts falls below the percentage of owner-occupied units in low- (4.29%) and moderate-income (16.58%) census tracts.

Based on 1997 aggregate HMDA data, 12 lenders reported extending only 34 home improvement loans in low-income census tracts within the bank's AA. FNBD did not make any home improvement loans in the low-income census tracts during 1997. The aggregate data shows that 16 lenders reported extending only 85 home improvement loans in moderate-income census tracts. FNBD ranks 6th with 5.88% market share in home improvement loans in moderate-income census tracts. The home improvement market share is lower in the moderate-income census tracts than in the middle- (9.35%) and upper-income (14.29%) census tracts. Although the bank's distribution of home purchase loans is below the distribution of owner-occupied units based on 1990 census data, it is considered adequate based on the migration of the population and the reduced numbers of owner-occupied units in these areas since 1990 (as discussed above).

Home Mortgage Refinance Loans

The bank's geographic distribution of home mortgage refinance loans reflects adequate performance in lending in low- and moderate-income census tracts within the AA. During this evaluation period, FNBD did not extend any home mortgage refinance loans in the low-income census tracts. The bank extended 7 or 1.56% of its home mortgage refinance loans in moderate-income census tracts. The bank's distribution of home mortgage refinance loans in low- and moderate-income census tracts falls below the percentage of owner-occupied units in low- (4.29%) and moderate-income (16.58%) census tracts.

Based on 1997 aggregate HMDA data, 25 lenders reported extending only 66 home mortgage refinance loans in low-income census tracts within the bank's AA. This data shows that 51 lenders reported extending 190 home mortgage refinance loans in moderate-income census tracts. FNBD ranks 17th with 1.58% market share in home mortgage refinance loans in moderate-income census tracts. The market share in moderate-income census tracts falls below the market share in middle- (7.17%) and upper-income (13.07%) census tracts. Although the bank's distribution of home purchase loans is below the distribution of owner-occupied units based on 1990 census data, it is considered adequate based on the migration of the population and the reduced numbers of owner-occupied units in these areas since 1990 (as discussed above).

Small Business Loans

FNBD's geographic distribution of small business loans reflects an adequate distribution of lending to businesses in low- and moderate-income census tracts. The bank made 102 (20.94%) small business loans in the low-income geographies even though only 16% of the businesses in the assessment area are located in the low-income census tracts. The bank did not perform quite as well in regard to the moderate-income geographies. According to the business demographic data for the assessment area, 26% of the businesses are located in moderate-income census tracts. However, the bank made only 20% or 99 of its small business loans in this area. FNBD's distribution of loans to businesses located in low-income geographies exceeds the relative opportunity; however, performance in the moderate-income census tracts falls short of the relative opportunity based on the number of businesses located in these geographies. However, FNBD ranks 4th of 26 lenders with a market share of 15.44%, and the bank's market share in low-income census tracts is slightly lower at 13.51%. FNBD's market share in moderate-income census tracts at 13.60% moves the bank's rank to 3rd among the 26 lenders for 1997.

Small Farm Loans

FNBD's geographic distribution of small farm loans reflects a good distribution of lending to farms in low- and moderate-income census tracts. The bank extended 15 (28.30%) small farm loans in the low-income geographies. FNBD's distribution of loans to farms located in low-income geographies highly exceeds the relative opportunity of only 1% of the farms located in these geographies. FNBD has 1

large relationship in this area which accounts for most of this activity. The bank did not perform as well in regard to the moderate-income geographies. According to the farm demographic data for the assessment area, almost 7% of the farms are located in moderate-income geographies. However, the bank made only 1 (1.89%) of its small farm loans in this area. 1997 aggregate small farm lending data indicates only 4 small farm loans were made in the low- and 2 small farm loans were made in the moderate-income census tracts. The low level of farm lending in these tracts is indicative of the overall small number of farms in these tracts (5 in low- and 30 in moderate-income census tracts). FNBD ranks 2nd of 6 lenders with a market share of 28.81%; however, the bank's market share in both low- and moderate-income census tracts is 50% for 1997.

Lending Gap Analysis

An analysis of the bank's penetration throughout all census tracts in its assessment area did not identify any conspicuous gaps in lending. There were only 4 (11%) of the 37 census tracts where the bank had no HMDA loans. Based on 1990 census data, all of these tracts are low-income census tracts; however, these tracts have few (902 total) owner-occupied units. It is reasonable that the bank did not make any home mortgage loans in these census tracts based on the low number of owner-occupied units in these tracts, especially considering the demolition of housing units in these areas as discussed above. For small business lending, FNBD had only 1 census tract (middle-income census tract) in the AA in which it made no loans. This is very reasonable since there are only 8 businesses located in this census tract. Small farm lending distribution shows that over 70% of the tracts had no farm loans. The bank's overall low level of farm lending (only 4% of the loan portfolio on June 30, 1999) contributes to the high number of census tracts in which there were no small farm loans made. Additionally, 5 (14%) of the census tracts had no farms and another 12 (32%) had from 1 to 5 farms located there.

Distribution of Loans by Income Level of Borrower

Distribution of lending to borrowers of different income levels and to businesses of different sizes reflects an adequate level of lending to retail customers and to business customers of different sizes. Refer to Tables 7, 8, 9, 10, and 11 in Appendix B for the data used to evaluate the borrower distribution of the bank's HMDA, small business, and small farm loan originations. According to the bank, our community contacts and information from the Internet, economic conditions in and around the City of Decatur are very good. There are more jobs than there are applicants and unemployment is currently at 6.2%. Improved economic conditions, a lower rate of unemployment, and a steady decline in overall population in the last nine (9) years indicate the 1990 census data is outdated and misleading.

Home Purchase Loans

The distribution of lending to borrowers of different income levels for home purchase loans reflects adequate performance. During this evaluation period, FNBD originated 35 or 8.95% of its home purchase loans to low-income borrowers and 56 or 14.32% of its home purchase loans to moderate-income borrowers. The census data from 1990 shows that 20.73% of families in the bank's AA are low-income families and 17.51% are moderate-income families. The bank's distribution of home purchase loans to low- and moderate-income borrowers is below the 1990 census demographics. It is important to note that 12% of the households in the assessment area are living below the poverty level.

Aggregate 1997 HMDA data shows 29 lenders reported 155 home purchase loans to low-income borrowers and 41 lenders reported 343 home purchase loans to moderate-income borrowers within the bank's AA. FNBD ranks 4th with 8.39% market share to low- and 6th with 6.12% market share to moderate-income borrowers. The performance to low-income borrowers is above the market share to middle- but below the share to upper-income borrowers. The market share to moderate-income borrowers is below the market share to both middle- and upper-income borrowers. Although the bank's level of lending to low- and moderate-income borrowers is below the 1990 census demographics, it is considered to be reasonable due to the performance approximating the relative opportunity.

Home Improvement Loans

The distribution of lending to borrowers of different income levels for home improvement loans shows an adequate level of performance. FNBD originated 20 or 12.27% of its home improvement loans to low-income borrowers and 35 or 21.47% of its home improvement loans to moderate-income borrowers during this evaluation period. The census data from 1990 shows that 20.73% of families in the bank's AA are low-income families and 17.51% are moderate-income families. The bank's extension of home improvement loans to low-income borrowers is below the 1990 census demographics, but 12% of the households in the AA are living below the poverty level. Lending to moderate-income families exceeded the relative opportunity represented by the 1990 census data.

Aggregate 1997 HMDA data shows 13 lenders reported 88 loans to low-income borrowers. FNBD ranks 5th with 6.82% market share. Fifteen (15) lenders reported extending 143 home improvement loans to moderate-income borrowers within the bank's AA. FNBD ranked 2nd with 15.38% market share. The market share to low-income borrowers falls below the share to middle- and upper-income borrowers. However, the market share to moderate-income borrowers exceeds the share to both middle- and upper-income borrowers. Even though the bank's distribution of home improvement loans to low-income borrowers is below the 1990 demographics, it is considered adequate.

Home Mortgage Refinance Loans

The distribution of lending to borrowers of different income levels for home mortgage refinance loans shows an adequate level of performance. FNBD originated 14 or 2.67% of its home mortgage refinance loans to low-income borrowers and 45 or 8.98 % of its home mortgage refinance loans to moderate-income borrowers during this evaluation period. The census data from 1990 shows that 20.73% of families in the bank's AA are low-income families and 17.51% are moderate-income families. Also, 12% of the households in the assessment area live below the poverty level. The bank's distribution of home mortgage refinance loans to low- and moderate-income borrowers is below the 1990 census demographics.

Aggregate 1997 HMDA data shows 37 lenders reported 142 loans to low-income borrowers. FNBD ranks 21st with 1.41% market share. Fifty-one (51) lenders reported extending 262 home mortgage refinance loans to moderate-income borrowers in the AA. FNBD ranks 9th at 3.82% market share. The performance to low- and moderate-income borrowers falls below the share to middle- and upper-income borrowers. Although the level of lending to low- and moderate-income borrowers is below the demographics, it is considered adequate.

Small Business Loans

FNBD's lending levels for small business loans reflect good responsiveness to community credit needs. Eighty-eight percent (88%) of the small business loans reported were made to companies with annual revenues less than \$1 million. This performance compares favorably to the overall market in which 26 lenders reported only 47.46% of its small business loans to businesses with revenues less than \$1 million. The bank's performance also exceeds the opportunities represented by the percent of the businesses in the assessment area that have revenues less than \$1 million (68.93%). The bank's market share of small business loans to businesses with revenues of less than \$1 million (24.40%) exceeds its overall small business market share of 15.44%.

FNBD's small business distribution shows a significant amount of these loans are for small dollar amounts. Eighty-one percent (81%) of the reported small business loans were for original amounts of \$100,000 or less. An additional thirteen percent (13%) of FNBD's small business loans were for original amounts between \$100,000 and \$250,000. The remaining 6% of all reported small business loans were originated for amounts between \$250,000 and \$1,000,000. Table 10 illustrates the distribution of loans by original loan amount and to businesses with revenues less than \$1 million.

Small Farm Loans

FNBD's lending levels for small farm loans reflect good responsiveness to community credit needs. Ninety-five percent (95%) of the small farm loans reported were made to farms with annual revenues less than \$1 million. This performance compares favorably to the overall market in which 6 lenders

reported 71.19% of its small farm loans to farms with revenues less than \$1 million. The bank's performance exceeds the opportunities represented by the percent of the farms in the assessment area that have revenues less than \$1 million (92.60%). The bank's market rank is 2nd of the 6 lenders. However, the market share of small farm loans to farms with revenues of less than \$1 million (14.29%) falls below the overall small farm market share of 28.81%.

FNBD's small farm distribution shows a significant amount of these loans are for small dollar amounts. All of the reported small farm loans were for original amounts of \$100,000 or less. Table 11 illustrates the distribution of loans by original loan amount and to farms with revenues less than \$1 million.

Community Development Lending

FNBD has made an adequate level of community development loans. During this evaluation period, FNBD made a \$500,000 commitment to fund small business loans in the Tax Increment Financing (TIF) district in downtown Decatur. The purpose of the loans is to fund building and renovation in this designated area. Due to delays in determining the boundaries of the TIF district, no loans have been made.

Product Innovation

FNBD uses flexible lending practices in order to serve its assessment area's credit needs. The bank is involved in several loan programs targeted at assisting low- and moderate-income individuals and families in obtaining homeownership. A description of the programs and the bank's level of activity are listed below:

- City of Decatur First-Time Homebuyer Loan Program - 6 loans - \$41,225

FNBD participates in the City of Decatur First-Time Homebuyer Loan Program. The program allows for minimal downpayments on low-cost homes in a designated area of the City. Income restrictions vary based on the number of persons living within the household. The target area for this program is generally downtown Decatur, more specifically described as the area bounded by Pershing Road on the north, Brush College Road on the east, Lake Shore Drive on the south, and Summit Avenue on the west.

The sales price of the home may not exceed \$50,000. Applicants must pay a 3% downpayment and closing costs (approximately \$500 - \$700); however, an FNBD employee was instrumental in persuading the city officials to allow homebuyers to use grant money for these costs. The purchaser borrows 72% at a fixed-rate for no more than 20 years from a local financial institution. The final 25% is financed by the City of Decatur with the borrower only paying 3% interest on these funds. Although this program has been in existence for approximately 10 years, all six (6) of the loans have

been made during 1999. City representatives did not have much interest in this program during 1997 and 1998; they were more concerned with other priorities.

- First Start Mortgage - 1 loan - \$24,300

This program is an in-house program targeting the purchase of single family residences in Macon County by low- and moderate-income families. The program was created to mirror the city program, which is only available in a designated area of the City of Decatur. The program was created in July 1998 due to the problems with the city program described above. A minimal 3% downpayment is required for home purchase in Macon County. The remaining 97% is financed by FNBD. The program is limited to homes with maximum sales prices of \$65,000.

- Federal National Mortgage Association (FNMA) Secondary Market Programs - 93 loans - \$7,103,251

FNBD also offers several FNMA secondary market loan programs, which require downpayments of only 5%, 10%, or 15%. Although Private Mortgage Insurance (PMI) is required on these loans, the lower downpayment requirements enable many low- and moderate-income borrowers to purchase a residence.

- FNBD's In-house Low Downpayment Products - 58 loans - \$6,794,089

In addition to the secondary market products, FNBD offers in-house loan programs, which require downpayments of only 5%, 10%, or 15%. Although Private Mortgage Insurance (PMI) is required on these loans, the lower downpayment requirements enable many low- and moderate-income borrowers to purchase a residence.

- Illinois League Grant Program

FNBD participates in this program according to Federal Home Loan Bank guidelines. Grants are available for up to \$3,000 to cover downpayment and closing costs. Borrowers income must be less than 60% of the area median income to qualify. An FNBD officer was instrumental in persuading the city to allow borrowers to use this grant in conjunction with their loan program.

- Federal Housing Authority (FHA) - 4 loans - \$258,000

FNBD started offering FHA loans in 1999. Although there are no income restrictions on this product, the low downpayment requirements assist low- and moderate-income borrowers to obtain homeownership. Under this program, a minimal 3% downpayment is required. Additionally, the downpayment may be a gift or grant.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "High Satisfactory." Refer to Table 12 in Appendix B for the facts and data used to evaluate the bank's level of qualified investments.

Major Conclusions:

- FNBD originated a significant level of qualified community development investments and grants based on its size, financial capacity and assessment area (AA) opportunities. During the evaluation period, FNBD made \$862,375 in qualified investments and donations, which benefited its assessment area. Another \$400,000 of investments made in prior periods remain outstanding.
- The bank displayed good responsiveness to the credit and community economic development needs in its AA. Information obtained from the Community Reinvestment and Development Specialists at the OCC and from the bank indicates that investment opportunities in the AA are limited.

The level of qualified investments in this assessment area is good. FNBD made 14 investments for \$862,375 in the assessment area during the evaluation period. Another \$400,000 investment made in October 1996 remains outstanding. The majority of the investments are related to the stabilization of the city of Decatur (a low- and moderate-income area). Four (4) of the qualified investments amounting to \$1,260,000 were associated with the stabilization of this area. Another five (5) of the qualified investments for \$1,750 were to organizations involved in providing community services to low- and moderate-income individuals, many of whom live in the low- and moderate-income areas. The bank also made six (6) smaller donations to various community groups and organizations that provide affordable housing to low- and moderate-income families in the Decatur MSA. Specific details of some of the more significant qualified investments follow:

- FNBD purchased \$820,000 of Decatur Park District General Obligation bonds during 1998. The bonds were used to fund several capital improvement projects including building sports facilities in a moderate-income census tract. The facilities will aid in the stabilization of this area.
- In a prior period, FNBD purchased \$400,000 of Macon County School District 61 bonds. The majority of the students in this school district are from low- and moderate-income families. Over 55% of the students participate in the reduced or free lunch program. A recent newspaper article also indicates that 53% of the children in the Decatur public school system are living below the poverty level.

- The Decatur Public Library received \$40,000 from FNBD. The funds were used to renovate an abandoned building in downtown Decatur to expand the library. This renovation project aids in the stabilization of this low-income census tract by providing community services to the low- and moderate-income individuals who live in or near this area.

SERVICE TEST

The bank's performance under the Service Test is rated "High Satisfactory." Refer to Table 13 in Appendix B for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

Major Conclusions:

- FNBD's delivery systems are accessible to geographies and individuals of different income levels in its AA. Approximately half of the bank's facilities are located in low- and moderate-income census tracts, while about 34% of the population live in those tracts.
- The bank provides a relatively high level of community development services.

Retail Banking Services

FNBD's delivery systems are accessible to geographies and individuals of different income levels in its AA. In addition to the main office, FNBD operates five branch facilities and nine automated teller machines (ATM's). Four of the ATM's are located at various branches, with one at the main bank. The bank has not closed any branches during this evaluation period.

All bank locations provide full banking services. The bank offers a variety of products and services including discount brokerage, non-deposit investment products, debit cards, deposit and loan products, wire transfer, telephone and PC banking, and Automated Clearing House (ACH) transactions. Loan products include real estate loans, commercial loans, consumer loans and agricultural loans.

Branch hours offer reasonable access and convenience. All five (5) branches have drive-up facilities. Lobby and drive-up hours vary depending on the location, but they generally are 8 a.m. to 5 p.m., Monday through Thursday. Closing is extended to 6 p.m. on Fridays. Saturday hours are generally 8 a.m. to 12 noon. At the facility that services mall merchants and various retail stores, closing is extended by one hour Monday through Friday and by three hours on Saturday.

FNBD offers some alternative delivery systems to expand the availability of retail bank services to all areas of the AA. The bank offers 24-hour telebanking to its customers which allows them to review balances, verify check clearance, transfer funds between accounts, make loan payments, check on loan balances and payoff dates, access CD rates, calculate deposit growth, check branch locations and business hours, and access interest paid information. This delivery method allows low- and moderate-income individuals easy access to their deposit information and another option for loan payments.

FNBD also offers PC banking, wire transfer, ACH, and direct deposit (including social security and

public aid). We could not place significant weight on these alternative delivery systems when drawing our CRA performance conclusions because no data was available regarding how effectively these systems helped in reaching low- and moderate-income individuals or low- and moderate-income areas.

Community Development Services

FNBD has provided a relatively high level of community development services in its assessment area. The following examples illustrate the services provided:

- Old Town Redevelopment Corporation / Oakwood University Plaza Business Association

This organization's primary purpose is to improve the image and assist with security in low- and moderate-income areas of Decatur. Another purpose is to encourage development and retention of housing and businesses in the area. A bank director serves as a Board member of this organization and was instrumental in its founding. This director is involved in attracting and retaining businesses in these areas.

- Decatur Memorial Foundation

Decatur Memorial Foundation's major project is the contribution of funds and services to lower economic areas for improved health services. A bank director serves as president of this organization and is involved in planning and organization of funding.

- Community Investment Corporation of Decatur (CICD) / Millikin University Center for Entrepreneurialship

This organization is a private not-for-profit corporation whose goals are to combat community deterioration, promote the community's general welfare, and improve economic, housing and social conditions for low- and moderate-income Decatur citizens. The CICD programs include business development and expansion assistance, job creation and retention, and neighborhood and social welfare programs.

CICD revolving loan funds help businesses to develop or expand and in turn create permanent jobs and growth of capital in Decatur. Monies in the funds are used to make low interest rate loans in conjunction with conventional loans from private lenders.

The small and minority business loan fund provided by CICD provides financing assistance to small businesses operating or locating in the City of Decatur. Goals of this program are to increase the number of job opportunities especially to low- and moderate-income people. CICD also provides a Micro Enterprise Loan Training Program (MELTP) which provides individuals with a business

plan and the skills to run a business successfully. A member of FNBD's senior management serves as a board member of this organization and participates on the Loan Committee. The Loan Committee makes recommendations to the Board with regard to loan approval.

- Webster Cantrell Hall

Webster Cantrell Hall provides housing for troubled boys and girls along with a family first program which oversees the foster family care. Two (2) senior members of the bank serve this organization in the capacity of Assistant Treasurer and Board member.

- Consumer Credit Counseling

This organization is a not-for-profit organization, which provides education in the responsible use of credit and money management. The organization also provides useful information with regard to bankruptcy. Counseling sessions are free of charge to anyone with financial problems. Emphasis is placed on preventing financial problems before they occur. This voluntary program helps individuals find ways to repay their debts. A bank vice president serves as a Board member of this organization.

- Illinois League Grant Program

The Federal Home Loan Bank administers this program. Downpayment assistance is provided to low- and moderate-income individuals. FNBD employees help borrowers to complete their applications for the program. A bank employee was instrumental in convincing city representatives to allow potential homeowners to use this program in conjunction with the city's first-time homebuyer program. Additional details on the program are included in the Product Innovation section of this Evaluation.

APPENDIX A: SCOPE OF EXAMINATION

The following table identifies the time period covered in this evaluation, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “Full-Scope”) and those that received a less comprehensive review (designated by the term “Limited-Scope”).

Time Period Reviewed	Lending Test: January 1, 1997, through June 30, 1999 Investment Test: January 1, 1997, through June 30, 1999 Service Test: January 1, 1997, through June 30, 1999		
Financial institution			Products reviewed
First National Bank of Decatur			HMDA Products Small Business Small Farm Community Development
Affiliate(s)	Affiliate relationship		Products reviewed
None			
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
Macon County, Illinois	Full-scope	One	Main Office

APPENDIX B: TABLES OF PERFORMANCE DATA

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/AA; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/AA.

The following is a listing and brief description of the tables included in each set:

Table 1. - Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/AA.

Table 2. - Geographic Distribution of Home Purchase Loan Originations - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 3. - Geographic Distribution of Home Improvement Loan Originations - See Table 2.

Table 4. - Geographic Distribution of Home Mortgage Refinance Loan Originations - See Table 2.

Table 5. - Geographic Distribution of Small Business Loan Originations - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 6. - Geographic Distribution of Small Farm Loans Originations - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 7. - Borrower Distribution of Home Purchase Loan Originations - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/AA. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 8. - Borrower Distribution of Home Improvement Loan Originations - See Table 7.

Table 9. - Borrower Distribution of Home Mortgage Refinance Loan Originations - See Table 7.

Table 10. - Borrower Distribution of Small Business Loans Originations - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 11. - Borrower Distribution of Small Farm Loan Originations - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 12. - Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. - Distribution of Branch and ATM Delivery System - Compares the percentage distribution of the number of the bank's retail branches and ATM's in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA.

Table 14. - Geographic and Borrower Distribution of Consumer Loans (Optional) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/AA.

Market Profile - This table provides a summary of demographic information for the assessment area. The table presents the percentage distribution of the number of geographies, population, owner-occupied units, small businesses, and small farms by income level of the geographies. For family distribution, the table shows the percentage distribution of the number of families whose incomes place them in each of the income levels (low-, moderate-, middle- and upper-income). Many of the items included were used to represent the level of opportunity, which existed in the bank's assessment area.

Charter Number: 10000004920

Table 1. Lending Volume

LENDING VOLUME		Evaluation Period: 01/01/1997 TO 06/30/1999										
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Scope												
MACON COUNTY	0.00100.00	1,003	82,058	487	34,348	53	1,340	1	500	1,5434	117,746	100.00

* Deposit Data as of June 30, 1999

Charter Number: 10000004920

Table 2. Geographic Distribution of Home Purchase Loan Originations

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
MACON COUNTY	4.00	0.006	17.0016.58	6.14	49.0049.36	41.69	30.0029.78	51.92	3	7.87	3.03	4.41	7.05	10.33	391	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Charter Number: 1000004920

Table 3. Geographic Distribution of Home Improvement Loan Originations

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
MACON COUNTY	4.00	1.23	16.58	11.66	49.36	48.47	29.78	38.65	5	9.88	0.00	5.88 5.90	9.35	14.29	163	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

Charter Number: 10000004920

Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
MACON COUNTY	4.004.29	0.00	16.58	1.56	49.36	44.32	29.78	54.12	2	8.29	0.00	1.58 1.60	7.17	13.07	449	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Charter Number: 1000004920

Table 5. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1997 TO 06/30/1999							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans		
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full Scope																	
MACON COUNTY	16.00	16.37	20.94	26.36	20.33	37.11	32.24	20.15	26.49	4	15.44	13.51	13.60	15.26	18.75	487	100.00

* Based on 1997 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

Charter Number: 1000004920

Table 6. Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL FARM										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
MACON COUNTY	1.001.12	28.30	6.73	1.89	72.65	22.64	19.51	47.0047. 17	2	28.801	50.00	50.00	20.59	36.804	53	100.00

* Based on 1997 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

Charter Number: 10000004920

Table 7. Borrower Distribution of Home Purchase Loan Originations

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
MACON COUNTY	20.73	8.95	17.51	14.0032	23.70	19.0018	38.005	57.54	3	7.9087	8.4039	6.102	6.60	11.802	391	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 1000004920

Table 8. Borrower Distribution of Home Improvement Loan Originations

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
MACON COUNTY	21.00	12.0027	17.51	21.0047	23.70	21.0047	38.005	44.79	5	9.9088	6.802	15.4038	8.8078	9.001	163	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 10000004920

Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 TO 06/30/1999						
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
MACON COUNTY	21.0020.73	2.67	17.51	7.0013	23.70	16.93	38.005	73.0027	2	8.3029	1.401	3.802	4.1009	16.405	449	100.00

* Based on 1997 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Charter Number: 10000004920

Table 10. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS			Evaluation Period: 01/01/1997 TO 06/30/1999								
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans		
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	Avg Loan Size
Full Scope											
MACON COUNTY	68.93	100.0088.6 1	47.46	80.90	12.73	6.37	15.44	24.40	280487	100.00	6871

* The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data Only only

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for XX% of small loans to businesses reported by the BANK.

Charter Number: 10000004920

Table 11. Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARM			Evaluation Period: 01/01/1997 TO 06/30/1999								
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans			
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	Avg Loan Size
Full Scope											
MACON COUNTY	92.60	6.7995.00	71.19	100.00	0.00	0.00	28.81	14.29	1953	100.00	25

* The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data Only only

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

Charter Number: 10000004920

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Evaluation Period: 01/01/1997 TO 06/30/1999							
MSA/Assessment Area	Prior Period Investments*			Current Period Investments			Total Investment		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total
Full Scope									
MACON COUNTY	0	400	31.70	14	862	68.30	15	1,262	100.00

* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding.

** Percentage of the dollars invested in that MSA/Assessment area that are prior period investments or current period investments.

Table 13. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM														Evaluation Period: 01/01/1997 TO 06/30/1999			
MSA/Assessment Area	Deposits	Branches						ATMs						Population			
	% of Rating Area Deposits in AA	# of Bank Branches	% of Rating Area Branches in AA	% Distribution of Branches by Income Level of Geography				# of Bank ATMs	% of Total Bank ATMs in AA	% Distribution of ATMs by Income Level of Geography				% of the Population with Each Geography*			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope																	
MACON COUNTY	100.00	6	100.00	33.33	16.67	33.33	16.67	9	100.00	11.11	33.33	33.33	22.22	13.51	18.92	45.95	21.62

* The percentage of the population in the MSA/AA that resides in these geographies.

Charter Number: 1000004920

Market Profile

Demographic Information for the Area: MACON COUNTY											Evaluation Period: 01/01/1997 TO 06/30/1999	
Demographic Characteristic	Total	Low Income Tracts		Mod Income Tracts		Middle Income Tracts		Upper Income Tracts		NA Income Tracts		
	#	%	#	%	#	%	#	%	#	%	#	
Geographies (Census Tracts/BNAs)	37	13.51	5	18.92	7	45.95	17	21.62	8	0.00	0	
Population by Geography	117,206	6.93	8,122	20.35	23,850	46.59	54,607	26.13	30,627	0.00	0	
Owner-Occupied Housing by Geography	32,268	4.29	1,384	16.58	5,349	49.36	15,926	29.78	9,609	0.00	0	
Business by Geography	3,975	16.38	651	26.36	1,048	37.11	1,475	20.15	801	0.00	0	
Farms by Geography	446	1.12	5	6.73	30	72.65	324	19.51	87	0.00	0	
Family Distribution by Income Level	32,601	20.73	6,758	17.51	5,710	23.70	7,728	38.05	12,405	0.00	0	
Distribution of Low and Moderate Income Families throughout AA Geographies	12,468	12.37	1,542	29.81	3,717	42.08	5,246	15.74	1,963	0.00	0	
Median Family Income	34,861	Median Housing Value		43,370								
HUD Adjusted Median Family Income for 1999	47,400	Unemployment Rate		6.2%								
Households Below Poverty Level	12.16%											

Source: 1990 US Census and HUD update MFI