



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

September 3, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Casey National Bank
Charter #8043**

**305-307 North Central Avenue
Casey, Illinois 62420**

**Office of the Comptroller of the Currency
Devonshire Corporate Centre
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 Community Reinvestment Act (CRA) performance of The Casey National Bank prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of September 3, 1997. 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.

This rating is based on the fact that the bank's loan-to-deposit ratio is reasonable given the assessment area credit needs and a majority of the loans originated between July 1, 1996 and August 25, 1997 were located within the bank's assessment area. Additionally, the distribution of borrowers reflects a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

DESCRIPTION OF INSTITUTION

The Casey National Bank is a \$59 million bank situated in Casey, Illinois, which is located in Clark County, population 16,284. The bank does offer an ATM for customer service and convenience. Casey is located on Interstate 70, approximately 35 miles southwest of Terre Haute, Indiana.

This institution serves the needs of the community by offering a variety of loan products. These loan products include commercial and agricultural loans (operating, equipment and real estate), residential loans (construction, purchase, refinance and home improvement) and consumer installment loans (new and used autos and trucks, debt consolidation and unsecured).

The following represents this institution's loan portfolio mix as of June 30, 1997:

Commercial	35%
Residential Real Estate	37%
Consumer Installment	10%
Agricultural Related	18%

The bank does not have any financial or legal impediments restricting it from meeting the credit needs of its local community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is all of Clark County and a portion of Cumberland County. The assessment area consists of five Block Numbering Areas (BNAs), #0601, #0602, #0603, #0604, and #9724. This assessment area conforms to the regulation and does not arbitrarily exclude low or moderate income areas. All five BNA's are considered middle income areas based on 1990 census data. The following demographic information on the bank's assessment area is based on 1990 census data:

Housing Stock:	84% of the housing units are 1-4 family.
Occupancy:	71% owner occupied, 19% renter occupied, and 10% vacant.
Home Values:	The median home value is \$36,300.
Age of Homes:	The median year of homes built is 1956.
Income:	Median family income of the assessment area is \$27,849.
Income Levels:	19% of the families are low income, 22% are moderate income, 25% are middle income, while 34% are upper income.

The local economy is stable and driven by agriculture. Many residents commute to Terre Haute, Charleston and Effingham, where they hold service and industrial jobs. Unemployment in Clark County is low at 4.4%, as of July 1997.

Competition includes two national banks in Marshall, a national bank in Greenup, and a national bank in Robinson with branches in Clark County.

One community contact performed by another bank regulatory agency in August 1996 was reviewed. Small farm loans were mentioned as a credit need for Clark County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN-TO-DEPOSIT RATIO

The bank’s loan-to-deposit ratio is reasonable based on the institution’s size and assessment area credit needs. During the most recent 7 calendar quarters, The Casey National Bank loan-to-deposit ratio has been fairly stable averaging 61%. This is better than the average loan-to-deposit ratios of the three local banks with assets ranging from \$39 million to \$44 million, which was 58%. (The three local banks used in this comparison are The Greenup National Bank, First National Bank (Marshall), and The Dulaney National Bank of Marshall.)

LENDING IN ASSESSMENT AREA

A majority of the loans being originated are within the bank’s assessment area. Based on a sample of loans (including 45 residential mortgage, 25 consumer/installment, 40 commercial, and 25 agricultural) originated from July 1, 1996 through August 25, 1997, 86% of the number and 73% of the dollar amount of the loans were made within the bank’s assessment area.

The following table shows the dollar amount and number of loans from our sample that fall within the assessment area and outside the assessment area:

Table 1 Lending in the Assessment Area				
Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$1,287,939	89%	\$163,394	11%
	39	87%	6	13%
Consumer Loans	\$84,235	77%	\$24,470	23%
	19	76%	6	24%
Commercial Loans	\$1,081,261	79%	\$285,456	21%
	23	77%	7	23%
Agricultural Loans	\$1,547,561	97%	\$53,100	3%
	23	92%	2	8%
Total of Sample	\$4,000,996	88%	\$526,420	12%
	104	83%	21	17%

* This table was based on the sample of originations made 07/01/96-08/25/97.

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

The bank has done a good job of lending to consumers of all income levels. Although, all the BNAs located in the bank’s assessment area are considered middle-income, 41% of the families are in the low- to moderate-income category.

The following tables shows the distribution of residential real estate and installment originations among borrowers of different income levels within the assessment area:

Table 2 Home Mortgage Loan Distribution by Borrower Income					
Borrower Income Level	#	\$	% of Total		Assessment Area Characteristics
			#	\$(000's)	% of families
Low-Income	7	\$110,153	18%	9%	19%
Moderate-Income	7	\$196,433	18%	15%	22%
Middle-Income	13	\$386,275	33%	30%	25%
Upper-Income	12	\$595,078	31%	46%	34%
Total	39	\$1,287,939	100%	100%	100%

This table was based off a sample of originations from 07/01/96 - 08/25/97, that were made inside the bank’s assessment area.

*Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$37,600). Low income is less than 50% of the median, moderate is at least 50% but less than 80% of median, middle is at least 80% but less than 120% of median, and upper income is 120% or more of the median.

Table 3 Consumer Installment Loan Distribution by Borrower Income	
--	--

Borrower Income Level	#	\$(000's)	% of Total		Assessment Area Characteristics
			#	\$(000's)	% of families
Low-Income	5	\$10,190	26%	12%	19%
Moderate-Income	6	\$16,104	32%	19%	22%
Middle-Income	6	\$28,619	26%	34%	25%
Upper-Income	3	\$29,322	16%	35%	34%
Total	19	\$84,235	100%	100%	100%

This table was based off a sample of originations from 07/01/96 - 08/25/97, that were made in the bank's assessment area.

*Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$37,600). Low income is less than 50% of the median, moderate is at least 50% but less than 80% of median, middle is at least 80% but less than 120% of median, and upper income is 120% or more of the median.

The following tables demonstrates that the bank has done a good job of lending to businesses and farms of all sizes in the assessment area.

Table 4 Commercial Loan Distribution by Gross Revenues				
Gross Revenues	# of Loans	%	\$ of Loans	%
Less than \$100,000	16	46%	\$209,826	11%
\$100,000 - 250,000	6	17%	\$723,454	40%
\$250,000 - 500,000	5	14%	\$265,681	15%
\$500,000 - 1,000,000	5	14%	\$387,560	21%
More than \$1,000,000	3	9%	\$235,000	13%
Total	35	100%	\$1,821,521	100%

*This table is based on the 35 commercial loans, from the sample, that were made to businesses located inside the bank's assessment area. A substantial majority of the commercial loans reviewed were made to small businesses.

Table 5 Agricultural Loan Distribution by Gross Revenues				
Gross Revenues	# of Loans	%	\$ of Loans	%
Less than \$100,000	9	39%	\$243,336	16%
\$100,000 - 250,000	12	52%	\$1,119,225	72%

\$250,000 - 500,000	2	9%	\$185,000	12%
\$500,000 - 1,000,000	0	0%	\$0	0%
More than \$1,000,000	0	0%	\$0	0%
Total	23	100%	\$1,547,561	100%

*This table is based on the 23 agricultural loans, from the sample, that were made to farms located inside the bank's assessment area. All of the farm loans reviewed were made to small farms.

GEOGRAPHIC DISTRIBUTION OF LOANS

A review of the geographic distribution of loans was not conducted, because all five BNAs are middle income areas.

COMPLIANCE WITH FAIR LENDING LAWS

The Casey National Bank is in compliance with the substantive provisions of the antidiscrimination 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.