



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 08, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Atlanta National Bank
Charter Number 3711

105 Southwest Church Street
Atlanta, IL 61723

Office of the Comptroller of the Currency

211 Fulton Street, Suite 604
Peoria, IL 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:

The Atlanta National Bank (ANB) is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors supporting the institution's rating include:

- ANB's distribution of loans to individuals of different income levels and to farms of different sizes is excellent.
- A majority of the loans originated by ANB are to customers from within its AAs.
- ANB's quarterly average loan-to-deposit ratio over the period is reasonable given the bank's size, financial condition, and the credit needs of the AAs.

SCOPE OF EXAMINATION

This Performance Evaluation assesses ANB's record of meeting the credit needs of the communities in which it operates. We evaluated ANB under the Small Bank performance criterion, which includes a lending test. The lending test evaluates a bank's record of helping meet the credit needs of its AA through its lending activities.

The evaluation period covers June 17, 2008 through April 8, 2013.

ANB has two AAs, generating a majority of the bank's loans and deposits. The DeWitt/Logan County AA received a full-scope review, while the McLean County AA received a limited-scope review. The DeWitt/Logan County AA accounts for all of the lending activity and eighty-three percent of the deposit activity. We based our rating on the DeWitt/Logan County AA due to the lack of loan originations in the McLean County AA. The McLean County AA does contain an ANB branch; however, there is no loan officer present at that location.

ANB's primary loan products are consumer loans and farm loans. Consumer loans comprise 69.92 percent of loan originations/purchases by number and 39.68 percent of loan originations/purchases by dollar amount. Farm loans comprise 13.54 percent of loan originations/purchases by number and 35.76 percent of loan originations/purchase by dollar amount.

We based conclusions regarding the bank's lending performance on consumer loans and farm loans originated or purchased from January 1, 2011 through December 31, 2012. Loans originated in 2012 are analyzed using 2010 census data. Loans originated in 2011 are analyzed using 2000 census data. We weighed the results from each year equally as loan volume remained stable from 2011 to 2012.

DESCRIPTION OF INSTITUTION

ANB is a \$61 million financial institution along Interstate 55, approximately 20 miles southwest of Bloomington, IL and 10 miles northeast of Lincoln, IL. ANB's headquarters are located at 105 Southwest Church Street, Atlanta, IL. ANB has one additional branch located in McLean, IL. Since the previous CRA examination, ANB has not opened or closed any branch locations. ANB has one cash-dispensing automated teller machine (ATM) located at the main office in Atlanta, IL.

Customers may access their accounts through the internet. Internet banking services include transfers between ANB accounts, review of account balances or transactions, access loan account information, and bill-paying capability. The bank also offers debit cards providing customers with additional access to their accounts at point of sale or ATM locations.

ANB has two primary lending products: consumer loans and farm loans. Consumer and farm lending account for 83 percent of the number of all loan originations during the evaluation period. In addition, these primary products make up 75 percent of the dollar amount of all loan originations during the evaluation period.

At the previous CRA examination dated June 16, 2008, ANB was given a satisfactory rating. ANB's strategy is to provide the best customer service possible with experienced staff while maintaining the small community bank atmosphere. ANB is a wholly owned subsidiary of ANB Bancorp, Inc. (ANB BC). ANB BC is a one-bank holding company and does not have any affiliates. ANB BC is located at 105 Southwest Church Street, Atlanta, IL.

DESCRIPTION OF ASSESSMENT AREA(S)

ANB has two AAs: the DeWitt/Logan County AA and the McLean County AA. The assessment areas have not changed since the previous CRA examination. Competition for financial services within the AA remains strong. There are numerous banks, thrifts, and credit unions with facilities in DeWitt, Logan, and McLean Counties. ANB's AAs meet the requirements of the regulation and do not arbitrarily exclude any low-income or moderate-income census tracts (CTs).

DeWitt/Logan County AA

The DeWitt/Logan County AA, which is not part of an MSA, consists of seven CTs: one CT covering the western portion of DeWitt County and six CTs covering the northern portion of Logan County. The 2000 U.S. Census data shows this AA does not contain any low, moderate, or upper-income CTs. The AA contains all middle-income CTs. The following table includes demographic information for the AA:

Demographic Information for the DeWitt/Logan County Assessment Area for 2011 Loan Analysis						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	100.00	0.00	0.00
Population by Geography	26,225	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	7,208	0.00	0.00	100.00	0.00	0.00
Business by Geography	1,991	0.00	0.00	100.00	0.00	0.00
Farms by Geography	270	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	6,875	14.02	16.32	24.52	45.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,086	0.00	0.00	100.00	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		43,613 56,600 9%	Median Housing Value Unemployment Rate (2000 US Census)	77,420 3.57%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

The 2010 US census data shows the same seven CTs but the income levels of two CTS have changed from middle to upper-income:

Demographic Information for the DeWitt/Logan County Assessment Area for 2012 Loan Analysis						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	71.43	28.57	0.00
Population by Geography	25,155	0.00	0.00	74.77	25.23	0.00
Owner-Occupied Housing by Geography	7,515	0.00	0.00	72.97	27.03	0.00
Business by Geography	0	0.00	0.00	0.00	0.00	0.00
Farms by Geography	0	0.00	0.00	0.00	0.00	0.00
Family Distribution by Income Level	6,581	16.67	16.56	19.54	47.23	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,591	0.00	0.00	70.71	29.29	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2012 Households Below Poverty Level		54,549 57,400 11%	Median Housing Value Unemployment Rate (2010 US Census)	99,955 32.43%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2012 FFIEC updated MFI

McLean County AA

The McLean County AA is part of the Bloomington-Normal MSA and consists of two CTs covering the southwest portion of McLean County. The 2000 U.S. Census data shows all CTs in the AA are designated as middle-income. The following table includes demographic information for the AA:

Demographic Information for the McLean County Assessment Area for 2011 Loan Analysis						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2	0.00	0.00	100.00	0.00	0.00
Population by Geography	3,804	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	1,158	0.00	0.00	100.00	0.00	0.00
Business by Geography	366	0.00	0.00	100.00	0.00	0.00
Farms by Geography	80	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	1,109	16.14	21.28	28.31	34.27	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	415	0.00	0.00	100.00	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		61,140 79,100 3%	Median Housing Value Unemployment Rate (2000 US Census)		99,181 2.68%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

The 2010 U.S. Census data shows the same area contains only one middle income CT. The following table includes demographic information for the AA:

Demographic Information for the McLean County Assessment Area for 2012 Loan Analysis						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1	0.00	0.00	100.00	0.00	0.00
Population by Geography	3,845	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	1,194	0.00	0.00	100.00	0.00	0.00
Business by Geography	0	0.00	0.00	0.00	0.00	0.00
Farms by Geography	0	0.00	0.00	0.00	0.00	0.00
Family Distribution by Income Level	1,062	16.67	16.38	31.26	35.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	349	0.00	0.00	100.00	0.00	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2012 Households Below Poverty Level		77,093 80,200 5%	Median Housing Value Unemployment Rate (2010 US Census)		136,000 34.95%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2012 FFIEC updated MFI

Economic Information

The local economy of the AA is concentrated in agriculture, government, and manufacturing. We contacted a local government official during the examination. The contact stated the agricultural economy in the AA is strong. The contact indicated the agricultural industry in the area has seen an upturn due to higher crop prices. The

contact stated the 2012 drought negatively affected the agricultural industry’s yields, but overall the local economy remains stable. According to the community contact, ANB and other financial institutions are active in meeting the credit needs of the area. The contact was not aware of any credit needs or banking services not being met or provided for by local financial institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Lending Test

The bank’s performance under the lending test in the DeWitt/Logan County AA is rated Satisfactory.

Loan-to-Deposit Ratio

ANB’s average loan-to-deposit ratio is reasonable given the bank’s size, financial condition, and AA credit needs. ANB’s quarterly average loan-to-deposit ratio for the period March 31, 2008 to December 31, 2012, was 35.89 percent. While the LTV is low, it is comparable with four other similarly situated financial institutions. The quarterly average loan-to-deposit ratio for other similarly situated financial institutions over the same period ranged from 23.39 percent to 62.88 percent. The financial institutions are located in DeWitt, Logan, and McLean Counties and range in asset size from \$37.7 million to \$81.8 million.

Lending in Assessment Area

The majority of loans originated by ANB are to customers within its AA. ANB’s lending to customers within the AA for consumer and farm loans is reasonable. The following table details ANB’s lending within the AA by number of loan originations and dollar volume during the evaluation period:

Lending in Non-MSA DeWitt/Logan County										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer	34	85%	6	15%	40	\$215,692	93%	\$16,379	7%	\$232,071
Farm	28	70%	12	30%	40	\$356,347	73%	\$133,500	27%	\$489,847
Totals	62	77.5%	18	22.5%	80	\$572,039	79%	\$149,879	21%	\$721,918

Source: Sample of loans originated from January 1, 2011 through December 31, 2012.

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

The distribution of loans reflects excellent penetration among individuals of different income levels and farms of different sizes.

Consumer Loans

The distribution of consumer loans reflects excellent penetration among individuals of different income levels for loans originated in 2011. ANB’s lending to low-income and moderate-income borrowers is above the percentage of low-income and moderate-income households in the AA. The following table shows the distribution of consumer loans originated in 2011 among individuals of different income levels within the AA:

Borrower Distribution of Consumer Loans in DeWitt/Logan County AA in 2011								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	18.63%	25%	15.83%	30%	19.85%	15%	45.69%	30%

Source: Consumer loans sampled; 2000 Census Data.

The distribution of consumer loans reflects excellent penetration among individuals of different income levels for loans originated in 2012. ANB’s lending to low-income and moderate-income borrowers is well above the percentage of low-income and moderate-income households in the AA. The following table shows the distribution of consumer loans originated in 2012 among individuals of different income levels within the AA:

Borrower Distribution of Consumer Loans in DeWitt/Logan County AA in 2012								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22.10%	40%	14.58%	40%	16.82%	15%	46.50%	5%

Source: Consumer loans sampled; 2010 Census Data.

Farm Loans

The distribution of farm loans reflects excellent penetration among farms of different sizes for farm loans originated in 2011. Based on the farm loan originations from our sample, ANB originated 100 percent of farm loans in the AA. The following table shows the distribution of farm loans originated in 2011 among farms of different sizes within the AA:

Borrower Distribution of Loans to Farms in DeWitt/Logan County MSA in 2011				
Farms Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Farms	98.52%	0.00%	1.48%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Farm loans sampled; 2011 Business Geodemographic data

The distribution of farm loans reflects reasonable penetration among farms of different sizes for farm loans originated in 2012. Based on our sample, ANB originated 90 percent of farm loans by number and 91 percent by dollar amount to small farms in the AA. The following table shows the distribution of farm loans originated in 2012 among businesses of different sizes within the AA:

Borrower Distribution of Loans to Farms in DeWitt/Logan County AA in 2012				
Farms Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98.51%	0.00%	1.49%	100%
% of Bank Loans in AA by #	90%	10%	0%	100%
% of Bank Loans in AA by \$	91%	9%	0%	100%

Source: Bank records on loans originated or purchased from January 1, 2012 to December 31, 2012; 2010 Census Data.

Geographic Distribution of Loans

We did not perform a geographic distribution of loans during this examination. There are no low-income or moderate-income geographies in the banks assessment area using 2000 and 2010 US census data.

Conclusions for Areas Receiving Limited-Scope Review.

As the McLean County AA had no lending activity, we did not rely on the limited scope lending test review AA for any part of our conclusions.

Responses to Complaints

ANB received no complaints about its performance in helping to meet the credit needs within its AA during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 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.