



PUBLIC DISCLOSURE

October 16, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Rossville
Charter #5398**

**111 North Chicago Street
Rossville, Illinois 60963**

**Office of the Comptroller of the Currency
Champaign Field Office
2009 Fox Drive, Suite B
Champaign, IL 61820**

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

GENERAL INFORMATION

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

*This document is an evaluation of the CRA performance of **First National Bank of Rossville** prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 16, 1998. Our assessment of the bank's performance covers the period since April 1, 1996. The rating received at that time was "Satisfactory Record of Meeting Community Credit Needs". The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING

This institution is rated **Satisfactory Record of Meeting Community Credit Needs**.

This rating is based on analyses of the bank's lending performance from April 1, 1996 - October 16, 1998. The lending performance test includes analysis of the bank's average loan-to-deposit ratio, the volume of total lending within the bank's assessment area, the distribution of credit to borrowers of different incomes and to businesses of different sizes, and the bank's level of compliance with Fair Lending laws and regulations.

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

- The bank has a good record of lending to small farms and to individuals of different incomes.
- The bank's loan-to-deposit ratio is reasonable given the assessment area's credit needs.
- A substantial majority of the bank's loans are within its assessment area.

DESCRIPTION OF INSTITUTION

The First National Bank of Rossville is a \$21 million institution in Rossville, Illinois. Rossville is located in northern Vermilion County in east central Illinois approximately 17 miles north of Danville. The bank does not have branches. The bank is 100% owned by Rossville Bancorp and is affiliated with the \$10 million First National Bank of Fairmount which is located in the southern part of the county.

Loans have been growing since the last CRA examination. On June 30, 1996, gross loans totaled \$8,256,000. As of June 30, 1998, gross loans totaled \$10,089,000. The most significant loan growth has been in the real estate (including commercial real estate and farm land) and agricultural areas.

As shown in *Table 1*, loan originations have been centered in agricultural credit. The table shows the breakdown of loan originations made from April 1, 1996 through October 14, 1998. A total of 836 loans were made, with the dollar volume being \$13,922,991.

Total Originations Since April 1, 1996		
Table 1		
Type of Loans	Number Made	Dollar Amount Made
Residential Real Estate	94	\$2,704,363
Consumer	427	\$1,973,336
Agricultural	236	\$8,094,404
Commercial	79	\$1,150,888
Total	836	\$13,922,991

One community contact, with a city official, was made during this examination. No significant community needs were identified by the contact.

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

DESCRIPTION OF ASSESSMENT AREA

The bank’s assessment area includes three Block Numbering Areas (BNAs) in northern Vermilion County. The population of the assessment area is 14,447. Based on 1990 census data, all three BNAs are designated middle-income. The following demographic information for the assessment area is based on 1990 census data:

- Housing Stock: 88% of the housing units are 1-4 family.
- Occupancy: 67% are owner occupied, 25% are renter occupied, and 7% are vacant.
- Home Values: Median home value is \$37,408.
- Age of Homes: Median year of homes built is 1954.
- Income: Median family income is \$30,221.
- Income Levels: 18% of families are designated low-income, 19% are moderate-income, 24% are middle-income, and 39% are upper-income.

Economic conditions are stable to slightly declining. Major employers located within the assessment area are an aerosol spray products manufacturer and a food processing plant.

Competition is strong and is provided primarily by two larger bank's in Danville and Hoopston and secondarily by six other nearby institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

The First National Bank of Rossville's loan-to-deposit ratio is reasonable. During the assessment period, the bank's net loan-to-deposit ratio ranged from 40% to 55% and averaged 49%. This average ratio is slightly lower than the 55% average net loan-to-deposit ratio of six banks in Vermilion county with total assets of less than \$30 million at June 30, 1998.

LENDING IN THE ASSESSMENT AREA

A substantial majority of loans originated are within the assessment area. As illustrated in *Table 2*, our analysis of a sample of loans revealed that 87% of the dollar amount, and approximately 84% of the number of loans, were made inside the bank's assessment area.

LOAN PENETRATION ANALYSIS				
Table 2				
Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$2,623,232	97%	\$81,131	3%
	88	94%	6	6%
Commercial Loans	\$942,638	82%	\$208,250	18%
	74	94%	5	6%
Agricultural Loans	\$7,042,131	87%	\$1,052,273	13%
	191	81%	45	19%
Installment Loans	\$1,519,468	77%	\$453,868	23%
	350	82%	77	18%
Total	\$12,127,469	87%	\$1,795,522	13%
	703	84%	133	16%

Source: This table is a proforma analysis using the following sample: 26 agricultural loans, 79 commercial loans, 17 residential real estate loans, and 34 installment loans. This sample covered the time period of 4/01/96 - 10/14/98.

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

First National Bank in Rossville satisfactorily extends credit to consumers of all income levels, and satisfactorily extends credit to smaller-sized commercial and agricultural borrowers within its assessment area. Eighteen percent of the population in the bank's assessment area is considered low-income, with an additional nineteen percent classified as moderate-income. Income levels used in our analysis are based on the 1998 nonmetropolitan median family income for Illinois, which is \$39,500, the 1997 nonmetropolitan median family income of \$37,600, and the 1996 nonmetropolitan median family income of \$36,000. (Our sample included originations from 1998, 1997, and 1996. The applicable year's median was used.)

Agricultural Loan Analysis

Given the bank's limited extension of commercial credit, our review focused on agricultural lending. The bank's record of lending to small farms within the assessment area is good. As shown on *Table 3*, all of the fifteen agricultural loans sampled were made to farms with gross revenues of less than \$500,000.

AGRICULTURAL LOANS Proforma Distribution to Various Farm Sizes Table 3				
<i>Gross Revenues</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>
Less than \$50,000	38	20%	\$211,264	3%
\$50,000 -250,000	115	60%	\$4,718,228	67%
\$250,000 - 500,000	38	20%	\$2,112,639	30%
More than \$500,000	0	0%	\$0	0%
Actual Totals	191	100%	\$7,042,131	100%

Source: This table is a proforma analysis based on a sample of 15 agricultural loans originated inside the bank's assessment area between 4/1/96 and 10/14/98.

Consumer Loan Analysis

First National Bank of Rossville originates retail loans to individuals of different income levels in reasonable proportion to the area's income characteristics. As illustrated in *Table 4*, our analysis of a residential real estate loan sample indicated that the bank provides home loans to low- and moderate-income borrowers at a level exceeding the population's characteristics; 44% of the number and 43% of the dollars, of residential real estate loans were made to low- and moderate-income borrowers. As shown in *Table 5*, the amount of installment loans made to low- and

moderate-income borrowers was good. Our analysis indicates that 70% of the number, and 55% of the dollars, of installment loans were made to low- and moderate-income borrowers during the evaluation period.

REAL ESTATE LOANS					
Proforma Distribution of Borrowers' Income Levels					
Table 4					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	22	25%	\$865,666	33%	18%
Moderate - Income 50% - 79% of Median	17	19%	\$262,324	10%	19%
Middle - Income 80%-119% of Median	32	37%	\$629,576	24%	24%
Upper - Income 120% or more of Median	17	19%	\$865,666	33%	39%
Actual Totals	88	100%	\$2,623,232	100%	100%

Source: This table is a proforma analysis based on a sample of 16 real estate loans originated in the bank's assessment area between 4/1/96 and 10/14/98.

INSTALLMENT LOANS					
Proforma Distribution of Borrowers' Income Levels					
Table 5					
<i>Income Level</i>	<i># of Loans</i>	<i>%</i>	<i>\$ of Loans</i>	<i>%</i>	<i>% of Families in Each Category</i>
Low - Income Less than 50% of Median	165	47%	\$440,646	29%	18%
Moderate - Income 50% - 79% of Median	80	23%	\$395,062	26%	19%
Middle - Income 80%-119% of Median	63	18%	\$212,725	14%	24%
Upper - Income 120% or more of Median	42	12%	\$471,035	31%	39%
Actual Totals	350	100%	\$1,519,468	100%	100%

Source: This table is a proforma analysis based on a sample of 17 consumer installment loans originated in the bank's assessment area between 4/1/96 and 10/14/98.

GEOGRAPHIC DISTRIBUTION OF LOANS

A review of the geographic distribution of loans was not necessary, due to the fact that all three BNAs in the assessment area are middle-income.

COMPLIANCE WITH FAIR LENDING LAWS

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

WRITTEN COMPLAINTS

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