



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 31, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Bridgeport
Charter Number 8347
201 North Main
Bridgeport, Illinois 62417**

**Office of the Comptroller of the Currency
Evansville Duty Station
P.O. Box 20130
Evansville, Indiana 47708**

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 First National Bank of Bridgeport for the time period of February 1, 1994 through April 1, 1997. This document was prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency. 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."

First National Bank (FNB) makes credit opportunities available to all individuals, regardless of income level, consistent with the safe and sound operation of the bank. A majority of the bank's loans are extended to individuals living in Lawrence County.

The following table indicates the performance level of The First National Bank of Bridgeport with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE FIRST NATIONAL BANK OF BRIDGEPORT PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	The bank has received no complaints since the prior examination.		

DESCRIPTION OF INSTITUTION

First National Bank (FNB) is a \$40 million institution in Bridgeport, IL. Bridgeport is a rural community in Southeastern Illinois, located in Lawrence County. The bank is owned by Bridgeport Bancorp, Inc., a one-bank holding company. Competition in Lawrence County is provided by one credit union and four national banks in Lawrenceville, IL, and one national bank and a savings and loan in Sumner, IL. FNB has not engaged in any merger or acquisition activities and there are no legal impediments which would hinder the bank's ability to help meet community credit needs.

FNB is a full-service lender focusing on small business, small farm, and residential real estate lending. The bank purchases large commercial loans generated outside the assessment area due to limited local availability. There are a large number of small consumer and residential loans made in this assessment area (AA). A breakdown of the loan portfolio as of December 31, 1996 is as follows: real estate loans represent 54% of the loan portfolio (of which 16% were loans secured by 1-4 family residential mortgages), consumer loans 8%, commercial loans 27%, and agricultural loans 7%.

DESCRIPTION OF FNB'S ASSESSMENT AREA

The AA includes all of Lawrence County, which has a population of 15,972. Lawrence County consists of 5 Block Numbering Areas (BNAs), two are designated middle-income and three are designated moderate-income areas. The statewide Non-MSA median family income is \$37,600. Borrowers with less than 50% of this income amount are considered low-income, 50%-80% moderate-income, 80%-120% middle-income, and greater than 120% upper-income.

The area surrounding Bridgeport is rural. Businesses in small surrounding towns offer moderate employment and economic support. The local economy is stagnant, but stable, and is heavily dependent on agriculture and oil production. The current unemployment rate for Lawrence County is 12.4% compared to the state unemployment rate of 4.9%. The town's largest employers are Rucker's Wholesale & Service Company and Plains Illinois, Incorporated. Competition among local financial institutions is moderate.

The OCC interviewed the Executive Director of the Lawrence County Chamber of Commerce during the CRA examination to determine what the needs of the community are and how well the bank is helping meet these needs. The contact stated that the community's primary need is industry and jobs. The community's credit needs are small business loans, consumer loans, and affordable housing. It was the contact's opinion that the bank is helping to meet the needs of the community. The contact noted that the bank is very active in community development and improvement activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

First National Bank's Community Reinvestment Act (CRA) performance is satisfactory.

Loan to deposit ratio:

The bank's loan-to-deposit ratio is satisfactory based on the size of the bank and the local competition. The bank's average ratio of net loans and leases to total deposits since the last CRA examination dated February 1, 1994 is 63%. This performance has remained steady over the past three years.

Please refer to Table 1 for a comparison of FNB's loan-to-deposit ratio to the three other competitor national banks in the local area. The banks vary in size from \$40 million to \$178 million. FNB is the smallest bank, but ranks third in the loan-to-deposit ratio comparison of the local commercial banks.

Table 1 Net Loans to Total Deposits				
Bank	12/31/94	12/31/95	12/31/96	3 Year Average
First National Bank, Sumner, IL	97%	92%	100%	96%
Community Bank & Trust, Olney, IL	61%	61%	86%	69%
First National Bank, Bridgeport, IL	55%	69%	65%	63%
Peoples National Bank, Lawrenceville, IL	47%	54%	61%	54%

Lending in assessment area:

The extent of lending inside the bank's AA meets the standards for satisfactory performance. Management performs a zip code analysis which reveals that 51% of the bank's \$22 million loan portfolio are in the bank's assessment area. Opportunities to extend credit in the AA are limited due to the depressed local economy and competition. The bank has used out-of-area lending to sustain their growth and profitability.

Geographic distribution of loans:

The OCC analyzed a sample of 35 real estate and personal consumer loans that were originated during the prior twelve month period. This was done to determine the distribution

of these loans throughout the five BNAs in Lawrence County. Three of the BNAs in Lawrence County are moderate-income areas. Two of the BNAs are in middle-income areas. Our review noted that the bank lends to consumers in all geographic areas within their AA.

Of the loans sampled, 32 (91%) were made in the bank’s AA. There were 20 (57%) loans made in moderate-income BNAs. There were 12 (34%) loans made in middle-income BNAs.

Lending to borrowers of different incomes and to businesses of different sizes:

A review of the above mentioned loan sample was also done to determine that the bank is lending to borrowers of all income levels. The review of lending patterns concluded that the bank has a satisfactory record of lending to consumers of all income levels.

Please refer to Table 2 for a breakdown of the loans made by consumer income levels.

Table 2 Loan Breakdown by Income Level		
Income Level of Borrowers	Number of Loans Made in Income Level	Percentage of Loans Made in the Assessment Area
Low-Income Borrowers (<50% of Median Family Income)	6	19%
Moderate-Income Borrowers (50-80% of Median Family Income)	9	28%
Middle-Income Borrowers (80-120% of Median Family Income)	14	44%
Upper-Income Borrowers (120% of Median Family Income)	3	9%

The majority of the bank’s commercial loans in their AA are made to small businesses. Of the commercial loans made in the assessment area 7 of the 10 (70%) sampled were to businesses that had annual revenues of less than \$1,000,000.

Response to complaints:

No complaints have been received since the previous examination.

Compliance with antidiscrimination laws:

We tested the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We identified no violations of the substantive provisions of these antidiscrimination laws and regulations.