

## **Public Disclosure**

February 16, 1999

# **Community Reinvestment Act Performance Evaluation**

**First Robinson Savings Bank, N.A.  
Charter Number 23393**

**501 East Main Street  
Robinson, IL 62454**

**Office of the Comptroller of the Currency  
Evansville Field Office  
Post Office 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 CRA performance of First Robinson Savings Bank, N.A. (First Robinson) prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of February 16, 1999. 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 Robinson has a satisfactory record of lending to borrowers of all income levels and to businesses and farms of all sizes. The bank's loan- to- deposit ratio exceeds similarly situated banks in the area. A majority of the bank's loans are to customers living within the assessment area.

## DESCRIPTION OF INSTITUTION

The First Robinson Savings Bank, N.A. (First Robinson) is a full-service bank located in Robinson, Illinois. The bank is a wholly-owned subsidiary of First Robinson Financial Corporation. On December 31, 1998, First Robinson had total assets of \$85 million. Earnings as of this date were \$292,000 representing a .34 percent return on assets.

First Robinson is a full-service lender focusing locally on residential real estate, small business, and small farm lending. There are no financial or legal impediments that would hamper the bank's ability to meet the credit needs of the community. First Robinson has a satisfactory capacity to serve the community's credit needs. Table 1 depicts several key balance sheet figures:

<b>Table 1</b> <b>Balance Sheet as of December 31, 1998</b>			
Total Loans	\$63,410,000	Total Deposits	\$70,552,000
Investments	\$12,147,000	Other Liabilities	\$4,870,000
Other Assets	\$9,588,000	Total Liabilities	\$75,422,000
		Total Equity Capital	\$ 9,723,000
Total Assets	\$85,145,000	Total Liabilities & Capital	\$85,145,000

Source: Report of Condition.

As of December 31, 1998, the loan portfolio consisted of 69% real estate loans, 12% commercial loans, 14% consumer loans and 5% agricultural loans.

First Robinson has three offices in its assessment area. The main office is in Robinson and branches are in Palestine and Oblong, Illinois. The banking hours are Monday through Thursday from 8:00 A.M. to 4:00 P.M., Friday 8:00 A.M. to 5:00 P.M., and Saturday from 8:00 A.M. to 12:00 P.M. The bank has not opened or closed any branch offices during the period.

## DESCRIPTION OF ASSESSMENT AREA

Robinson, Illinois has a population of 7,300 and is located in central Crawford County. First Robinson's assessment area includes all of Crawford County, Illinois, with a population of 19,400. The assessment area contains six Block Numbering Areas (BNAs). All six BNAs are designated as middle-income areas. Income levels of BNAs are based on the statewide non-Metropolitan Statistical Area median family income. The income categories are defined as low-, moderate-, middle-, and upper-, which are less than 50%, 50% to 80%, 80% to 120%, and over 120%, respectively, of the non-MSA median family income of \$39,500 for 1998. The assessment area is consistent with the guidelines of the regulation.

The area surrounding Robinson is rural. Businesses in Robinson provide most employment and economic support for the County. The economy is dependent on oil and gas production, agriculture, and other small businesses. The largest employers in Crawford County are Marathon Oil and Hershey Chocolate. The unemployment rate for September 1998 is 6.7%. The statewide unemployment rate for Illinois is 4.3%. Competition among local financial institutions is moderate.

Table 2 depicts the number and percentage of families within the bank's assessment area based upon income level. The table reveals that 17% of the families have low-incomes and 21% have moderate-incomes. This information is used to compare the bank's lending patterns to borrowers of different income levels.

<b>Table 2 Number and Percentage of Families in Each Income Level</b>				
Low-Income Families	Moderate-Income Families	Middle-Income Families	Upper-Income Families	Total
970 17%	1,173 21%	1,426 25%	2,073 37%	5,642 100%

Source: 1990 U.S. Census Bureau Data.

Table 3 depicts the geographic distribution by number and percentage of the owner occupied housing units by income level of the geography throughout the assessment area. The table shows that since all geographies in the area are middle-income, there are no owner occupied housing units located in low- or moderate-income geographies. This information was used to determine the lending opportunities for residential real estate loans in the assessment area.

<b>Table 3 Geographic Distribution of Owner Occupied Units in the Assessment Area</b>				
Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies	Total
0 0%	0 0%	6,107 100%	0 0%	6,107 100%

Source: 1990 U.S. Census Bureau Data.

Table 4 depicts the number and percentage of small businesses and farms within the bank's assessment area. Small businesses and small farms are defined as those with annual revenues of less than \$1,000,000. The table reveals that the majority of businesses in the assessment area are small. The percentage of businesses was based on a total of 586 businesses for the area. Thirteen percent (81) of businesses did not report sales data. This information was used to determine the lending opportunities for small business and small farm loans in the assessment area.

<b>Table 4 Number of Businesses and Farms in the Assessment Area</b>				
	Annual Revenues Of less than \$1,000,000		Annual Revenues of \$1,000,000 or more	
	#	%	#	%
Businesses	467	80%	38	7%
Farms	27	100%	0	0%

Source: Dunn & Bradstreet, Inc.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

To evaluate the bank's lending performance, the OCC reviewed bank compiled data of all types of loans originated from January 1, 1997 through February 16, 1999. This was done to evaluate the bank's volume of lending inside the assessment area and to borrowers of different income levels. The accuracy of information compiled by the bank was verified by sampling twenty residential real estate loans from this period.

### Lending inside assessment area:

First Robinson's record of lending activity indicates that a majority of the bank's loans are originated within the assessment area.

<b>Table 5 Ratio of Loans Inside the Assessment Area January 1, 1997 to February 16, 1999</b>		
	<b>Business and Farm Loans</b>	<b>Residential Real Estate</b>
<b># of Loans Inside the AAs</b>	641	518
<b>Total # of Loans</b>	823	586
<b>% of Loans Inside by #</b>	78%	88%
<b>\$ of Loans Inside the AAs</b>	\$39,988,700	\$20,573,000
<b>Total \$ of Loans</b>	\$55,632,890	\$23,379,000
<b>% of Loans Inside by \$</b>	72%	88%

Source: OCC's review of residential real estate loan originations.

The bank's record of lending shows that 88% of the number and of the dollar volume of real estate loans were secured by property located inside the bank's assessment area. First Robinson's record of lending to borrowers in the assessment area is satisfactory.

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

**HOME MORTGAGE LOANS**

To determine First Robinson's record of extending loans to individuals of different income levels in the assessment area, we reviewed the annual income of the borrowers selected in a residential real estate sample. Table 6 reveals that the number of home mortgage loans to low-income and moderate-income borrowers is 30% and 10% respectively. This compares reasonably to the number of low-income families (17%) and moderate-income families (21%) in the assessment area as illustrated in Table 2.

<b>Table 6 Mortgage Loans Originated by Borrower Income</b>				
Borrower Income *	Number of Loans		Dollar Volume	
	#	%	\$000's	%
Low-income	6	30%	\$98	14%
Moderate-income	2	10%	\$49	7%
Middle-income	5	25%	\$192	27%
Upper-income	7	35%	\$369	52%
<b>TOTAL</b>	<b>20</b>	<b>100%</b>	<b>\$708</b>	<b>100%</b>

Source: OCC's review of residential real estate loan originations. Dollar amounts are in thousands. \* The MSA's updated median family income is \$39,500. The income categories are defined as less than 50%, 50% to 80%, 80% to 120%, and 120%, respectively, of \$39,500.

## SMALL BUSINESS AND SMALL FARM LOANS

The demographic data contained in Table 4 indicates that 80% of all businesses and 100% of all farms in First Robinson's assessment area have annual incomes of less than \$1,000,000. We reviewed loan origination reports prepared by the bank to verify the record of extending loans to businesses and farms of different sizes. Using loan size as a proxy for business size for January 1, 1997 through February 16, 1999 shows that the majority of business and farm loans made by First Robinson are to small businesses and farms. Table 7 shows the average loan size for business and farm loans is below \$100,000. The table illustrates that the bank has a good record of making small dollar volume loans to small businesses and small farms. This is evidenced by the fact that the average business loan is \$66,741 and the average farm loan is \$71,876. The bank's penetration of loans to small businesses and small farms is good.

<b>Table 7 Small Business and Small Farm Loans Average Loan Size at Origination</b>			
Loan Amount at Origination	#	\$(000s)	Average Loan Size
Business Loans	686	\$45,784	\$66,741
Farm Loans	137	\$9,847	\$71,876
TOTAL	823	\$55,631	\$67,595

Source: OCC's review of bank prepared loan origination reports.

### Geographic distribution of loans:

An analysis of the geographic distribution of loans is does not apply. All geographies within the assessment area are middle-income areas.

### Loan-to-deposit ratio:

First Robinson's average loan-to-deposit ratio from June 1997 to September 1998 is 96%. This is more than reasonable for a bank of their size and condition in this area. The ratios for competitor banks in the market area are typically in the sixty-to-seventy percent range.

### Response to complaints:

First Robinson has not received any complaint letters from the public regarding its CRA activities.

### Compliance with antidiscrimination laws:

During the examination we performed a review for gender discrimination by reviewing denied and approved residential mortgage applications received during 1998. Our sample consisted of all denied applications to females and approved applications to males. We did not identify any violations of the

substantive provisions of the anti-discrimination laws or regulations. First Robinson's fair lending policies and procedures are satisfactory.