



PUBLIC DISCLOSURE

January 4, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bankers Trust Company, National Association
Charter Number 14564

1201 Broadway, Quincy, Illinois 62301

Office of the Comptroller of the Currency

211 Fulton Street, Suite 604, Peoria, Illinois 61602

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

- The average loan-to-deposit (LTD) ratio is reasonable.
- A majority of loans are to customers within its assessment areas (AAs).
- The borrower distribution of loans reflects reasonable penetration.
- The geographic distribution of loans reflects reasonable dispersion.
- The community development performance demonstrates excellent responsiveness.

Scope of Examination

This Community Reinvestment Act Performance Evaluation (CRA PE) assesses First Bankers Trust Company's (FBTC's or bank's) ability of meeting the credit needs of the communities in which it operates. We evaluated FBTC under the Intermediate Small Bank performance criterion, which includes a lending test and a community development test. The lending test evaluates FBTC's record of helping to meet the credit needs of its AAs through its lending activities. The community development test evaluates FBTC's community development lending, qualified investments, and community development service activities.

The evaluation period covers the period between the date of the prior CRA PE of July 16, 2012, and January 4, 2016. The rating of the previous CRA PE was Satisfactory.

The Quincy AA received a full-scope review and a greater weighting in our analysis for the lending and community development tests, as a substantial majority, 96 percent, of deposits originate from this AA. The Springfield AA received a limited-scope review as a substantial minority of deposits comes from this AA.

We based the lending test on the primary loan products for the AAs, based on dollar volume of loan originations and purchases for the lending period between January 1, 2013, and September 30, 2015. We based our conclusions regarding the lending performance on the commercial and residential loans reportable under the Home Mortgage Disclosure Act (HMDA), utilizing 2010 US Census Data. The commercial and HMDA loans, together, accounted for 89 percent of loans originated or purchased for the period between January 1, 2013, and September 30, 2015. Commercial loans received more weight in our analyses as this product accounted for 47 percent of the dollar amount of originated or purchased loans while HMDA loans accounted for 41 percent during the period between January 1, 2013, and September 30, 2015.

We based the community development test on the qualified loans, investments, and services activity for the evaluation period.

We conducted a data integrity review of the HMDA data for loans originated or purchased between January 1, 2013, and September 30, 2015. We utilized a random

sample and verified reported data against source documents. We found the HMDA data to be reliable for use in this evaluation.

We obtained and reviewed a random sample of commercial loans originated or purchased between January 1, 2013, and September 30, 2015. We obtained the gross revenues of businesses, as well as geocoding data for each individual loan in our sample.

Description of Institution

FBTC is an \$878 million intrastate financial institution headquartered in downtown Quincy, Illinois near Interstate 172 and the Mississippi River. There are 10 offices, including the main office, and 22 ATMs spread throughout Adams, Hancock, McDonough, Pike, Sangamon, and Schuyler counties. Each office is equipped with drive-up facilities.

FBTC has not changed their strategy of providing a full range of traditional banking products and services to individuals and businesses to meet or exceed the needs of their customers in the communities they serve.

The loan portfolio, at September 30, 2015, consisted of the following:

Table 1 – Loan Portfolio Summary by Loan Type		
Loan Category	\$(000)	%
Commercial Loans	261,669	52
Residential Loans	86,913	17
Agriculture Loans	80,092	16
Consumer Loans	70,287	14
Total Loans in Portfolio	\$498,961	100%

Source: September 30, 2015 Call Report

FBTC closed one office in Paloma, Illinois, since the prior CRA PE. The office had low customer traffic and low loan volume. The closure of this office did not materially affect the ability of the bank to meet the credit needs of its AAs.

FBTC is a wholly owned subsidiary of First Bankers Trustshares, Inc., a one-bank holding company with assets of \$878 million. First Bankers Trustshares, Inc., or affiliates of FBTC do not negatively affect FBTC's ability to meet the credit needs of the community.

There are no legal or financial circumstances that impede FBTC's ability to meet the credit needs of its AAs.

Description of Assessment Areas

Full Scope AA:

The Quincy AA includes all census tracts (CTs) in Adams, Hancock, McDonough, and Schuyler counties and one CT in the western portion of Pike County. The AA includes nine branches and 21 ATMs.

The following table provides additional demographic information for the full scope review of the Quincy AA.

Table 2 – Demographic Information for Full Scope Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	39	7.69	12.82	64.10	15.38
Population by Geography	128,946	8.94	11.37	59.41	20.27
Owner-Occupied Housing by Geography	37,771	1.81	9.66	65.43	23.11
Business by Geography	7,997	11.99	8.88	58.22	20.91
Farms by Geography	1,466	0.61	4.84	84.65	9.89
Family Distribution by Income Level	33,075	19.88	18.18	22.32	39.61
Distribution of Low and Moderate Income Families throughout AA Geographies	12,590	6.16	18.05	61.42	14.38
Median Family Income	54,499	Unemployment Rates:			
Median Housing Value	92,499	Adams County			4.6%
FFIEC Adjusted Median Family Income for 2015	58,600	Hancock County			6.4%
Households Below Poverty Level	16%	McDonough County			5.8%
Families Below Poverty Level	9%	Pike County			4.2%
		Schuyler County			4.6%

Source: 2010 US Census and 2015 FFIEC updated MFI; Unemployment Information from Bureau of Labor Statistics, September 30, 2015.

Limited Scope AA:

The Springfield AA includes all CTs in Sangamon County, which is within the Springfield, Illinois Metropolitan Statistical Area. The AA includes one branch and one ATM.

The following table provides additional demographic information for the limited scope review of the Springfield AA.

Table 3 – Demographic Information for Limited Scope Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	53	16.98	20.75	35.85	24.53	1.89
Population by Geography	197,465	11.39	18.64	37.54	31.92	0.52
Owner-Occupied Housing by Geography	57,820	6.44	17.47	40.46	35.63	0.00
Business by Geography	13,492	11.24	21.39	31.86	31.49	4.02
Farms by Geography	768	2.73	8.72	52.34	36.07	0.13
Family Distribution by Income Level	51,150	22.31	15.92	21.83	39.94	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	19,556	19.36	27.10	36.12	17.39	0.03
Median Family Income	66,823	Unemployment Rates:		4.7%		
Median Housing Value	116,203	Sangamon County		4.7%		
FFIEC Adjusted Median Family Income for 2015	69,600	Springfield, IL MSA				
Households Below Poverty Level	12%					
Families Below Poverty Level	10%					

Source: 2010 US Census and 2015 FFIEC updated MFI; Unemployment Information from Bureau of Labor Statistics, September 30, 2015. The NA category consists of geographies that have not been assigned an income classification.

The unemployment rates of the AAs compare favorably to other counties in Illinois and, with the exception of Hancock County, compare similarly or favorable to the State of Illinois unemployment rate of 5.8 percent at September 30, 2015. The Quincy AA economy is primarily composed of manufacturing and agricultural sectors while the areas of Quincy and Macomb, Illinois, have additional concentrations in healthcare and education sectors. The Springfield AA is heavily concentrated in government and service sectors.

Competition among financial institutions in the AAs is high due to the number of institutions competing for loans and deposits. FBTC held a first position in deposit market share of 19 percent in the Quincy AA among 39 FDIC insured financial institutions, at June 30, 2015. FBTC held a 22nd position in deposit market share of less than one percent in the Springfield AA among 25 FDIC insured financial institutions, at June 30, 2015.

We contacted the president of an economic development group serving Quincy and Adams County, Illinois. The contact noted the local economic condition of the Quincy

area to be stable with businesses moving into the area. He noted that while businesses are hiring, some are having trouble finding skilled labor. Local banks in the area have done a good job with helping businesses obtain credit, but he noted an area of potential improved involvement is small dollar loans for small business. The contact mentioned the local banks in the Quincy area have good working relationships with community groups and are active in community development activities. The contact had no negative perceptions of FBTC’s ability to meet the credit needs of the community.

Conclusions with Respect to Performance Tests

LENDING TEST

FBTC meets the standard for satisfactory performance.

Loan-to-Deposit Ratio

FBTC's average LTD ratio is reasonable given the size, financial condition, and lending opportunities available in the AAs. The quarterly LTD ratio averaged 65 percent over 14 quarters from June 30, 2012, to September 30, 2015, with a low of 56 percent and a high of 83 percent. The similarly situated financial institutions, which range in size from \$170 million to \$989 million, are community institutions, which compete with FBTC in the Quincy and Springfield AAs. The similarly situated institutions had an overall average LTD ratio of 76 percent, with an average low LTD ratio of 56 percent and an average high LTD ratio of 91 percent.

Lending in Assessment Area

FBTC originated or purchased a majority of loans to customers within its AAs during the evaluation period, both by number and dollar volume.

Table 4 - Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total \$(000s)
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Commercial	53	88	7	12	60	11,784	91	1,098	9	12,882
HMDA	1,056	86	165	14	1,221	127,343	82	27,838	18	155,181
Totals	1,109	87%	172	13%	1,281	\$139,127	83%	\$28,936	17%	\$168,063

Source: In/Out sample of commercial loans and data reported under HMDA between January 1, 2013 and September 30, 2015

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

The lending to businesses of different sizes and families of different income levels reflects reasonable penetration.

Commercial Loans – Full Scope AA

Lending to businesses reflects reasonable penetration among businesses of different sizes in the Quincy AA. FBTC’s performance with percent of loans by number exceeds the standard and the percent of loans by dollar amount is near the standard, however; 25 percent of the businesses in the AA have unknown revenues. Performance under this criterion is reasonable.

Table 5 - Borrower Distribution of Loans to Businesses in Quincy AA			
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown
% of AA Businesses	70%	5%	25%
% of Bank Loans in AA by #	83%	17%	0%
% of Bank Loans in AA by \$	69%	31%	0%

Source: Sample of commercial loans from January 1, 2013 through September 30, 2015; 2014 Geodemographic business data

Commercial Loans – Limited Scope AA

Lending to businesses reflect reasonable penetration among businesses of different sizes in the Springfield AA. FBTC’s performance, both by percent of loans by number and dollar amount exceeds the standard, however; 25 percent of the businesses in the AA have unknown revenues. Performance under this criterion is reasonable.

Table 6 - Borrower Distribution of Loans to Businesses in Springfield AA			
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown
% of AA Businesses	69%	6%	25%
% of Bank Loans in AA by #	90%	10%	0%
% of Bank Loans in AA by \$	70%	30%	0%

Source: Sample of commercial loans from January 1, 2013 through September 30, 2015; 2014 Geodemographic business data

HMDA Loans – Full Scope AA

The distribution of loans reflects reasonable penetration to borrowers of different income levels in the Quincy AA. Lending to low-income borrowers is poor but is mitigated as nine percent of families in the AA are living below poverty levels. Lending to moderate-income borrowers is excellent as the performance exceeds the standard. Performance under this criterion is reasonable.

Table 7 - Borrower Distribution of Residential Real Estate Loans in Quincy AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
HMDA Loans	20	10	18	20	22	25	40	45

Source: Data reported under HMDA between January 1, 2013 and September 30, 2015; 2010 US Census data

HMDA Loans – Limited Scope AA

The distribution of loans reflects reasonable penetration to borrowers of different income levels in the Springfield AA. Lending to low-income borrowers is poor but is mitigated as 10 percent of families in the AA are living below poverty levels. Lending to moderate-income borrowers is excellent as the performance meets the standard. Performance under this criterion is reasonable.

Table 8 - Borrower Distribution of Residential Real Estate Loans in Springfield AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
HMDA Loans	22	7	16	16	22	27	40	50

Source: Data reported under HMDA between January 1, 2013 and September 30, 2015; 2010 US Census data

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion.

Commercial Loans – Full Scope AA

The geographic distribution of loans to businesses is reasonable in the Quincy AA. Lending in low-income CTs is very poor. There are only three low-income CTs in the AA, each with limited opportunity for business lending. Two low-income CTs are in the Macomb, IL area with one encompassing a university and another predominantly covering a residential area. The third low-income CT encompasses a small portion of downtown Quincy, IL, which includes local municipal buildings, parks, and a hospital. Lending in moderate-income CTs is excellent as the performance substantially exceeds the standard. Performance under this criterion is reasonable.

Table 9 - Geographic Distribution of Loans to Businesses in Quincy AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	12	0	9	17	58	40	21	43

Source: Sample of commercial loans from January 1, 2013 through September 30, 2015; 2014 Geodemographic business data

Commercial Loans – Limited Scope AA

The geographic distribution of loans to businesses is excellent in the Springfield AA. Lending in both low- and moderate-income CTs is excellent as the performance substantially exceeds the standard.

Table 10 - Geographic Distribution of Loans to Businesses in Springfield AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	11	20	21	30	32	40	31	10

Source: Sample of commercial loans from January 1, 2013 through September 30, 2015; 2014 Geodemographic business data

HMDA Loans – Full Scope AA

The geographic distribution of loans reflects excellent dispersion in the Quincy AA. Lending in both low- and moderate-income CTs is excellent as the performance exceeds the standard.

Table 11 - Geographic Distribution of Residential Real Estate Loans in Quincy AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
HMDA Loans	2	3	10	11	65	55	23	31

Source: Data reported under HMDA between January 1, 2013 and September 30, 2015; 2010 US Census data

HMDA Loans – Limited Scope AA

The geographic distribution of loans reflects reasonable dispersion in the Springfield AA. Lending in low-income CTs is reasonable as the performance is near the standard. Lending in moderate-income CTs is excellent as the performance exceeds the standard. Performance under this criterion is reasonable.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
HMDA Loans	6	5	17	23	40	43	36	29

Source: Data reported under HMDA between January 1, 2013 and September 30, 2015; 2010 US Census data

Responses to Complaints

FBTC did not receive any complaints regarding its performance in helping to meet the credit needs of its AAs during the evaluation period.

COMMUNITY DEVELOPMENT TEST

FBTC’s community development performance demonstrates excellent responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services.

Number and Amount of Community Development Loans

FBTC has nine qualifying loans and lines of credits totaling \$15.3 million in the Quincy AA and one qualifying loan totaling \$26 thousand in the Springfield AA.

Notable community development loans in the Quincy AA include:

- A loan with a remaining balance of \$5.8 million to an affordable assisted living community in McDonough County. The assisted living community had 67 percent of their occupancy as Medicaid residents at September 30, 2015.
- A \$3.5 million operating line of credit to an organization that provides individuals and families with alcohol and drug abuse treatment and support, family services, day care, rehabilitation and residential support, and vocational and employment services. Persons served are substantially considered lower income individuals and 90 percent are Medicaid eligible. The organization also provides these services in an underserved middle-income CT in Macomb, Illinois.
- A \$1.8 million operating line of credit to an organization that provides mental health, education, and rehabilitation services to persons with developmental

disability or mental illness who are 95 percent low- to moderate-income individuals and 85 percent Medicaid eligible.

- A \$100,000 operating line of credit to an organization that provides daycare services for lower income individuals and families in Quincy, Illinois.

Notable community development loans in the Springfield AA include:

- A loan with a remaining balance of \$28 thousand to an organization that invests in properties to rent to customers approved by the Illinois Department of Housing and Urban Development's Section 8 subsidized rental program.

Number and Amount of Qualified Investments

FBTC has 51 qualifying investments, contributions, and donations totaling \$961 thousand. The Quincy AA accounted for the substantial majority of these funds at \$957 thousand, while the Springfield AA accounted for \$4 thousand in qualifying funds.

Notable qualified investments in the Quincy AA include:

- A bond issue purchased from Two Rivers Council Foundation in 2003 remains outstanding with a current principal balance of \$814 thousand. The organization provides programs, activities, and services to low- and moderate-income families and small businesses in FBTC's Quincy AA.

Extent to Which the Bank Provides Community Development Services

Delivery systems are reasonably accessible to individuals of different income levels and businesses of different sizes. FBTC operates 10 full-service offices and 22 ATMs in the AAs. One office and eight ATMs are located in low-income CTs, in the Quincy AA. One ATM is located in an underserved middle-income CT in the Quincy AA. Extended hours are available at all drive-up locations. Weekend services are also offered; five offices and 10 drive-up locations offer Saturday service while one office and two drive-up locations offer Sunday service. FBTC also offers its regular and senior customers checking account options with low account opening balance, no minimum balance requirements, and no monthly service charges, while providing online banking, bill payment services, and debit card access.

FBTC has seven qualifying community development services.

Notable community development services include:

- USDA Guaranteed Rural Housing Loan Program – 197 loans totaling \$17.6 million. Service is available to both AAs. This federal program assists low- and moderate-income individuals and families in purchasing homes in rural areas.
- Illinois League of Financial Institutions Downpayment Plus Program – 108 loans totaling \$5.2 million. Service is available to both AAs. The program offers down payment and closing cost assistance to low- and moderate-income homebuyers.
- Junior Achievement – A financial literacy program for students in Quincy, Illinois. Thirty-six employees served 225 hours over the evaluation period.

- A bank officer serves on the board of two economic development organizations in the Quincy AA. The organizations seek to develop, retain, and expand small businesses and bring economic development to Quincy, Illinois and surrounding rural areas.
- Two Rivers Regional Council Individual Development Account Program - A matched savings program that allows low- and moderate-income individuals and families to utilize financial institutions to save for specific goals. Goals can include saving for a down payment or closing costs for a home, post-secondary education, or to start a small business. The program triples the participant's savings by matching it 2:1. The first match comes from a US Department of Health and Human Services grant and the second match comes from local institutions such as FBTC. Local banks agree to match savings. FBTC matched \$1,000 in 2015.
- Mendon Unit 4 School District Loan Program – A short-term loan program to help low- and moderate-income parents pay for laptop, book, and other school fees. FBTC committed \$3,500 to the program in loanable funds per year for three years beginning in 2014. Funds are loaned at 4.5 percent for 10 months. FBTC financed four loans totaling \$3,400 in 2014 and five loans totaling \$2,440 in 2015.

Responsiveness to Community Development Needs

FBTC's responsiveness through development loans, investments, and services are excellent in the Quincy AA.

FBTC's responsiveness through development loans, investments, and services are adequate in the Springfield AA, considering that the limited scope AA has significantly smaller activity in lending, deposits, and overall market share in the AA.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.