



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 23, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Bankers Trust Company, N.A.
Charter No. 14564
1201 Broadway Street
Quincy, IL 62305**

**Office of the Comptroller of the Currency
111 West Washington Street, Suite 300
Peoria, IL 61611**

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 **First Bankers Trust Company, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **August 23, 1996**. This evaluation is based on information from the last CRA examination dated October 29, 1992 to the current examination dated August 23, 1996. 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.

A substantial majority of First Bankers Trust Company's (FBT's) loan originations are located within the bank's assessment area. The bank's record of lending to borrowers of different income levels, including low- and moderate-income individuals, is good. Loans are originated to borrowers throughout the assessment area.

The following table indicates the performance level of First Bankers Trust Company, N.A. with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>FIRST BANKERS TRUST COMPANY</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

FBT is a \$161 million bank headquartered in Quincy, Illinois. The bank is wholly owned by First Bankers Trustshares, Inc., a one-bank holding company. The main bank, located in downtown Quincy, is equipped with an automated teller machine (ATM) and a drive-up facility. The bank has two other branches in Quincy that are equipped with drive-up facilities and ATMs. One of the branches is a full-service facility while the other offers all services except lending. In addition, there is a full-service branch equipped with a drive-up located in Mendon, Illinois, approximately 20 miles north of Quincy. The bank also services customers with an additional ATM located at a local gas station/convenience store. The main bank office is located in an upper-income Block Numbering Area (BNA), but is adjacent to a low- and several moderate-income BNAs. The other branches are all located in middle-income BNAs. FBT offers traditional banking services and lending products. The bank's loan portfolio mix is as follows: residential real estate 34%, commercial 39%, agriculture 11%, and loans to individuals 16%. Sixty-four percent of the bank's total assets are represented by net loans. There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of seventeen BNAs within the western half of Adams County. Adams County is located in the southwest section of Illinois. The BNAs are: 1, 2.01, 2.02, 3, 4, 5, 6, 7, 8, 9, 10.01, 10.02, 11, 101, 104, 105, and 106. This assessment area meets the legal requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. Fifteen of the seventeen BNAs consist of the city of Quincy and its immediate surrounding area. Quincy, with a population of 41,150, is the largest city in Adams County. The remaining BNAs consist of several small towns and rural areas. Of the 17 BNAs in the bank's assessment area, one is low-income, four are moderate-income, nine are middle-income, and three are upper-income. One of the moderate-income BNAs contains only five housing units.

The 1996 non-Metropolitan Statistical Area (MSA) statewide median family income for Illinois is \$36,000. According to the 1990 census, the total population of the bank's assessment area is 56,687. Within the assessment area, 19% of the families are low-income, 19% are moderate-income, 23% are middle-income, and 39% are upper-income. There are 24,180 total housing units in the assessment area of which 64% are owner-occupied, 28% are rental-occupied, and 8% are vacant units.

The economy of the assessment area is based on manufacturing, agriculture, retail/wholesale, and professional services. Major employers include Blessing Hospital, Quincy Public Schools, Titan Wheel International, and Glenayre Electronics, a producer of wireless telecommunications equipment. The local economy has displayed significant growth since the 1993 flood and the completion of a 2-lane highway providing easier access to and from the North-central part of the state. This has included the arrival of several new businesses to

the area and significant residential construction in the Southeast and Northeast sides of Quincy. Unemployment in the assessment area is 3%.

The market for financial services is very competitive as there are seven other financial institutions and four credit unions in Quincy. Management considers most of these institutions to be similarly situated to FBT given their close proximity and business focus. In addition, there are several smaller banks in the rural towns surrounding Quincy that are starting to serve as competition for Quincy's outlying neighborhoods.

A community contact was made with a representative from an area economic development group. This contact indicated that area financial institutions are responsive in meeting the needs of the community. The contact stated that local financial institutions are very supportive in bringing business to the area by providing start-up funds and technical support. The contact did not identify any significant unmet credit needs in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

LOAN-TO-DEPOSIT RATIO

The bank's loan-to-deposit ratio is reasonable based on the community's credit needs and the bank's competition level. FBT's average loan-to-deposit ratio for the eleven quarters ending June 30, 1996 equals 74%, slightly lower than the 76% reported by similarly situated banks, as identified through a custom peer report. During these eleven quarters, FBT's loan-to-deposit ratio has increased from 65% at 12/31/93 to 81% as of 6/30/96. Real estate loan growth has accounted for much of the increase. In addition, the bank sells a substantial portion of their loan portfolio in the secondary market.

LENDING IN THE ASSESSMENT AREA

A substantial majority of loans are originated within the bank's assessment area as detailed in the following chart. Our analysis, performed using bank trials, included all residential real estate, small farm, and small business loans originated in 1994, 1995, and the first half of 1996.

FIRST BANKERS TRUST COMPANY'S RECORD OF LENDING WITHIN ASSESSMENT AREA

1994, 1995, AND THE FIRST HALF OF 1996	WITHIN AA	PERCENT IN AA	OUTSIDE AA	PERCENT OUTSIDE AA
RESIDENTIAL REAL ESTATE	\$31,308,954	86%	\$5,134,968	14%
	569	84%	106	16%
SMALL BUSINESS	\$25,556,354	83%	\$5,206,068	17%
	399	88%	52	12%
SMALL FARM	\$9,738,563	87%	\$1,502,050	13%
	320	71%	128	29%

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO SMALL FARMS AND BUSINESSES OF DIFFERENT SIZES

The distribution of lending reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals. It approximates the income distribution of the population of the assessment area with the exception of the low-income population. The demand for residential real estate loans from the low-income population has been minimal. FBT indicated there is a stronger demand for consumer loans, namely mobile homes, from this population. Our analysis of residential real estate lending was based on a sample of 142 loans. The source for our analysis was bank loan trials. Following is the distribution of residential real estate loans originated among borrowers of different income levels:

DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS AMONG BORROWERS OF DIFFERENT INCOME LEVELS

1994, 1995 AND THE FIRST HALF OF 1996	# OF LOANS	PERCENT	\$ OF LOANS	PERCENT
LOW-INCOME	7	5%	\$340,341	4%
MODERATE-INCOME	35	25%	\$1,396,090	16%
MIDDLE-INCOME	44	31%	\$2,036,763	24%
HIGH-INCOME	56	39%	\$4,821,316	56%

A substantial portion of FBT's commercial and agriculture loan portfolio is originated to small businesses and small farms. A small business or small farm is defined as having revenues less than \$1,000,000. The majority of these loans are for smaller dollar amounts. Eighty-one percent of the small business loans originated during the evaluation period were less than \$100,000, while 93% of the small farm loans originated were less than \$100,000.

The bank meets many of the needs of low- and moderate-income individuals through the origination of small personal loans. Our analysis, based on bank-generated loan trials, contained a sample of 113 loans. Following is the distribution of installment loans originated among borrowers of different income levels:

**DISTRIBUTION OF INSTALLMENT LOANS
AMONG BORROWERS OF DIFFERENT INCOME LEVELS**

1994, 1995, AND THE FIRST HALF OF 1996	# OF LOANS	PERCENT	\$ OF LOANS	PERCENT
LOW-INCOME	29	25.5%	\$241,602	24%
MODERATE-INCOME	36	32%	\$295,178	30%
MIDDLE-INCOME	29	25.5%	\$263,092	26%
HIGH-INCOME	19	17%	\$193,711	20%

GEOGRAPHIC DISTRIBUTION OF LOANS

The bank's geographic distribution of residential real estate loans is reasonable based upon the demographics of the assessment area. FBT's lending patterns reflect lending in every BNA. Our analysis was based on a sample of 75% of the residential real estate loans originated within the bank's assessment area in 1994, 1995, and the first half of 1996. Bank-generated loan trials were used to perform the analysis.

FBT's GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS

1994, 1995, AND THE FIRST HALF OF 1996	# OF LOANS	PERCENT	\$ OF LOANS	PERCENT
LOW-INCOME	4	1%	\$123,200	1%
MODERATE-INCOME	39	9%	\$1,109,323	5%
MIDDLE-INCOME	255	61%	\$6,893,511	32%
UPPER-INCOME	124	29%	\$13,077,896	62%

- One of the four moderate-income BNAs is a rural area containing only 5 housing units. A majority of the housing units in the low-income BNA and the other three moderate-income BNAs are rental units.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS

We did not identify violations of any substantive provisions of the antidiscrimination laws and regulations during our examination.