



**SMALL BANK**

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

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## **PUBLIC DISCLOSURE**

**August 9, 2004**

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

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

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

**Comptroller of the Currency  
Champaign Field Office  
3001 Research Road, Suite E2  
Champaign, Illinois 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:**

**This institution is rated Satisfactory.**

All the lending performance components meet or exceed the standards for satisfactory performance. The major factors that support this rating are:

- The bank's lending reflects an adequate dispersion among borrowers of different income levels and businesses of different revenue sizes given the demographics, economic factors, and competitive pressures faced by the bank.
- The level of lending is good. The bank's average loan-to-deposit (LTD) ratio is 83% and compares well to the similarly situated area banks whose average LTD ratio is 74%.
- A substantial majority of the bank's loans extended during this evaluation period were originated within the bank's assessment area (AA).

## **DESCRIPTION OF INSTITUTION**

First Robinson Savings Bank, NA (FRSB) is 100% owned by First Robinson Financial Corporation, a one-bank holding company located in Robinson, Illinois. The CRA evaluation period is from January 1, 2000 through December 31, 2002. As of December 31, 2002, FRSB had total assets of \$101 million, net loans of \$64 million, total deposits of \$83 million, and total risk-based capital of \$10 million. FRSB has four offices. The main office is located in Robinson, Illinois. The bank also has a full-service branch in Palestine, Illinois, a full-service branch in Oblong, Illinois, and a drive-up facility in Oblong. The bank operates depository ATMs at the main bank, as well as at the branch location in Palestine and at the drive-up facility in Oblong. Cash-dispensing ATMs are located at two Casey's General Store locations, one in Robinson and the other in Palestine.

FRSB offers traditional bank services and loan products normally associated with a community bank. As of December 31, 2002, net loans totaled \$64 million, representing 63% of total assets. The loan portfolio consisted of 59% residential real estate, 11% farm real estate/agricultural, 22% commercial real estate/business, 7% consumer, and 1% other loans. By dollar value, residential real estate (44%) and business-related loans (31%) account for the majority of loans originated between January 1, 2000 and December 31, 2002. Consumer loans (60%) were the bank's primary product category based on the number of loans originated.

There are no legal constraints placed on the bank's ability to help meet the community's credit needs. The bank has adequate resources to provide for the credit needs of its AA. No branches were opened or closed during the evaluation period. FRSB's last CRA evaluation was February 16, 1999, and we rated the bank Satisfactory.

## **DESCRIPTION OF ASSESSMENT AREA**

Management has designated Crawford County, Illinois as its AA. This is a contiguous area, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Crawford County is in a non-Metropolitan Statistical Area (non-MSA) and is comprised of six census tracts (CTs). Based on the 1990 State of Illinois non-MSA median family income, all CTs are classified as middle-income.

The 1990 census data shows the total population of Crawford County was 19,464, which included 5,642 families. Of these families, 987 or 17% were classified as low-income, 1,184 or 21% as moderate-income, 1,439 or 26% as middle-income, and 2,032 or 36% as upper-income. The non-MSA statewide median family income as of the 1990 census was \$29,693. The 2002-updated figure, adjusted for inflation by the Department of Housing and Urban Development, is \$46,700. We used the 2002-updated figure in our analysis to determine borrower income levels.

Based on the 1990 census data for Crawford County, 18% of the population is 65 or older, 18% of households are in retirement, and 11% of households live below the poverty level. The median housing value is \$36,037 and the median year built is 1955. Owner-occupied units represent 72% of the housing stock, with 87% being 1-4 family units. Vacant housing units in the AA represent 8% of total housing units.

Economic conditions have been relatively stable, with moderate fluctuations in unemployment. The annual average unemployment rates for Crawford County for 2000, 2001 and 2002, seasonally unadjusted, were 5.9%, 6.6%, and 6.9%, respectively. By comparison, the August 2003 seasonally unadjusted unemployment rate in Crawford County was 6.8%, with the state and national rates at 6.8% and 6.1%, respectively. For August 2004, the seasonally unadjusted unemployment rates for Crawford County and the State of Illinois are 5.3% and 6.1%, respectively, while the national seasonally unadjusted rate was 5.4%.

Major employers in the AA include Hershey Chocolate (700 employees), Marathon Ashland Petroleum (600), and Crawford County Hospital (250). Other major employers include Victor Products USA (350), Robinson Correctional Center (300), and the local school districts and college (600). In 1999 a large employer, a Briggs Manufacturing plant, closed its operations, eliminating 200-250 jobs from the local economy. A new ethanol plant employing 34 people began operations in July 2004, to the benefit of over 500 farmers that participate in a local co-op.

Competitive pressures in the local community are strong, and come primarily from a large regional bank, a national bank, and three state financial institutions. Collectively, these banks have ten branches located in Crawford County. This number does not include the array of mortgage companies, investment services, farm services, and insurance company offices that now offer loan products.

To further our understanding of the community's credit needs, we contacted a local government official knowledgeable about the community. Our contact identified residential real estate, agriculture, consumer and business lines of credit as the primary credit needs in the community.

Our contact did not identify any unmet credit needs and felt that local banks were involved in the community and are adequately meeting its credit needs.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

FRSB does a satisfactory job of meeting the credit needs of its AA, given the demographics, economic factors, and competitive pressures faced by the bank. Please refer to the “Description of Institution” and “Description of Assessment Area” sections of this evaluation for details on these performance context factors.

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

FRSB’s lending reflects an adequate dispersion among borrowers of different income levels and among businesses of different sizes. Lending levels, as shown by the volume of all loans generated, reflect good responsiveness to the credit needs of the AA. Based on internal reports, between January 1, 2000 and December 31, 2002, FRSB originated approximately 3,457 real estate, business, and consumer loans, totaling nearly \$94 million.

Using only loans made in the AA, we sampled 20 residential real estate loans, 20 consumer loans, and 20 commercial loans originated from January 1, 2000 through December 31, 2002. Residential real estate loans were not differentiated by type, i.e., home purchase, refinance, and home improvement, because that information was not readily available.

#### Residential Real Estate Loans

The overall borrower distribution of residential real estate loans in the bank’s AA is adequate. In evaluating the borrower distribution of residential real estate loans, we considered the number of households that live below the poverty level (11%) and the limitations on home ownership that situation creates. Also, a significant number of households are either in retirement (18%) or receiving Social Security payments (35%). The nature of the reduced, fixed incomes faced by these households makes home ownership less feasible. The data used to evaluate FRSB’s residential lending activity is presented in the following table.

Borrower Distribution of Residential Real Estate Loans in Crawford County								
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
Residential Real Estate	17%	15%	21%	15%	26%	30%	36%	40%

Sources: Loan Sample and 1990 US Census Information. The updated 2002 non-MSA median family income is \$46,700. The income categories are defined as: less than 50%, 50% to 80%, 80% to 120%, and over 120%, respectively, of \$46,700.

Based on the sample of loans selected, the bank’s residential lending to low-income borrowers is near the percentage of low-income families in the AA. The bank’s residential lending to

moderate-income borrowers is below the percentage of moderate-income families in the AA. Opportunities to make real estate loans to low- and moderate-income borrowers are limited by the percentage of people living below the poverty level, and by the high percentage of people in retirement or receiving Social Security benefits. The majority of the sampled loans (70%) were refinances, and it is likely that middle- and upper-income borrowers can more easily afford the costs associated with refinancing. Residential lending to middle- and upper-income borrowers closely resembles the AA demographics.

### ***Consumer Loans***

The overall borrower distribution of consumer loans is adequate in the bank’s AA. In evaluating the borrower distribution of consumer loans, we considered the number of households in the AA below the poverty level (11%). The data used to evaluate FRSB’s consumer lending activity is presented in the following table.

<b>Borrower Distribution of Consumer Loans in Crawford County</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer	22%	15%	17%	20%	20%	50%	41%	15%

*Sources: Loan Sample and 1990 US Census Information.*

Based on the sample of loans selected, the bank’s consumer lending to low-income borrowers is quite a bit lower than the percentage of low-income households in the AA. Consumer lending to moderate-income borrowers slightly exceeds the percentage of moderate-income households in the AA.

### ***Business Loans***

The overall borrower distribution of business loans is adequate in the bank’s AA. The data used to evaluate FRSB’s business loan activity is presented in the following table.

<b>Borrower Distribution of Loans to Businesses in Crawford County</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	83%	4%	13%	100%
% of Bank Loans in AA by #	85%	15%	0%	100%
% of Bank Loans in AA by \$	67%	33%	0%	100%

*Source: Loan sample; Dunn and Bradstreet data.*

Based on the sample of loans selected, FRSB’s lending to small businesses with revenues of \$1 million or less (85%) is comparable to the percentage of small businesses (83%) with reported revenues in the AA. Thirteen percent of AA businesses did not report revenues.

## Loan-to-Deposit Ratio

FRSB's loan-to-deposit ratio is reasonable. As of December 31, 2002, the bank's LTD ratio was 77%. FRSB's quarterly average LTD ratio since March 31, 1999 was 83%. This compares well to the seven similarly situated banks in the area whose quarterly average LTD ratios ranged from 67% to 91%, with an average ratio of 74%. These banks are considered similarly situated because of their size, lending opportunities, and location.

During the evaluation period, the bank originated and sold approximately \$15.1 million long-term fixed-rate residential loans to the Federal Home Loan Bank. In addition, the bank originated and sold approximately \$400,000 in USDA Rural Housing program loans. Because these loans are sold, they are not reflected in the bank's LTD ratio. This is indicative of the bank's willingness to meet the credit needs of the community.

## Lending in Assessment Area

A substantial majority of the bank's loans extended during this evaluation period were originated within the bank's AA. A sample of 20 residential real estate loans, 20 consumer loans, and 20 business loans found that 90% by number and 94% by dollar were made within the bank's AA. The data used to evaluate FRSB's lending in the AA is presented in the following table.

<b>Lending in Crawford County</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate	19	95%	1	5%	20	1,118M	97%	36M	3%	1,154M
Business	18	90%	2	10%	20	1,106M	94%	74M	6%	1,180M
Consumer	17	85%	3	15%	20	200M	82%	43M	18%	243M
<b>Totals</b>	<b>54</b>	<b>90%</b>	<b>6</b>	<b>10%</b>	<b>60</b>	<b>2,424M</b>	<b>94%</b>	<b>153M</b>	<b>6%</b>	<b>2,577M</b>

Source: Random sample of loans originated between January 1, 2000 and December 31, 2002.

## Geographic Distribution of Loans

All CTs in the assessment area are designated middle-income. An analysis of the geographic distribution of loans within the assessment area does not provide meaningful information.

## Responses to Complaints

FRSB has not received any complaints about its performance in helping to meet community credit needs since the previous CRA examination.

## Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discrimination or other illegal credit practices.