



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 8, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Atlanta National Bank
Charter Number 3711**

**105 Southwest Church Street
Atlanta, IL 61723**

**Comptroller of the Currency
ADC-North Central Illinois & East Iowa
111 West Washington Street Suite 300
East Peoria, IL 61611**

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.

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INSTITUTION'S CRA RATING

This institution is rated “Satisfactory”.

- The bank’s record of lending to borrowers of different income levels, including low- and moderate-income individuals, is reasonable.
- The number and dollar volume of loans originated to small farms and small business within the Assessment Area satisfactorily demonstrate the bank’s commitment to the community.

DESCRIPTION OF INSTITUTION

- The Atlanta National Bank (ANB) is in Atlanta, Illinois, located off Interstate 55 between Bloomington and Lincoln. A full-service branch is located in McLean, approximately five miles north of Atlanta. The population of Atlanta is approximately 1,600 and McLean approximately 800. Surrounding real estate is principally farmland.
- The bank’s asset size is \$43 million.
- The bank has no deposit-gathering Automated Teller Machines.
- The bank is a subsidiary of ANB Bancorp., a one-bank holding company. It has no affiliates.
- No merger or acquisition activity affected the scope of the bank's operations during the evaluation period.
- Other:
 - Loans represent 37 percent of total assets.
 - The bank has no foreign deposits.
 - The loan portfolio consists of the following types of loans, consistent with the bank’s strategy:

Residential Real Estate	29%
Commercial Credit	11%
Consumer Credit	32%
Commercial Real Estate	4%
Agricultural Production	11%
Farmland	13%
	100%

Source: Bank Call Report Data

- ANB offers a full range of services, including; commercial, agricultural and consumer loans and deposit products, including all traditional bank products.
- There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its Assessment Area (AA).
- The date of the last CRA examination was October 28, 1996, and the rating was “Outstanding”.

DESCRIPTION OF ANB ASSESSMENT AREAS

- The bank’s AA includes the following Block Numbering Areas (BNAs) in Logan and DeWitt Counties and Census Tracts (CTs) in McLean and Tazewell Counties.

Middle-income – BNA 9716, CT 53 and CT 220

Upper-income – BNA 9529

There are no low- or moderate-income BNAs or CTs in the AA.

Logan and DeWitt Counties:

- According to 1990 Census data, the population of the AA is 7,284. The 2001 non-Metropolitan Statistical Area (MSA) statewide median family income for Illinois is \$44,900. Potential borrowers earning less than 50 percent of the non-MSA statewide median family income are designated as low-income; those earning 51-80 percent are moderate-income; those earning 81-120 percent are middle-income and those earning more than 120 percent are upper-income. Within the AA, 15 percent of families are low-income; 18 percent are moderate income; 21 percent are middle-income, and 46 percent are upper-income.
- There are 2,720 housing units in the AA, of which 72 percent are owner-occupied, 21 percent are rentals and six percent are vacant. The median age of homes in the AA is 43 years, while the median housing price is \$45,656.

Tazewell and McLean Counties

- Per the 1990 Census, the population of the AA is 7,710. Within the AA, 14 percent of families are low-income; 24% are moderate-income, 26 percent are middle-income and 36 percent are upper-income. The weighted average of MSA/non-MSA Updated Median Family Income is \$60,000.
- There are 2,931 housing units in the AA, of which 71 percent are owner-occupied, 24 percent are rentals and five percent are vacant.

Economic conditions in the combined AA are stable. The local economy includes

manufacturing, government and agricultural employers including State Farm Insurance, Mitsubishi Motors, Illinois State University in Bloomington, and Caterpillar, Inc., in Decatur and Peoria. Due to Atlanta's proximity to Lincoln and Bloomington-Normal, there is significant competition from other financial institutions.

- The AAs meets the requirements of the regulation.
- A community contact was made with a local business person during the examination. The contact indicated no unmet credit needs in the communities.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

- The loan-to-deposit ratio is reasonable, and meets the standard for satisfactory performance.
- ANB's loan-to-deposit ratio at 48 percent, compares satisfactorily to similarly situated banks in the four counties.

Logan County: The peer group ratio ranges from 28 to 79 percent.

DeWitt County: The peer group ratio ranges from 57 to 90 percent.

Tazewell County: The peer group ratio ranges from 38 to 78 percent.

McLean County: The peer group ratio ranges from 42 to 99 percent.

- Over the past six years, the bank's quarterly average loan-to-deposit ratio has ranged from 41 percent to 61 percent. The average from December 1996 to December 2002 is 50 percent.

Lending in Assessment Area

- A majority of the loans, by dollar volume and number, are to borrowers within the bank's AA. This meets the standard for satisfactory performance.

Table 1 - Lending in Tazewell & McLean County Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
1-4 Family Purchase	4	67%	2	33%	6	241,000	83%	48,000	17%	289,000
1-4 Family Refinance	19	91%	2	9%	21	979,000	75%	329,000	25%	1,308,000
Home Improvement	6	100%	0	0%	6	140,000	100%	0	0%	140,000
Totals	29	88%	4	12%	33	1,360,000	78%	377,000	22%	1,737,000

Source: Bank MIS, 1998-2001 HMDA data

Table 1 - Lending in Logan & DeWitt County Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
1-4 Family Purchase	34	64%	19	36%	53	1,056,000	54%	885,000	46%	1,941,000
1-4 Family Refinance	77	87%	12	13%	89	4,064,000	81%	975,000	19%	5,039,000
Home Improvement	12	92%	1	8%	13	199,000	77%	60,000	23%	259,000
Totals	123	79%	32	21%	155	5,319,000	74%	1,920,000	26%	7,239,000

Source: Bank MIS, 1998-2001 HMDA data

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

- The bank's performance under this criterion meets the standard for satisfactory performance. In addition to providing real estate financing for low- and moderate-income individuals, the bank originates small dollar personal loans.
- Of 188 HMDA-reportable real estate-secured loans originated from 1998-2002, 26 percent were for less than \$25,000; 32 percent were between \$25-50,000; 35 percent were between \$50-100,000, and seven percent were greater than \$100,000.
- To determine how the bank's lending relates to the income levels of families within the AA, we used HMDA data.

Table 2 - Distribution of Residential Real Estate Loans in Logan & Dewitt County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families
Mortgage	10%	15%	19%	18%	27%	21%	44%	46%

Loans								

Source: Bank MIS, U.S. Census data.

Table 2 - Distribution of Residential Real Estate Loans in Tazewell & McLean County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families
Mortgage Loans	11%	14%	27%	24%	39%	26%	23%	36%

Source: Bank MIS, U.S. Census data.

We used loan size as a proxy to demonstrate the bank’s effectiveness in meeting the credit needs of small businesses and small farms. ANB originates commercial and agricultural loans for working capital, equipment and inventory; FSA and other government guaranteed loans for agricultural production, and loans on commercial and farm real estate.

Table 2C - Distribution of Loans to Businesses by Loan Size in Combined Assessment Area				
Loan Size (000’s)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$24,999	96	82%	\$644,631	32%
\$25,000 - \$49,999	11	9%	\$371,990	18%
\$50,000 - \$99,999	6	5%	\$454,200	22%
\$100,000 – Up	4	4%	\$579,447	28%
Total	117	100%	\$2,050,268	100%

Source: Bank MIS – 2002 Commercial Originations

Table 2D - Distribution of Loans to Farms by Loan Size in Combined Assessment Area				
Loan Size (000’s)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$24,999	67	75%	\$626,569	33%
\$50,000 - \$49,999	15	17%	\$613,193	32%
\$50,000 - \$99,999	5	6%	\$342,878	18%
\$100,000 – Up	2	2%	\$319,000	17%
Total	89	100%	\$1,901,640	100%

Source: Bank MIS – 2002 Ag Originations

Geographic Distribution of Loans

- As the AA does not contain any low- or moderate-income BNAs, geographic distribution is not meaningful.

Responses to Complaints

- ANB has not received any complaints about its performance in helping to meet assessment area credit needs.

Fair Lending Review

Based on an analysis of available information was performed according to the OCC's risk based fair lending approach, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 2000. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.