



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 23, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Citizens National Bank of Paris
Charter #6451**

**110-114 West Court Street, P.O. Box 790
Paris, Illinois 61944**

**Office of the Comptroller of the Currency
Devonshire Corporate Centre
2009 Fox Drive, Suite B
Champaign, IL 61820**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of The Citizens National Bank of Paris prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 23, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

This rating is based on the fact that the bank's loan-to-deposit ratio is reasonable given the assessment area credit needs and a majority of the loans originated between November 1, 1996, and October 14, 1997, were located within the bank's assessment area. Additionally, the distribution of borrowers reflects a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

DESCRIPTION OF INSTITUTION

The Citizens National Bank of Paris is a \$146 million bank situated in Paris, Illinois. Paris is located in Edgar County, population 21,000. Paris is located 25 miles northwest of Terre Haute, Indiana. This institution is owned by First Citizens of Paris, Inc., a one-bank holding company. The bank does offer four ATMs for customer service and convenience. These ATM's are located in Paris, Oakland, Charleston, and Marshall.

This institution serves the needs of the community by offering a variety of loan products. These loan products include commercial and agricultural loans (operating, equipment and real estate), residential loans (construction, purchase, refinance and home improvement) and consumer installment loans (new and used autos and trucks, debt consolidation, home equities, credit cards and unsecured). The bank also offers commercial/agricultural leases.

The following represents this institution's loan & lease portfolio mix as of September 30, 1997:

Commercial	33%
Residential Real Estate	21%
Consumer Installment	9%
Agricultural Related	37%

The bank does not have any financial or legal impediments restricting it from meeting the credit needs of its local community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is Edgar County, Coles County, and one Block Numbering Area (BNA) in Douglas County. The BNAs are #0001, #0002, #0003, #0004, #0005, #0006, #0007, #0008, #0009, #0010, #0011, #0012, #0701, #0702, #0703, #0704, #0705, and #9520. This assessment area conforms to the regulation and does not arbitrarily exclude low or moderate income areas. Only #0004 is designated as a moderate-income geographical area. Three BNA's (#0002, #0007, and #0009) are upper-income geographies. The other fourteen BNAs are middle-income areas based on 1990 census data. The following demographic information on the bank's assessment area is based on 1990 census data:

Housing Stock:	81% of the housing units are 1-4 family.
Occupancy:	62% owner occupied, 30% renter occupied and 8% vacant.
Home Values:	The median home value is \$42,045.
Age of Homes:	The median year of homes built is 1955.
Income:	Median family income of the assessment area is \$30,913.
Income Levels:	19% of the families are low income, 18% are moderate income, 23% are middle income, while 40% are upper income.

The local economy is stable and driven by agriculture. Mattoon, Charleston, and Paris have several service, industry, and higher education occupations. Unemployment in the assessment area is slightly below state and national averages.

There are three banks located in the assessment area with asset sizes in-between \$50MM-\$150MM. These banks are The Edgar County Bank and Trust Co., The Bank, and Central National Bank of Mattoon. Competition also stems from four other smaller banks in Edgar County, along with larger banks in located in Coles County. Other competition stems from savings and loans and credit unions.

Five community contacts were performed by various financial regulators with area real estate agents and business organizations. Several contacts stated that Paris needs more affordable houses. The credit needs identified by the contacts were residential, small business, and agricultural loans. The contacts stated that all of the area banks are doing a good job of servicing these needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN-TO-DEPOSIT RATIO

The bank's loan-to-deposit ratio is reasonable based on the institution's size and assessment area credit needs. During the most recent 4 calendar quarters, The Citizens National Bank of Paris's loan-to-deposit ratio averaged 74%. Local peer banks (The Edgar County Bank and Trust Co., The Bank, and Central National Bank of Mattoon) have a three quarter (12/31/96, 03/31/97, and 06/30/97) loan-to-deposit average of 74%. September information was not available for the peer banks.

LENDING IN ASSESSMENT AREA

A majority of the loans being originated are within the bank's assessment area. Based on a sample of loans (including 20 residential mortgage, 30 consumer/installment, 15 commercial, and 15 agricultural) originated from November 1, 1996 through October 14, 1997, 89% of the number and 85% of the dollar amount of loans were made within the bank's assessment area.

The following table shows the dollar amount and number of loans from our sample that fall within the assessment area and outside the assessment area:

Table 1 Loans Made Within the Assessment Area				
Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$637,828	69%	\$289,232	31%
	18	90%	2	10%
Consumer Loans	\$189,861	90%	\$20,290	10%
	28	93%	2	7%
Commercial Loans	\$2,084,472	84%	\$395,872	16%
	11	73%	4	27%
Agricultural Loans	\$1,326,000	98%	\$25,000	2%
	14	93%	1	7%
Total of Sample	\$4,238,161	85%	\$730,394	15%
	71	89%	9	11%

* This table was based on the sample of originations made 11/01/96 - 10/14/97.

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

The bank has done reasonable job of lending to consumers of all income levels. Thirty-seven percent of families located in the assessment area are within the low- to moderate-income categories.

The following tables shows the distribution of residential real estate and installment originations among borrowers of different income levels within the assessment area:

Table 2				
Residential Mortgage Loans by Income Distribution				
Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	3	17%	\$82,188	13%
Moderate - Income 50% - 79% of Median	2	11%	\$64,500	10%
Middle - Income 80%-119% of Median	2	11%	\$46,500	7%
Upper - Income 120% or more of Median	11	61%	\$444,640	70%

*This table is based on the 18 residential real estate loans from the sample that were made in the bank's assessment area. Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$37,600). Based on this sample, 28% of residential real estate loans were made to low- and moderate-income borrowers.

Table 3				
Installment Loans				
Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	9	32%	\$66,316	35%
Moderate - Income 50% - 79% of Median	9	32%	\$37,829	20%
Middle - Income 80%-119% of Median	5	18%	\$38,305	20%
Upper - Income 120% or more of Median	5	18%	\$47,411	25%

*This table is based on the 28 consumer installment loans from the sample that were made in the bank's assessment area. Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$37,600). Based on this sample, 64% of installment loans were made to low- and moderate-income borrowers.

The following table demonstrates that the bank has done a good job of lending to businesses and farms of all sizes in the assessment area. The tables present information from the commercial and agricultural samples:

Table 4				
Commercial Distribution by Gross Revenues				
Gross Revenues	# of Loans	%	\$ of Loans	%
Less than \$100,000	3	27%	\$39,000	2%
\$100,000 - 250,000	2	18%	\$299,472	14%
\$250,000 - 500,000	1	9%	\$15,000	1%
\$500,000 - 1,000,000	2	18%	\$70,000	3%
More than \$1,000,000	3	27%	\$1,661,000	80%

*This table is based on the 11 commercial loans from the sample that were located inside the bank's assessment area. The dollar distribution is skewed by a participation purchased loan for a medical center located inside the assessment area. A majority of the loans reviewed were made to small businesses.

Table 5				
Agricultural Distribution by Gross Revenues				
Gross Revenues	# of Loans	%	\$ of Loans	%
Less than \$100,000	4	29%	\$111,000	8%
\$100,000 - 250,000	4	29%	\$325,000	25%
\$250,000 - 500,000	5	36%	\$640,000	48%
More than \$500,000	1	7%	\$250,000	19%

*This table is based on the 14 agricultural loans from the sample that were located inside the bank's assessment area. A majority of the loans reviewed were made to small farms.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographical distribution test was not weighed heavily due to the following circumstances. Up until July 1997, the bank's assessment area was Edgar County only, which consists of only middle-income BNAs. In July 1997, the Oakland National Bank was merged into The Citizens National Bank of Paris. Then in August 1997, the two branches in Charleston were opened. These events caused the expansion of the bank's assessment area, which now includes one moderate BNA. The moderate- income BNA (# 0004) includes the northeast side of Mattoon and extends out 3/4 of the way to Charleston. According to the 1990 census data, 2,799 people live in this BNA, with 700 owner-occupied homes. There are 1,409 housing units located in BNA #0004. This BNA includes part of downtown Mattoon, the shopping mall area, and hospital area. A few farms are also in the BNA.

**Table 6
Geographical Breakdown of Loan Sample**

	Mortgage		Installment		Commercial		Agricultural	
	\$	#	\$	#	\$	#	\$	#
Moderate Income BNA	0	0	0	0	\$1,316,000	1	0	0
	0%	0%	0%	0%	74%	9%	0%	0%
Middle Income BNAs	\$584,028	17	\$189,861	28	\$468,472	9	\$1,326,000	14
	92%	94%	100%	100%	22%	82%	100%	100%
Upper Income BNAs	\$53,800	1	0	0	\$300,000	1	0	0
	8%	6%	0%	0%	14%	9%	0%	0%

*This table is based on the 71 loans from the sample that were located inside the bank's assessment area. As mentioned above, this breakdown is not heavily relied at this examination due the circumstances.

COMPLIANCE WITH FAIR LENDING LAWS

The Citizens National Bank of Paris is in compliance with the substantive provisions of the antidiscrimination laws and regulations. There is no evidence of practices to discourage individuals from applying for credit.