



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**May 11, 2009**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank in Georgetown  
Charter Number 13448

111 South Main Street  
Georgetown, IL 61846-0000

Office of the Comptroller of the Currency

CENTRAL ILLINOIS & CENTRAL IND Field Office  
3001 Research Road Suite E2  
Champaign, IL. 61822-0000

**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: This institution is rated Satisfactory.**

The major factors that support this rating include:

- The First National Bank in Georgetown's (FNBG) distribution of loans represents reasonable penetration among businesses and farms of different sizes.
- A majority of FNBG's primary loan products were made within the bank's assessment area.
- FNBG's loan to deposit ratio is reasonable.

## **SCOPE OF EXAMINATION**

FNBG was evaluated under the Small Bank examination procedures, which evaluates the bank's record of meeting the credit needs of its assessment area (AA) through its lending activities.

The lending test for FNBG covers its performance from January 1, 2007 through May 11, 2009, as this is representative of its lending strategy since the last CRA examination. Based on both number and dollar of loan origination information supplied by the bank, FNBG's primary loan products are farm and business loans. To evaluate the bank's farm and business lending performance, we selected a sample of business and farm loans made during this time period.

## **DESCRIPTION OF INSTITUTION**

FNBG is an intrastate bank headquartered in Georgetown, Illinois. Georgetown, with a population of 3,700, is in the southeastern corner of East Central Illinois' Vermilion County. Georgetown is located on State Highway 1 and is 13 miles south of Danville, Illinois.

As of December 31, 2008, FNBG had total assets of \$32 million and tier one capital of \$2.7 million. FNBG is owned by Longview Capital Corporation, a five-bank holding company with total assets of \$310 million, as of December 31, 2008. Longview Capital Corporation is headquartered in Newman, IL. The bank has an operating subsidiary, Midwest AgriCredit Company, which does not negatively impact the bank's ability to meet the credit needs of the community.

FNBG does not operate a branch, but has three non-deposit ATMs located in local convenience-store gas stations. Bank customers have access to eleven additional surcharge-free ATMs that are owned by affiliated banks. FNBG has not opened or closed any branches since the previous CRA examination. There have not been any significant changes to FNBG's corporate structure, including merger or acquisition activities, since the last CRA examination.

The bank offers a range of deposit and loan products and services. Net loans were \$21 million as of December 31, 2008, and equaled sixty percent of total assets. The portfolio mix has

experienced changes since the last CRA examination. Farm loans have increased from 26% to 58%, while business loans decreased from 41% to 27%. Home loans also decreased from 30% to 12%.

<b>Loan and Lease Portfolio Summary by Product</b>	
<b>Loan Category</b>	<b>% of Outstanding Dollars</b>
Business Loans	27.35%
Home Loans	11.70%
Farm Loans and Leases	58.17%
Consumer Loans	1.20%
Other Loans	1.58%

Source: December 31, 2008 Call Report Data

There are no legal or financial impediments to FNBG’s ability to meet the credit needs of its AA. The bank was rated Satisfactory at the last CRA examination dated March 22, 2004.

## **DESCRIPTION OF ASSESSMENT AREA(S)**

The bank’s AA comprises the Danville, IL MSA (#19180). The MSA is comprised by Vermilion County. Of the twenty-five tracts in the AA, four are moderate-income, fifteen are middle-income and six are upper-income. The population of the AA is 83,919. Ninety-one percent of the housing stock is 1-4 family units and sixty-six percent is owner occupied housing.

This AA meets the requirements of the regulation, and does not arbitrarily exclude any low-or moderate-income areas.

Here is a summary of some demographic information for this AA:

<b>Demographic Information for the AA</b>					
	<b>#</b>	<b>% Low</b>	<b>% Moderate</b>	<b>% Middle</b>	<b>% Upper</b>
Families by Income Level	22,447	18.09%	18.78%	23.64%	39.49%
Households by Income Level	33,378	23.69%	17.16%	20.45%	38.70%
Census Median Family Income (MFI)	\$41,578	Median Housing Value		\$55,018	
HUD- Adjusted MFI: 2008	\$49,400	Households Below Poverty		13%	
HUD- Adjusted MFI: 2007	\$47,000	Unemployment Rate		10.9%	

Source: 2000 U.S. Census Data; Unemployment Information is from the Department of Labor as of March 2009; Adjusted MFI is from HUD.

The current economy for the AA is affected by the national recession. The unemployment rate increased from 7.3% in March 2008 to 10.9% as of March 2009. Average unemployment for the area is higher than the state average of 9.4% and national average of 8.6%. Major employers include Department of Veterans Affairs – Health Care, Vermilion County Public Schools, Provena United Samaritans Medical Center and Walgreens – Danville Accounting Office. The local agricultural sector benefits the local economy, and has experienced strong economic performance in recent years. A majority of the farms and business are considered small based on revenue sizes.

Competition from other financial institutions is moderate. The bank's competitors include seventeen other banks with at least one office within the AA. The bank's range from rural community banks to branches of larger regional and national banks.

In conducting the assessment of the bank's performance, we performed one community contact with a local non-profit organization representing farmers. Our contact informed us that farm operating lines of credit are the primary credit need of the local farmers. The contact stated that local credit needs are being met.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

FNBG's performance of meeting the community's credit needs is satisfactory. This review concentrated on the bank's primary loan products, which include business and farm loans.

With a reasonable loan-to-deposit ratio and a majority of the loans originated within the AA, our review focused on borrower and geographic distributions. Increased weight was placed on the borrower distribution analysis. The borrower distribution is meaningful, as a majority of the AA's businesses and farms have gross revenues of \$1 million or less. The bank has reasonable penetration among businesses and farms of different sizes.

The AA does not contain any low-income census tracts and only sixteen percent of the AA's census tracts are designated moderate-income. Consequently, less emphasis was placed on the bank's less than reasonable geographical distribution.

### **Loan-to-Deposit Ratio**

FNBG's net loan-to-deposit ratio is reasonable given the bank's size, financial condition, the AA's credit needs, and local competition.

The bank's net loan-to-deposit ratio averaged 66% over the twenty-one quarters since the last CRA examination. This ratio ranged from a quarterly low of 57% to a quarterly high of 77% during the time period.

The bank's net loan-to-deposit ratio compares favorably with the other four banks in Vermilion County with total assets of less than \$100 million. The average net loan-to-deposit ratio for these peer banks was 51% over the same quarters. Loan to deposit ratios have grown over this time frame, as current ratios for the four peer banks are all higher than the twenty-one quarter average.

### Lending in Assessment Area

A majority of FNBG’s primary loan products were made within the bank's assessment area. Seventy-five percent of the primary loan products originated were made within the AA.

Lending in the AA										
Type of Loans	Number of Loans					Dollar of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
	Farm	14	70.00%	6	30.00%	20	\$2,369	55.69%	\$1,885	44.31%
Business	16	80.00%	4	20.00%	20	\$1,403	56.69%	\$1,072	43.31%	\$2,475
Totals	30	75.00%	10	25.00%	40	\$3,772	56.06%	\$2,957	43.94%	\$6,729

Source: Sample of 20 farm and 20 business loans originated between 1/1/07 and 1/4/09.

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

The distribution of loans reflects a reasonable penetration among businesses and farms of different sizes.

#### Business Loans

The distribution of loans to businesses reflects reasonable penetration among businesses of different sizes. Fifty-five percent of the bank’s loans to businesses originated during the sampling period were made to small businesses. This is similar to demographic data that shows fifty-nine percent of the businesses within the AA are small businesses. Small businesses are businesses with gross annual revenues of one million dollars or less.

Borrower Distribution for Business Loans within AA				
Business Revenues (or Sales)	< = \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA businesses	59.14%	3.73%	37.13%	100.00%
% of bank loans in AA by #	55.00%	40.00%	5.00%	100.00%
% of bank loans in AA by \$	35.64%	64.06%	0.30%	100.00%

Sources: Sample of 20 business loans originated between 1/1/07 and 5/10/09 made within the AA and Dun & Bradstreet data.

#### Farm Loans

The distribution of farm loans reflects reasonable penetration among farms of different sizes. Eighty percent of the bank’s farm loans originated during the loan sampling period was made to small farms. Small farms are farms with gross annual revenues of one million dollars or less.

Borrower Distribution for Farm Loans within AA				
Farm Revenues (or Sales)	< = \$1,000,000	> \$1,000,000	Unavailable	Total

% of AA farm	99.14%	0.43%	0.43%	100.00%
% of bank loans in AA by #	80.00%	20.00%	0%	100.00%
% of bank loans in AA by \$	56.34%	43.66%	0%	100.00%

Sources: Sample of 20 farm loans originated between 1/1/07 and 5/10/09 made within the AA and Dun & Bradstreet data.

### Geographic Distribution of Loans

The distribution of loans reflects a less than reasonable dispersion throughout the bank’s AA. There were no conspicuous gaps identified within FNBG’s AA.

#### Business Loans

The bank’s geographic distribution of business loans reflects less than reasonable dispersion among census tracts of different income levels. Based upon our sample, the bank did not make any loans within the moderate census tracts. However, only twenty percent of the businesses in the AA are located within moderate-income census tracts. These moderate-income census tracts are located in downtown and eastern portions of Danville. The bank’s location is not located near these census tracts. Businesses within these census tracts are primarily served by four institutions which have six office locations within these tracts.

Below is a table that details the bank’s performance as compared to the percentage of businesses in each census tract income level.

Geographic Distribution for Business Loans within AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% 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
Business	N/A	N/A	19.70%	0.00%	62.84%	95.00%	17.46%	5.00%

Sources: Sample of 20 business loans originated between 1/1/07 and 5/11/09 made within the AA and Dun & Bradstreet data.

#### Farm Loans

The bank’s geographic distribution of farm loans reflects reasonable dispersion throughout census tracts of different income levels. While no loans were originated to farms located within moderate-income census tracts, this is considered reasonable as the opportunity to make loans to farms in these census tracts is limited. Only 1.28 percent of the farms, or six farms, within the AA are located within moderate-income census tracts.

### Borrower Distribution for Farm Loans within AA

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business	N/A	N/A	1.28%	0.00%	88.91%	90.00%	9.81%	10.00%

Sources: Sample of 20 farm loans originated between 1/1/07 and 5/11/09 made within the AA and Dun & Bradstreet data.

## Responses to Complaints

FNBG has not received any complaints about its performance in helping to meet the assessment area needs during this evaluation period.

## 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.