



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

July 23, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Buena Vista National Bank
Charter Number 14479

1309 Swanwick Street
Chester, IL 62233

Office of the Comptroller of the Currency

St. Louis Field Office
2350 Market Street, Suite 100
St. Louis, MO 63103

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 the rating of Satisfactory are as follows:

- The distribution of loans to individuals of different income levels for the assessment areas (AAs) of Randolph County and Macon County is reasonable.
- The geographic distribution of loans in Macon County is reasonable. No analysis was performed in Randolph County since there are no low- or moderate-income geographies within this AA.
- The level of lending is reasonable based on the average of quarterly loan-to-deposit (LTD) ratios since the last CRA evaluation.
- A substantial majority of the bank's loans were made within the AA.

SCOPE OF EXAMINATION

This Performance Evaluation of the Buena Vista National Bank (BVNB) assesses BVNB's record of meeting the credit needs of the communities in which it operates. We evaluated BVNB under the Small Bank performance criteria.

The evaluation period covers loans originated or purchased from January 1, 2007 through June 30, 2009. Conclusions regarding the bank's lending performance are based on BVNB's primary loan products (based on number) consisting of residential real estate (RRE) and consumer loans. We conducted a data integrity review of the RRE loans reported under the Home Mortgage Disclosure Act (HMDA). We found the HMDA data to be accurate and reliable. The loan data we analyzed included all HMDA loans and twenty consumer loans for both AAs that were originated or purchased during the evaluation period.

The bank's overall rating is a blend of the conclusions for both AAs consisting of Macon County and Randolph County, Illinois. We placed more weight on the conclusions for Randolph County because a substantial majority (80%) of the bank's deposits are from this area. Both AAs received full-scope reviews.

DESCRIPTION OF INSTITUTION

BVNB is wholly owned by Buena Vista Bancorp, Inc., located in Chester, Illinois. As of March 31, 2009, BVNB reported total assets of \$120 million and Net Tier One Capital of \$15.7 million.

BVNB's business strategy focuses on RRE and consumer loans. Loan products offered include one-to-four family RRE loans, agricultural loans, commercial loans, and

consumer loans. As of March 31, 2009, net loans represented 46% of total assets and consisted of RRE loans (47%), commercial and commercial real estate loans (29%), consumer loans (16%), agricultural and agricultural real estate loans (7%), and other loans (1%).

BVNB is an intrastate bank with five offices located in Macon County (2) and Randolph County (3). The two branches in Macon County are located in the cities of Decatur and Warrensburg and are full-service branches. The three offices in Randolph County are located in the cities of Chester (2) and Evansville (1). Only the main office in Randolph County, located at 1309 Swanwick Street, Chester, is full-service and originates loans. There are no legal, financial, or other factors impeding BVNB's ability to help meet the credit needs of the AAs it serves. Since the last CRA evaluation, BVNB merged with Citizens Community Bank of Decatur in January 2006, and with the Bank of Warrensburg in June 2008, creating a new AA in Macon County.

BVNB was rated "Satisfactory" at its last CRA evaluation dated January 12, 2004.

DESCRIPTION OF ASSESSMENT AREAS

Randolph County

Randolph County is located in southwestern Illinois. In this AA, BVNB's deposits total \$69 million and it is the fourth largest deposit-taking institution based on FDIC deposit market share data as of June 30, 2008. Competition for financial services is strong, as nine other financial institutions have a presence in the AA. There are no low- or moderate-income geographies within this AA.

Major industries consist of retail trade, followed by services and public administration. In the AA, non-agricultural wage and salaried employment decreased 5%, from 14,497 in January 2000 to 13,711 in May 2009. During the same time period, the unemployment rate increased from 5.2% to 8.3%. The state of Illinois' unemployment rate was 9.9% as of May 2009. Seven percent of families and 10% of households live below the poverty level, based on 2000 Census Data. The 2009 Department of Housing and Urban Development (HUD) adjusted statewide non-metropolitan area median family income for the AA is \$51,900. Based on 2000 Census data, 16% and 19% of families are low- and moderate-income, respectively. The percentages of households that are low- and moderate-income are 21% and 16%, respectively.

One community contact was made to a nonprofit service organization that operates a number of programs including home energy assistance, home buyer, home rehabilitation, home weatherization, small business loan fund, and various other community services. The contact indicated the primary need is affordable rental housing for low- and moderate-income individuals.

Macon County

Macon County is in the Decatur Metropolitan Statistical Area (MSA) # 19500 located in central Illinois. In this AA, BVNB's deposits total \$17 million and it is the twelfth largest deposit-taking institution based on FDIC deposit market share data as of June 30, 2008. Competition for financial services is strong, as fourteen other financial institutions have a presence in the AA.

There are five low-income and ten moderate-income geographies within the AA. All five of the low-income geographies are located in downtown Decatur, four miles from BVNB's closest branch office located at the northern edge of the city. Numerous financial institutions are located between the low-income geographies and the bank's only branch in this city.

Major industries consist of retail trade, followed by transportation and services. In the AA, non-agricultural wage and salaried employment decreased 9%, from 53,412 in January 2000 to 48,467 in May 2009. During the same time period, the unemployment rate increased from 5.6% to 10.0%. Nine percent of families and 12% of households live below the poverty level, based on 2000 Census Data. The 2009 HUD updated MSA Median Family Income for the AA is \$57,600. Based on 2000 Census data, 20% and 18% of families are low- and moderate-income, respectively. The percentages of households that are low- and moderate-income are 23% and 17%, respectively.

One community contact was made to a nonprofit service organization that operates a number of programs including training and education, home weatherization, housing and emergency services, and various other community services. The contact indicated the primary need is affordable owner-occupied housing for low- and moderate-income individuals and Single Residency Occupancy units for the homeless.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

BVNB's LTD ratio is reasonable given the institution's size, its financial condition, and AA credit needs.

As of March 31, 2009, BVNB's LTD ratio was 57%. The bank's quarterly average of LTD ratios since the last CRA evaluation was 55%. This ratio is higher than two comparable banks and lower than eight others. The average LTD ratio of these banks, which are comparable in size and location, ranges from 42% to 91% for the same time period.

Lending in Assessment Area

A substantial majority (86%) of loans were made within BVNB's two AAs. BVNB originated or purchased 88%, 87%, and 84% of home purchase, home improvement,

and home mortgage refinance loans, respectively, within its AAs. Based on our sample of consumer loans, 80% were originated or purchased within the bank's AAs.

| Lending in Randolph County and Macon County | | | | | | | | | | |
|--|-----------------|-----|---------|-----|-------|--------------------------|-----|---------|-----|------------|
| Loan Type | Number of Loans | | | | | Dollars of Loans (000's) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total (\$) |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Purchase | 169 | 88% | 24 | 12% | 193 | \$ 8,035 | 82% | \$1,722 | 18% | \$ 9,757 |
| Home Improvement | 139 | 87% | 20 | 13% | 159 | 1,518 | 87% | 227 | 13% | 1,745 |
| Home Mortgage Refinance | 321 | 84% | 59 | 16% | 380 | 27,380 | 81% | 6,326 | 19% | 33,706 |
| Consumer | 16 | 80% | 4 | 20% | 20 | 94 | 72% | 36 | 28% | 130 |
| Totals | 645 | 86% | 107 | 15% | 752 | \$37,027 | 82% | \$8,311 | 18% | \$45,338 |

Source: RRE loan data reported under HMDA for the period 2007 through June 30, 2009, and a sample of 20 consumer loans.

Lending to Borrowers of Different Incomes Levels

The distribution of loans to individuals of different income levels for the AAs of Randolph County and Macon County is reasonable.

Randolph County

BVNB's lending distribution to borrowers of different income levels in this AA is reasonable.

Residential Real Estate Loans

The borrower distribution of RRE loans originated or purchased during the evaluation period is reasonable. In evaluating the borrower distribution, we considered the percentage of families (7%) who live below the poverty level and the barriers this may have on home ownership.

The percentage of home purchase loans to low-income borrowers was significantly lower than the percentage of AA families who are low-income. However, the percentage of home purchase loans to moderate-income borrowers exceeded the percentage of AA families who are moderate-income. The percentage of home improvement loans to low-income borrowers was lower than the percentage of AA families who are low-income. However, the percentage of home improvement loans to moderate-income borrowers exceeded the percentage of AA families who are moderate-income. The percentage of home mortgage refinance loans to low-income borrowers was significantly lower than the percentage of AA families who are low-income. The percentage of home mortgage refinance loans to moderate-income borrowers was lower than the percentage of AA families who are moderate-income.

| Borrower Distribution of Residential Real Estate Loans in Randolph County | | | | | | | | |
|--|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans |
| Home Purchase | 16.2% | 9.6% | 18.9% | 23.4% | 26.0% | 30.8% | 38.9% | 36.2% |
| Home Improvement | 16.2% | 13.6% | 18.9% | 29.6% | 26.0% | 34.1% | 38.9% | 22.7% |
| Home Mortgage Refinance | 16.2% | 7.7% | 18.9% | 14.6% | 26.0% | 29.7% | 38.9% | 48.0% |

Source: RRE loan data reported under HMDA for the period 2007 through June 30, 2009; 2000 U.S. Census Data.

Consumer Loans

The borrower distribution of consumer loans originated or purchased during the evaluation period is reasonable.

The percentage of consumer loans to low-income borrowers significantly exceeded the percentage of AA households who are low-income. The percentage of consumer loans to moderate-income borrowers was near the percentage of AA households who are moderate-income.

| Borrower Distribution of Consumer Loans in Randolph County | | | | | | | | |
|---|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| | % of AA Households | % of Number of Loans |
| Consumer Loans | 20.7% | 40.0% | 15.6% | 15.0% | 20.7% | 30.0% | 43.0% | 15.0% |

Source: Sample of 20 consumer loans, and 2000 U.S. Census data.

Macon County

BVNB’s lending distribution to borrowers of different income levels in this AA is reasonable.

Residential Real Estate Loans

The borrower distribution of RRE loans originated or purchased during the evaluation period is reasonable. In evaluating the borrower distribution, we considered the percentage of families (9%) who live below the poverty level and the barriers this may have on home ownership. Only four home improvement loans were originated or purchased in this AA during the evaluation period; this number was not significant enough to perform a meaningful analysis.

The percentage of home purchase loans to low-income borrowers was significantly lower than the percentage of AA families who are low-income. However, the percentage of home purchase loans to moderate-income borrowers exceeded the percentage of AA families who are moderate-income. BVNB did not originate or purchase any home mortgage refinance loans to low-income borrowers in this AA. However, the percentage of home mortgage refinance loans to moderate-income borrowers exceeded the percentage of AA families who are moderate-income.

| Borrower Distribution of Residential Real Estate Loans in Macon County | | | | | | | | |
|---|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Families | % of Number of Loans |
| Home Purchase | 20.0% | 5.4% | 18.5% | 21.6% | 22.3% | 39.2% | 39.2% | 33.8% |
| Home Improvement | 20.0% | 0.0% | 18.5% | 75.0% | 22.3% | 25.0% | 39.2% | 0.0% |
| Home Mortgage Refinance | 20.0% | 0.0% | 18.5% | 19.3% | 22.3% | 45.2% | 39.2% | 35.5% |

Source: RRE loan data reported under HMDA for the period 2007 through June 30, 2009; 2000 U.S. Census Data.

Consumer Loans

The borrower distribution of consumer loans originated or purchased during the evaluation period is reasonable.

The percentage of consumer loans to low-income borrowers significantly exceeded the percentage of AA households who are low-income. The percentage of consumer loans to moderate-income borrowers was near the percentage of AA households who are moderate-income.

| Borrower Distribution of Consumer Loans in Macon County | | | | | | | | |
|--|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Consumer Loans | % 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 Loans | 23.3% | 35.0% | 16.6% | 15.0% | 18.7% | 25.0% | 41.4% | 25.0% |

Source: Sample of 20 consumer loans, and 2000 U.S. Census data.

Geographic Distribution of Loans

The geographic distribution of loans is reasonable, based on the distribution of loans in Macon County. A geographic distribution of loans is meaningful only when an AA has low- or moderate-income geographies.

Randolph County

No geographic distribution analysis was performed in Randolph County since there are no low- or moderate-income geographies within this AA.

Macon County

The geographic distribution of loans is reasonable given the performance context discussed in the Description of Assessment Area section of this evaluation.

Residential Real Estate Loans

The geographic distribution of RRE is more than reasonable. Only four home improvement loans were originated or purchased in this AA during the evaluation period; this number was not significant enough to perform a meaningful analysis.

The percentage of home purchase loans in low-income geographies was lower than the percentage of owner-occupied housing units within those geographies. However, the percentage of home purchase loans in moderate-income geographies exceeded the percentage of owner-occupied housing units within those geographies. The percentage of home mortgage refinance loans in low-income geographies equaled the percentage of owner-occupied housing units within those geographies. The percentage of home mortgage refinance loans in moderate-income geographies exceeded the percentage of owner-occupied housing units within those geographies.

| Geographic Distribution of Residential Real Estate Loans in Macon County | | | | | | | | |
|---|---|----------------------------|---|----------------------------|---|----------------------------|---|----------------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan type | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Purchase | 3.2% | 2.7% | 21.9% | 52.7% | 50.7% | 29.7% | 24.2% | 14.9% |
| Home Improvement | 3.2% | 0.0% | 21.9% | 75.0% | 50.7% | 25.0% | 24.2% | 0.0% |
| Home Mortgage Refinance | 3.2% | 3.2% | 21.9% | 25.8% | 50.7% | 54.9% | 24.2% | 16.1% |

Source: RRE loan data reported under HMDA for the period 2007 through June 30, 2009; 2000 U.S. Census Data.

Consumer Loans

The geographic distribution of consumer loans is reasonable. Although BVNB did not originate or purchase any consumer loans in low-income geographies, the distribution is reasonable given the performance context discussed above. The percentage of consumer loans in moderate-income geographies equaled the percentage of households within those geographies.

| Geographic Distribution of Consumer Loans in Macon County | | | | | | | | |
|--|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Census Tract 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 Loans | 5.8% | 0.0% | 30.3% | 30.0% | 43.8% | 55.0% | 20.1% | 15.0% |

Source: Sample of 20 consumer loans, and 2000 U.S. Census data.

Responses to Complaints

No CRA-related complaints have been received by the bank or the OCC since the prior CRA evaluation.

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.