



## **INTERMEDIATE SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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### **PUBLIC DISCLOSURE**

May 8, 2006

### **Community Reinvestment Act Performance Evaluation**

**First Mid-Illinois Bank & Trust, National Association  
Charter Number: 10045**

**1515 Charleston Avenue  
Mattoon, IL 61938**

**Office of the Comptroller of the Currency  
Champaign Field Office  
3001 Research Road, Suite E2  
Champaign, IL 61822**

**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.**

## **INSTITUTION'S CRA RATING**

**First Mid-Illinois Bank and Trust, N.A (FMIB&T) is rated satisfactory.**

The lending test is rated satisfactory.

The community development test is rated satisfactory.

The primary factors supporting FMIB&T's rating include:

- A more than reasonable average loan to deposit ratio during the evaluation period.
- A substantial majority of FMIB&T's home mortgage and small loans to businesses are within the bank's assessment areas.
- A reasonable penetration of loans to borrowers of different income levels and business of different sizes.
- The geographic distribution of home mortgage and small loans to businesses reflects reasonable dispersion throughout the assessment areas (AAs).
- Satisfactory responsiveness to community development needs through community development loans and services and qualified investments.

## **Scope of Examination**

This Performance Evaluation assesses First Mid-Illinois Bank and Trust, N.A.'s capacity to help meet the credit needs of the communities in which it operates. An Intermediate Small Bank is subject to a lending test and a community development test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities. The community development test evaluates a bank's community development lending, qualified investment, and community development services activities.

Conclusions regarding the bank's lending performance are based on residential mortgage and small loans to businesses originated or purchased from January 1, 2004 – April 30, 2006. Residential mortgages and business loans are the bank's primary products based on a review of the number and dollar of originations during this period. As a majority of the residential mortgage loans were either home purchase or home refinance, these were the mortgage products reviewed.

For the community development test, the evaluation period runs from April 17, 2002 to May 8, 2006, which represents the time between Community Reinvestment Act (CRA) examinations. This test includes a review of the investments, services, and loans provided in the bank's assessment areas that meet the definition of community development (CD).

The bank's primary assessment area includes Coles, Cumberland, Douglas, Effingham, Fayette, Moultrie, Christian, and Shelby Counties and is referred to as the Non-Metropolitan Statistical Area (MSA) AA. This area was selected for a full scope review due to the location of the bank's headquarters and the fact that a majority of the bank's loans and deposits are in this area. The remaining three assessment areas received a limited-scope review. Performance ratings are based primarily on the full-scope review results.

As part of this CRA evaluation, we reviewed publicly filed information for HMDA reportable loans and small loans to businesses and farms and determined the data integrity to be accurate. CD loans, investments, and services submitted by management were also verified to ensure that they met the regulatory definition for community development.

## **Description of Institution**

FMIB&T is an \$844 million intrastate institution headquartered in Mattoon, Illinois. The bank operates 25 offices. The bank has four AAs. The primary AA consists of eight counties in the non-MSA area of east central Illinois (Non-MSA AA). In this AA, the bank operates ten full-service facilities, offering all lending and deposit products and services. Five limited service facilities offer deposit-related services or are drive-up facilities. Additionally, twenty-four automated teller machines (ATMs) are located in this area, including sixteen that take deposits. The bank's operations outside this AA consist of eight additional full-service branches, two limited-service facilities and five other ATMs. These additional banking offices are located in the Champaign and Decatur, Illinois MSAs, and St. Louis Missouri-Illinois Multistate MSA.

FMIB&T is wholly owned by First Mid-Illinois Bancshares, Inc., a two-bank holding company

headquartered in Mattoon, Illinois. As of December 31, 2005, this holding company had total assets of \$851 million. The holding company also owns Mid-Illinois Data Services, Inc, a data processing service for the bank and holding company; Checkley Agency, Inc, a Mattoon-based insurance agency; and an unconsolidated statutory business trust. The bank's affiliates do not negatively impact the bank's ability to meet the credit needs of the community. On May 1, 2006, First Mid-Illinois Bancshares Inc. acquired Mansfield Bankcorp, which owns Peoples State Bank of Mansfield operating three branches within the Champaign MSA with total assets of \$123 million (as of March 31, 2006). Operational integration began immediately and People State Bank is expected to be merged in with FMIB&T during the third quarter of 2006.

Since the last performance evaluation, FMIB&T built three new facilities. On November 13, 2002, the bank opened a full service facility in Champaign, Illinois. Additionally, the bank opened a full service facility on November 15, 2002, in Maryville, Illinois. On March 20, 2005, the bank opened a facility in downtown Highland, Illinois. The bank did not close any branches during this evaluation period.

As of December 31, 2005, FMIB&T had \$533 million in total loans, which was 63 percent of total assets, and \$80 million in Tier 1 capital. The bank's loan portfolio was 74 percent real estate-secured. Twenty-five percent of the loan portfolio was 1-4 family residential mortgage loans, thirty percent was commercial loans secured by real estate, eight percent was loans secured by farmland, five percent was construction and development loans, and five percent was multi-family loans. The remainder of FMB&T's loan portfolio included sixteen percent commercial loans, five percent agricultural loans, and four percent consumer loans.

FMIB&T's primary business focus is on commercial and residential lending, and providing trust services. The bank's strategy is to tailor its products and services to the various markets in the AA, based on community needs and local competition.

There were no financial, legal, or other impediments that would hinder the bank's ability to help meet the credit needs of its assessment area. The bank was rated Satisfactory at its last CRA examination on April 16, 2002.

## Description of FMIB&T Assessment Areas

FMIB&T's AAs meet the requirements of the CRA and do not arbitrarily exclude low or moderate-income geographies. FMIB&T has four AAs covering 154 census tracts within the state of Illinois.

Assessment Area #1 - Non-MSA AA. This AA includes the following East Central Illinois counties: Coles, Douglas, Cumberland, Moultrie, Shelby, Christian, Effingham, and Fayette. This area contains 58 percent of the bank's loans and 81 percent of its deposits. The bank's headquarters is located in this AA.

Assessment Area #2 - Champaign AA - This AA, located in MSA#1658, includes all of Piatt County and the southern two-thirds of Champaign County, including all of the cities of Champaign and Urbana.

Assessment Area #3 - Decatur AA - This includes all of Macon County, which is MSA # 1950.

Assessment Area #4 - Metro East St. Louis AA - This AA, located on the Illinois side of the multistate MSA #4118, includes all of Bond County, the eastern portion of Madison County, and the Northwestern portion of Clinton County.

Our review included contacting local community groups in three out of the four assessment areas. Community contacts from the Non-MSA AA stated that a local need exists for small business loans, especially start-up businesses, and that FMIB&T has a reputation of meeting this need. The community contacts from the other assessment areas were considered while performing the limited-scope reviews.

**Information on the AA receiving a full-scope review: Non-MSA AA**

As the Non-MSA AA is the only AA receiving a full-scope review, the following section is devoted to describing this AA.

FMIB&T is the market leader in this AA, holding 14.98 percent of deposits and is the largest bank headquartered in the AA. There are 57 other banks with offices in the AA. The bank’s main competitors are smaller community financial institutions, branches of larger institutions headquartered elsewhere, credit unions, and Farm Credit Services.

There are 89,456 housing units within the assessment area. Of this total, 68 percent are owner occupied, 24 percent are renter occupied, and 8 percent are vacant. Only 4 percent of all owner occupied homes are located in moderate-income CTs.

<b>Demographic and Economic Characteristics of Full-Scope AA</b>	
<i>Population</i>	
Number of People	212,989
Number of Families	55,769
<i>Family Income Levels</i>	
Number of Census Tracts	55
% Low-Income	0.00%
% Moderate-Income	7.27%
% Middle-Income	87.27%
% Upper-Income	5.46%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$44,966
2006 HUD-updated MFI	\$49,550
<i>Economic Indicators</i>	
Unemployment Rate	4.4% - 6.7%
2000 Median Housing Value	\$69,957
% of Households Below Poverty Level	12.00%

Source: 2000 United States of America Census Bureau and unemployment rate information is from Illinois Department of Employment Security (March 2006)

The total number of businesses located in the assessment area is 11,777. Of this total, 4 percent

are located in the moderate-income tracts, 92 percent are located in middle-income tracts, and 4 percent are located in upper-income tracts. Small businesses (gross revenues of less than \$1 million) make up 63 percent of the businesses in the assessment area.

Unemployment in the eight counties that make up the AA is generally higher than state and national averages as of March 2006. Only Coles and Moultrie counties had lower than the state average of 5.1%, with Moultrie also being below the national average of 4.7%.

## Conclusions about Performance Criteria

### Lending Test

FMIB&T's performance under the lending test is satisfactory. The bank has a strong loan-to-deposit ratio and has originated a substantial majority of their primary product loans within the AAs. FMIB&T has reasonable borrower and geographic distribution of its loans within the AAs.

### Loan-To-Deposit

The bank's loan-to-deposit ratio is more than reasonable based on the institution's size, financial condition, and the assessment area's credit needs. During the past sixteen quarters, FMIB&T's loan-to-deposit ratio has averaged 88 percent. This average ratio is above the peer bank's quarterly average of 80 percent, and is the highest in its peer group. The other four peer bank ratios ranged from the bank's high of 86 percent to a low of 65 percent. Peer banks include four banks headquartered in Effingham, Madison, and Champaign Counties, with total assets ranging from \$414 million to \$1.1 billion, not including FMIB&T.

### Lending in the Assessment Area

A substantial majority of the loans are originated within the bank's assessment areas. Based on 5,350 home purchase, home refinance, and small loans to businesses originated by the bank during 2004, 2005 and 2006, 97 percent of the number of loans and 74 percent of the dollars of loans are to borrowers located in the AAs.

<b>Lending in FMIB&amp;T AAs</b>										
Type of Loan	Number of Loans				Total	Dollars of Loans (000's)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Purchase	1005	95.08%	52	4.92%	1057	\$101,496	93.67%	\$6,858	6.33%	\$108,354
Home Refinance	813	96.56%	29	3.44%	842	\$79,586	96.89%	\$2,551	3.11%	\$82,137
Commercial Loans	3345	96.93%	106	3.07%	3451	\$285,275	64.94%	\$154,025	35.06%	\$439,300
<b>Total</b>	<b>5163</b>	<b>96.50%</b>	<b>187</b>	<b>3.50%</b>	<b>5350</b>	<b>\$466,357</b>	<b>74.05%</b>	<b>\$163,434</b>	<b>25.95%</b>	<b>\$629,791</b>

Source: Home Purchase and Home Refinance data is obtained from the HMDA Loan Application Register for 2004, 2005, and year-to-date 2006. Commercial data is obtained from the CRA Small Business and Small Farm loan register for 2004, 2005, and year-to-date 2006.

## Distribution of Loans by Income Level of the Borrower

The borrower distribution of FMIB&T's home mortgage loans and commercial loans reflected a satisfactory dispersion among borrowers of different income levels throughout the bank's full scope AA.

### *Home Mortgage Loans*

The overall borrower distribution of home mortgage loans by income levels is satisfactory in the full scope AA.

The borrower distribution of home purchase loans is satisfactory. Although the percentage of home purchase loans made to low-income borrowers was below the percentage of low-income families in the AA, the performance is reasonable in light of the poverty level of 12 percent. The percentage of home purchase loans to moderate-income borrowers is equal to the percentage of moderate-income families living in the bank's full scope AA.

The borrower distribution of refinance loans is also satisfactory. Although the percentage of refinance loans made to low-income borrowers was below the percentage of low-income families in the AA, it is reasonable in light of the poverty level. The distribution of loans to moderate-income families approximates the demographics.

<b>Borrower Distribution of Residential Real Estate Loans in Non-MSA AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number	% of AA Families	% of Number
Home Purchase	15.68%	8.70%	19.71%	19.32%	25.02%	28.47%	39.59%	43.51%
Home Refinance	15.68%	9.52%	19.71%	19.22%	25.02%	27.69%	39.59%	43.56%

Source: HMDA LAR information for January 1, 2004 – April 30, 2006

### *Small Loans to Businesses*

The borrower distribution of small loans to businesses is adequate. Sixty-three percent of businesses in the Non-MSA AA have less than one million in gross revenues and are considered small businesses. Sixty-three percent of the small loans to businesses made in the AA were to small businesses.

<b>Borrower Distribution to Businesses in Non-MSA AA</b>				
Business Revenues	<=\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses	63.08%	5.16%	31.76%	100.00%
% of Bank Loans in AA by #	62.84%	30.10%	7.06%	100.00%
% of Bank Loans in AA by \$	38.98%	52.88%	8.14%	100.00%

Source: CRA Small Business and Small Farm Loan Register for January 1, 2004 – April 30, 2006.

## Distribution of Loans by Income Level of the Geography

The overall geographic distribution of FMIB&T's home mortgage loans and small loans to businesses reflects adequate penetration throughout the full-scope AA geographies.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects an adequate distribution among the different income-level geographies. The AA does not have any low-income tracts. Although the bank's level of home purchase and home refinance lending was less than the percentage of owner-occupied housing units in the moderate-income geographies, it is still considered reasonable due to the limited number of owner-occupied units in these tracts. While moderate-income census tracts contain 4,377 housing units, only half of these are owner-occupied.

### **Geographic Distribution of Home Mortgage Loans in Non-MSA AA**

Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Loans	% of Number of Loans
Home Purchase	NA	NA	3.62%	1.00%	91.41%	88.67%	4.98%	10.33%
Home Refinance	NA	NA	3.62%	0.51%	91.41%	94.02%	4.98%	5.47%

Source: HMDA LAR information for January 1, 2004 – April 30, 2006

### *Small Loans to Businesses*

The geographic distribution of small loans to businesses reflected an adequate distribution among moderate, middle, and upper-income geographies. The geographic distribution of small loans to businesses made in moderate-income geographies was less than the percentage of businesses located in moderate-income geographies in the full scope AA. However, of all businesses in the AA, only four percent are located in the moderate-income tracts. There is significant competition in the cities of Taylorville and Charleston with 13 other financial institutions serving this market. In addition, the Taylorville branch, which is the only branch located with a moderate-income geography, is primarily a retail oriented branch.

### **Geographic Distribution of Commercial Loans in Non-MSA AA**

Census



Tract Income Level Type of Loan	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	NA	NA	4.25%	0.74%	91.81%	96.04%	3.94%	3.22%

Source: CRA Small Business and Small Farm Loan Register for January 1, 2004 – April 30, 2006.

### *Lending Gap Analysis*

Reports and maps detailing FMIB&T’s lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of these loans. No unexplained conspicuous gaps were identified in the assessment area receiving a full scope review.

### Responses to Complaints

Management has not received any CRA related complaints since our last examination.

### Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

### Community Development Test

FMIB&T demonstrates satisfactory responsiveness to the community development needs in the Non-MSA AA. The bank provides responsiveness to community needs through community development services, community development loans, qualified investments, and retail banking services.

FMIB&T provides a strong level of community development services. During this evaluation period, fifteen officers/employees of the bank provided technical financial assistance to nineteen organizations that meet the definition of community development. These officers/employees provided financial assistance as board members, members of loan committees, members of finance committees, members of investment boards, position of treasurer, speaker/instructor on financial topics, and providing assistance with completing loan applications. A majority of the organizations served provided services in a variety of ways to primarily low- and moderate-income individuals. Some of the organizations did provide affordable housing, and/or provide low-interest financing for home improvements to low- and moderate-income individuals. Other organizations provided financing, facilitated financing, and/or technical assistance on financial matters to small businesses.

Other community development services include FMIB&T acting as loan servicing agent and

providing amortization schedules to the City of Charleston Community Development Assistance Program, and providing free access to a credit reporting agency to the Coles County Habitat for Humanity Family Selection Committees.

Community development lending is adequate. During this evaluation period, FMIB&T originated eleven loans to five organizations totaling \$3.4 million. A majority of these loans benefited distressed census tracts in Effingham County. These projects include construction of a strip mall and condominiums, which are expected to assist with revitalizing the area by providing an additional 12-18 new jobs and attracting new residents to move into the area. The total funds provided for these projects were \$3.2 million. While these projects are expected to help improve the distressed middle-income areas of Effingham County, the impact is expected to be relatively small, and therefore we gave no significant weight to these activities in our analysis. Other CD loans made within the AA equal \$151 thousand and helped provide community services to low-income disabled individuals, domestic abuse victims, and homeless individuals. The remaining \$10 thousand was to assist with providing affordable housing to low-and moderate-income individuals.

Qualified investments and grants are satisfactory, based on the community needs. FMIB&T invested \$81 thousand in six organizations during this evaluation period. These organizations provide a variety of community services, primarily to low- and moderate-income individuals. Examples of these services are healthcare, food, financial assistance, transportation, senior citizen in-home care, and education. In addition, one organization provided financing to small businesses. The bank has prior period investments outstanding of one thousand dollars to Coles County Community Development Corporation. FMIB&T has \$101 thousand in unfunded commitments of qualified investments to two organizations.

FMIB&T's delivery systems are accessible to all geographies and individuals of different income levels in the full scope AA. Thirteen percent of FMIB&T's branches and twenty-one percent of ATMs located in this AA are located in moderate-income geographies. This compares favorably with the fact that seven percent of the population lives in the moderate-income geographies.

Services, including business hours, do not vary in a way that inconveniences low- or moderate-income individuals or moderate-income geographies. Branch hours offer reasonable access and convenience.

The bank offers 24-hour access for its customers through its telephone banking and Internet banking products. These free products allow customers to check balances, transfer funds, make loan payments, open deposit accounts, apply for mortgage-related loans and perform other related transactions. Bill payment is also available at no cost.

FMIB&T offered a no fee electronic banking account targeted to low- and moderate-income individuals during the years 2002 and 2003. The account was accessible only through a Visa check card, with a minimum opening balance of \$100; however, the minimum balance required was only \$1. The bank has expanded this account, which is now called Free Checking Plus. Free Checking Plus was rolled out in 2004 to better serve low- and moderate-income individuals. This account provides a free Visa check card, on-line banking and bill pay, and telephone

banking with no minimum balances required.

FMIB&T did not have any information to show how low- and moderate-income individuals or geographies benefited from these alternative delivery systems. Therefore, we could not place significant weight on these systems when drawing our conclusions.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

### **Lending Test**

Overall, the limited-scope AAs lending performance is not inconsistent with the performance in the full-scope AA. Detailed information for each test on the limited-scope AAs follows.

#### *Home Mortgage Borrower Distribution*

For the Champaign AA and Metro East St. Louis AA, the borrower distribution of home purchase and home refinance loans is not inconsistent with the performance in the full-scope AA. The borrower distribution of home mortgage purchase loans in the Decatur AA is weaker. However, the distribution of home refinance in the Decatur AA is stronger. The Decatur branch is focused on commercial lending and only 3% of the home purchase and home refinance loans made were in this AA during the evaluation period and has little impact on the overall CRA findings.

#### **Borrower Distribution of Home Mortgage Loans in Limited Scope AAs**

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase in Champaign AA	17.13%	12.75%	18.14%	14.22%	24.61%	27.45%	40.13%	45.59%
Home Refinance in Champaign AA	17.13%	7.75%	18.14%	28.68%	24.61%	24.03%	40.13%	39.53%
Home Purchase in Decatur AA	20.06%	6.90%	18.49%	6.90%	22.27%	34.48%	39.18%	51.72%
Home Refinance in Decatur AA	20.06%	5.55%	18.49%	50.00%	22.27%	38.89%	39.18%	5.55%
Home Purchase in Metro East AA	13.98%	6.52%	18.21%	23.91%	24.73%	23.91%	43.08%	45.69%
Home Refinance in Metro East AA	13.98%	8.62%	18.21%	20.69%	24.73%	27.59%	43.08%	43.10%

Source: HMDA LAR data from January 1, 2004 – April 30, 2006

#### *Commercial Borrower Distribution*

For the Champaign AA, the borrower distribution of small loans to businesses is not inconsistent with the performance in the full-scope AA. The borrower distribution of small loans to businesses in the Decatur and Metro East St. Louis AAs is weaker than performance in the full-scope area. As nineteen percent of the bank's small loans to businesses were made in the Decatur and MetroEast St. Louis AA, this has a moderate impact on our analysis.

### Borrower Distribution to Businesses in Limited Scope AA

Business Revenues	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of Champaign AA Businesses	63.69%	5.48%	30.83%	100.00%
% of loans in Champaign AA	61.39%	24.75%	13.86%	100.00%
% of Decatur AA Businesses	63.82%	6.31%	29.87%	100.00%
% of loans in Decatur AA	51.30%	37.82%	10.88%	100.00%
% of Metro East Businesses	65.53%	4.95%	29.52%	100.00%
% of loans in Metro East AA	51.79%	42.14%	6.07%	100.00%

Source: CRA small business and small farm data from January 1, 2004 – April 30, 2006.

### Geographic Distribution of Home Mortgages

For the Champaign AA, the geographic distribution of home purchase and home refinance loans is not inconsistent with the full-scope AA finding. The geographic distribution of mortgage loans in the Decatur AA is weaker than the conclusions of the full-scope AA. It is important to note that the branch in the Decatur AA is focused on commercial lending and only 3% home purchase and home refinance loans have been made during the evaluation period in this AA. The geographic distribution of mortgage loans in the Metro East St. Louis AA is stronger than the conclusions for the full scope AA. Seven percent of the home purchase and home refinance loans were made in the Metro East AA. Both the negative findings of Decatur AA and the positive findings from the Metro East St. Louis AA have little impact on our overall findings.

### Geographic Distribution of Home Mortgage Loans in Limited Scope AAs

Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase in Champaign AA	0.92%	0.00%	15.61%	11.74%	55.14%	56.81%	28.33%	31.46%
Home Refinance in Champaign AA	0.92%	1.42%	15.61%	10.64%	55.14%	68.79%	28.33%	19.15%
Home Purchase in Decatur AA	3.18%	3.45%	21.90%	13.79%	50.66%	41.38%	24.26%	41.38%
Home Refinance in Decatur AA	3.18%	0.00%	21.90%	11.11%	50.66%	50.00%	24.26%	38.89%
Home Purchase in Metro East AA	NA	NA	5.75%	9.26%	58.97%	79.63%	35.28%	11.11%
Home Refinance in Metro East AA	NA	NA	5.75%	6.78%	58.97%	74.58%	35.28%	18.64%

Source: HMDA LAR data from January 1, 2004 – April 30, 2006

## Commercial Geographic Distribution

For the Champaign AA, the geographic distribution of small loans to businesses is weaker than the conclusions in the full-scope review. However, it is important to note that, until recently, residential mortgages have been the primary focus of FMIB&T in this AA. FMIB&T has added commercial lending expertise to the branches in the AA to work toward meeting the needs of small businesses in the AA; however, only 3 percent of the commercial loans made during the evaluation period were in this AA and has minimal impact on our analysis. For the Decatur AA, the geographic distribution of small loans to business loans is stronger than the conclusions in the full-scope review. As eleven percent of the commercial loans were in this AA, this does have a moderate amount of impact on our findings. The geographic distribution of small loans to businesses in the Metro East St. Louis AA is not inconsistent with the full-scope review findings

### Geographic Distribution of Commercial Loans in Limited Scope AAs

Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Champaign AA	5.01%	0.00%	24.25%	7.92%	47.08%	70.30%	20.99%	21.78%
Decatur AA	14.30%	24.35%	31.30%	33.68%	35.97%	33.42%	18.43%	8.55%
Metro East AA	NA	NA	6.85%	3.57%	58.85%	77.14%	33.31%	19.29%

Source: CRA small business and small farm data from January 1, 2004 – April 30, 2006.

## Community Development Test

Community development performance in the Champaign and Decatur AAs is not inconsistent with performance in the full scope AA. Performance in the Metro East St. Louis AA is weaker than performance in the full scope AA as evidenced by no CD activity in this area. The bank opened two new branches in this AA during the evaluation period in November 2002 and March 2005. This AA has an adequate level of CD opportunities and FMIB&T has the capacity to participate in these activities. This weaker performance did not significantly impact the bank's community development test rating.

For the Champaign AA, none of the branches are located in low- or moderate-income geographies; however, one branch and ATM is located in a middle-income census tract that is bordered by moderate-income geographies. FMIB&T originated \$788 thousand for CD loans that provided affordable housing targeted at moderate-income individuals in a low-income geography. Four officers/employees represented the bank by providing community development services to an organization that promotes housing to low- and moderate-income individuals through seminars and an Affordable Housing Fair. In addition, this organization has partnered with FMIB&T to offer a "Ways to Work" program that assists low-income individuals in purchasing used vehicles to enable them to maintain employment. In addition, a bank officer serves on the Urban League of Champaign County Ways to Work loan review committee. FMIB&T is the only bank that originates and services these loans. Fourteen loans for a total of \$55 thousand have been originated. No qualified investments were made in this AA.

For the Decatur AA, the only branch in the AA is located in a low-income census tract. The bank has provided CD loans totaling \$474 thousand for affordable housing for moderate-income individuals in moderate-income geographies and to provide services to low-and moderate-income disabled individuals and homeless individuals. One bank officer provides a CD service to one organization in this AA. No qualified investments were provided to this AA.

For the Metro East St. Louis AA, twenty-five percent of branches are located in a moderate income tract. No CD loans, CD services, or qualified investments were made to this AA.