



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 8, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Mid-Illinois Bank & Trust, National Association
Charter Number: 10045

1515 Charleston Avenue
Mattoon, IL 61938-0000

Office of the Comptroller of the Currency

CENTRAL ILLINOIS & CENTRAL IND Field Office
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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 Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

- First Mid-Illinois Bank and Trust, N.A.'s (First Mid) distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution reflects reasonable penetration.
- First Mid adequately responds to the community development needs within its assessment areas (AAs).
- First Mid's net loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs.
- A substantial majority of the bank's primary loan products were made within the bank's AAs.

Scope of Examination

First Mid was evaluated under the Intermediate Small Bank examination procedures, which includes a lending test and a community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and CD services.

The lending test for First Mid covers its performance from January 1, 2007 through June 30, 2009. This time period is representative of the bank's lending strategy since the last Community Reinvestment Act (CRA) examination. The evaluation period for the CD test is from May 9, 2006 through September 8, 2009.

Conclusions regarding the bank's lending performance are based on home loans and small loans to businesses. Home and small business loans are the bank's primary products based on a review of the number and dollar of originations during this period. Home loans originated by First Mid are reported under the requirements of the Home Mortgage Disclosure Act (HMDA). In addition, First Mid also collects data on small business and small farm loans. We reviewed the HMDA and small business/small farm data and found these records to be reliable. We used these records in the evaluation of the bank's lending performance. Community development activities were reviewed to ensure that they meet the regulatory definition of community development.

Two of the bank's four AAs were evaluated as full-scope. The bank's primary assessment area includes Christian, Coles, Cumberland, Douglas, Effingham, Fayette, Moultrie, and Shelby

Counties and is referred to as the Non-MSA (Metropolitan Statistical Area) AA. This area was selected for a full scope review as fifty-two percent of the bank's offices are located within this AA. Also, a majority of the bank's loans and deposits are in this AA.

The second AA evaluated as full-scope was the Champaign-Urbana AA. This AA includes the southern two-thirds of Champaign County, all of Piatt County, and two census tracts in DeWitt County. This area was selected for a full scope review, as 28 percent of the bank's branches are located within this AA. In addition, 21 percent of deposits (as of balances as of June 30, 2009) are from branches within the Champaign-Urbana AA and 20 percent of the loans (small business, small farm, and home loans) originated from January 1, 2007 – June 30, 2009 are located within the AA.

The bank's other two AAs, Macon County and Metro East, were evaluated as limited-scope. The bank has a small presence in these AAs. Deposits from these two AAs combined are only eight percent. Loans originated within these two AAs total 18 percent combined.

Description of Institution

First Mid is a \$1.07 billion intrastate institution headquartered in Mattoon, Illinois. Mattoon is a community of approximately 18,000 located in Coles County. Mattoon is located on Interstate 57, approximately 180 miles south of Chicago and 130 miles northeast of St. Louis, Missouri. In addition to the main office, 25 branches are located within Altamont, Arcola, Champaign, Charleston, Decatur, Effingham, Highland, Mahomet, Mansfield, Mattoon, Maryville, Monticello, Neoga, Pocahontas, Sullivan, Taylorville, Tuscola, Urbana, and Weldon, Illinois. Five of these locations (two in Mattoon, two in Charleston, and one in Monticello) are limited service branches.

Additionally, the bank owns 30 automated teller machines (ATMs). An additional four ATMs are owned by a third party vendor, but branded for First Mid. All but nine of the ATMs are deposit taking.

First Mid is wholly owned by First Mid-Illinois Bancshares, Inc., a one-bank holding company headquartered in Mattoon, Illinois. As of June 30, 2009, the holding company had total assets of \$1.15 billion. The holding company also owns Mid-Illinois Data Services, Inc, a data processing service for the bank and holding company; Checkley Agency, Inc, a Mattoon-based insurance agency; and two statutory business trusts. The bank's affiliates do not negatively impact the bank's ability to meet the credit needs of the community.

Since the last performance evaluation, First Mid has closed two facilities. On September 29, 2007, the bank closed limited service facilities in DeLand and Sullivan, Illinois. Both of these branches were located within middle-income census tracts. Additionally, the Arcola, Illinois branch was relocated on June 13, 2009. Both the old and new Arcola locations are located within the same census tract.

The bank did not open any new branches during this evaluation period. However, on September 11, 2006, the holding company merged Peoples State Bank into First Mid. This added three branches which are located in middle-income census tracts in Mansfield, Mahomet, and Weldon,

Illinois.

As of June 30, 2009, First Mid had \$683.7 million in total loans, which equals 60 percent of total assets, and \$98.4 million in Tier 1 capital. Seventy-five percent of the bank's loan portfolio was secured by real estate.

Thirty-seven percent of the loan portfolio is made up of commercial loans secured by real estate, 27 percent is 1-4 family residential mortgage loans, nine percent is secured by farmland, five percent is construction and development loans, and three percent is multi-family loans. The remainder of First Mid's loan portfolio includes 14 percent commercial loans, seven percent agricultural loans, and three percent consumer loans.

First Mid's primary business focus is on commercial and residential lending and providing trust services. The bank's strategy is to tailor its products and services to the various markets in the AA, based on community needs and local competition.

There were no financial, legal, or other impediments that would hinder the bank's ability to help meet the credit needs of its assessment area. The bank was rated Satisfactory at its last CRA examination dated May 8, 2006.

Description of Assessment Area(s)

First Mid-Illinois Bank and Trust (First Mid) has four assessment areas in Central Illinois, which are described below. The Non-MSA AA and Champaign-Urbana AA were reviewed as full-scope areas. The Macon County AA and Metro East AA were reviewed as limited-scope areas.

Non-MSA AA

The Non-MSA AA includes all of Christian, Coles, Cumberland, Douglas, Effingham, Fayette, Moultrie and Shelby Counties (located in Central Illinois). All of the counties are outside of an MSA. It meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Demographic Information for the Non-Metropolitan Statistical Area AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	55	0.00 %	7.27%	87.27%	5.46%
Population by Geography	212,989	0.00%	4.53%	90.66%	4.81%
Owner-Occupied Housing by Geography	60,993	0.00%	3.62%	91.41%	4.97%
Businesses by Geography	14,997	0.00%	4.43%	91.54%	4.03%
Farms by Geography	2,149	0.00%	1.86%	91.72%	6.42%
Family Distribution by Income Level	55,769	15.68%	19.71%	25.02%	39.59%
Census Median Family Income (MFI)		\$43,531	Median Housing Value		\$69,957
HUD-Adjusted MFI: 2009		\$54,400	Families Below the Poverty Level		6.59%
HUD-Adjusted MFI: 2008		\$51,900			
HUD-Adjusted MFI: 2007		\$50,600	Avg. Unemployment Rate		9.24%

Source: 2000 U.S. Census Data; HUD; and Illinois Department of Security

The local economy for the Non-MSA AA is stable. The AA’s average unemployment rate is slightly below the national and state rates of 9.7 percent and 10 percent, respectively. The AA’s unemployment rates range from 7.3 percent to 10.5 percent, with Shelby, Christian and Fayette counties being above the national average. The areas largest employers include Eastern Illinois University, R.R Donnelley and Sons, and the Sarah Bush Lincoln Health Center.

Seven out of eight census tracts (#9502-9508) in Effingham County are considered Distressed Middle Income Non-Metropolitan Tracts due to population loss.

Coles and Christian County are both on the Heartland Alliance 2009 Poverty Warning List for Illinois. Cumberland, Effingham, Fayette, and Shelby County are all on the Heartland Alliance 2009 Poverty Watch List for Illinois.

Competition from other financial institutions is strong. Given the relatively large size of the AA, there are an additional 58 financial institutions with a presence in the AA. The bank’s competitors include several local community banks and branches of large regional institutions. First Mid is the leader in the AA, with 14 percent of deposit market share.

While assessing the bank’s performance, we contacted a local organization involved with economic development. Additionally, eight other recent community contacts were reviewed. These contacts represented affordable housing organizations, community action agencies, economic development organizations, and local government officials. Overall, the contacts stated that area banks are meeting community credit needs and two specifically mentioned First Mid as a supportive institution. Identified credit needs in the community include affordable mortgage products, financing for affordable rentals (both 1-4 family and multi-family units), and small business loans. There are an adequate number of opportunities for community development throughout the eight counties. Community contacts noted other community needs, including homeownership counseling; foreclosure prevention program; serving as a board member of community development organizations; tax completion assistance and opening deposits for tax refunds; and various revolving loan programs.

Champaign-Urbana AA

The Champaign-Urbana AA includes the southern two-thirds of Champaign County, all of Piatt County and the eastern two census tracts of DeWitt County. This AA is located in East Central Illinois along Interstates 57, 72, and 74. Champaign and Piatt Counties are both part of the Champaign-Urbana MSA (#16580). The remaining portion of the MSA includes the northern third of Champaign County and Ford County. The bank does not have a presence within this part of the MSA and has decided not to include Ford County or northern Champaign County in the AA. The two census tracts in adjacent DeWitt County were added to the AA, as First Mid has a branch in DeWitt County, near the Piatt County line. While DeWitt County is outside the MSA, two census tracts are considered to not substantially exceed the geographic boundaries of the MSA. It meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Demographic Information for the Champaign AA						
	#	% Low	% Moderate	% Middle	% Upper	% NA
Geographies (Census Tracts)	41	7.32%	24.39%	41.46%	24.39%	2.44%
Population by Geography	178,115	6.25%	25.12%	46.05%	22.48%	0.10%
Owner-Occupied Housing by Geography	40,836	0.88%	14.93%	54.77%	29.42%	0.00%
Businesses by Geography	11,532	4.86%	23.25%	48.07%	21.71%	2.11%
Farms by Geography	913	0.66%	5.04%	82.04%	12.05%	0.21%
Family Distribution by Income Level	40,075	16.84%	18.09%	24.54%	40.53%	0.00%
Census Median Family Income (MFI)		\$44,326	Median Housing Value			\$90,319
HUD-Adjusted MFI: 2009		\$65,200	Families Below the Poverty Level			6.43%
HUD-Adjusted MFI: 2008		\$61,600	Avg. Unemployment Rate			8.53%
HUD-Adjusted MFI: 2007		\$60,600				

Source: 2000 U.S. Census Data; HUD; and Illinois Department of Employment Security

The current economy for the Champaign Assessment Area is stable; the AA’s current average unemployment rate is below state and national levels (10 percent and 9.7 percent respectively). Unemployment rates range from 8.2 percent to 8.8 percent. The largest employer is the University of Illinois with just under 11,000 employees. Other large employers include Carle Clinic Association, Carle Foundation Hospital, and Kraft Foods.

Competition from other financial institutions is strong, as the assessment area currently has 35 other financial institutions with offices located within the Champaign AA. The bank’s competitors include numerous local community banks, as well as the branches of several large regional and national institutions. Deposit market share held by First Mid ranks fifth within this AA.

A community contact was performed for this examination with an organization that is both a community action agency and an economic development company. In addition, a recent community contact with an affordable housing organization was reviewed. These contacts stated that area banks are generally meeting community credit needs. One contact mentioned that local institutions have tightened their underwriting; however, qualified borrowers are still able to obtain credit. The contacts stated that affordable housing remains a community credit need. Other community needs mentioned by contacts include serving on loan committees, funding for various loan funds, financial literacy programs including homeownership counseling and foreclosure prevention programs, and financial support for community development organizations. One contact stated that some area community development organizations and agencies have recently laid off staff due to funding cuts. Community development opportunities are good for the assessment area, as there are several organizations present that concentrate on community services and affordable housing services to low- and moderate-income individuals and economic development by financing small businesses.

Macon County AA

The Macon County AA consists of the Decatur, IL MSA (#19500). This AA borders both the Non-MSA and Champaign-Urbana AAs. It meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Demographic Information for the Decatur AA						
	#	% Low	% Moderate	% Middle	%Upper	% NA
Geographies (Census Tracts)	36	13.89%	27.78%	41.67%	16.66%	0.00%
Population by Geography	114,706	6.43%	27.76%	44.95%	20.86%	0.00%
Owner-Occupied Housing by Geography	33,379	3.18%	21.90%	50.66%	24.26%	0.00%
Businesses by Geography	6,473	13.92%	30.59%	36.38%	19.11%	0.00%
Farms by Geography	421	0.71%	8.79%	70.55%	19.95%	0.00%
Family Distribution by Income Level	31,083	20.06%	18.49%	22.27%	39.18%	0.00%
Census Median Family Income (MFI)		\$47,475	Median Housing Value			\$62,761
HUD-Adjusted MFI: 2009		\$59,300	Families Below the Poverty Level			9.28%
HUD-Adjusted MFI: 2008		\$57,600	Unemployment Rate			13.7%
HUD-Adjusted MFI: 2007		\$55,000				

Source: 2000 U.S. Census Data, HUD, and Illinois Department of Employment Security

The economy for the Decatur AA is currently in a declining state. The areas current unemployment rate of 13.7 percent is above current national and state rates (9.7 percent and 10 percent respectively). The unemployment rate increased dramatically during this most recent summer. The AA’s economy has been affected by several manufactures either leaving the area or laying off a portion of the workforce. Housing is available, yet per our community contact,

many individuals and families still can not afford housing. The AA’s largest employers include Archer Daniel Midland (ADM), Decatur Memorial Hospital, Caterpillar, and St. Mary’s Hospital.

Macon County is on the Heartland Alliance 2009 Poverty Watch List for Illinois.

Competition from other financial institutions is average, with 14 additional financial institutions having offices located within Macon County. The bank’s competitors include several local community banks as well as a few branches from large regional institutions.

A community contact was made for the examination with a community action agency. This contact stated that community credit needs included affordable housing and home improvement financing. Other community needs include single residency occupancy supportive housing for homeless; serving on boards and finance committees of community development organizations; need for employers that offer jobs that pay more than minimum wage; and financing community development projects. There are an adequate number of community development opportunities within the AA. Our community contact stated that there was sufficient access to banks; however, area banks have not been active with community development.

Metro East AA

The Metro East AA includes all of Bond County, three tracts in Clinton County and 19 tracts in Madison County. The areas included in this AA are all part of the multi-state St. Louis MSA (#41180); however, the AA is only located within Illinois. The entire MSA is not included, as First Mid only has a presence in Madison and Bond Counties and would have difficulty in meeting the needs of the entire MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Demographic Information for the Metro East Saint Louis AA						
	#	% Low	% Moderate	% Middle	% Upper	% NA
Geographies (Census Tracts)	26	0.00%	7.69%	65.38%	26.93%	0.00%
Population by Geography	137,232	0.00%	5.59%	63.01%	31.40%	0.00%
Owner-Occupied Housing by Geography	39,420	0.00%	5.35%	61.83%	32.82%	0.00%
Businesses by Geography	10,072	0.00%	6.18%	60.56%	33.26%	0.00%
Farms by Geography	780	0.00%	9.74%	77.56%	12.70%	0.00%
Family Distribution by Income Level	36,655	14.28%	18.21%	24.93%	42.58%	0.00%
Census Median Family Income (MFI)		\$53,435	Median Housing Value			\$95,579
HUD-Adjusted MFI: 2009		\$67,900	Families Below the Poverty Level			4.34%
HUD-Adjusted MFI: 2008		\$65,000	Avg. Unemployment Rate			8.37%
HUD-Adjusted MFI: 2007		\$63,300				

Source: 2000 U.S. Census Data; HUD; and Illinois Department of Security

The economy for the Metro East Saint Louis Assessment Area is currently stable. The AA’s current unemployment rates are below the national and state averages of 9.7 percent and 10

percent, respectively. The county's unemployment rates range from 7.2 percent to 9.3 percent. The assessment area's largest employers include Southern Illinois University – Edwardsville, U.S. Steel, and Olin Brass.

Madison County is on the Heartland Alliance 2009 Poverty Watch List for Illinois.

Competition from other financial institutions is strong, with thirty-six additional financial institutions having a presence in the AA. The bank's competitors include many local community banks as well as several branches of large regional institutions.

We reviewed two recent community contacts including a community action agency and affordable housing and economic development. Contacts stated that banks are meeting community credit needs. Community needs include financial support for community development organizations, representatives for boards of community development organizations, and first time homebuyer programs.

Conclusions with Respect to Performance Tests

LENDING TEST

First Mid's performance under the lending test is satisfactory. As the performance under the loan-to-deposit and lending within the AA factor were at least satisfactory, the evaluation of First Mid's performance under the lending test concentrated on borrower and geographic distribution. Both borrower and geographic distributions were considered reasonable under this test.

First Mid had a reasonable penetration among borrowers of different incomes and businesses of different sizes. This factor was important to review, as thirty-five percent of families in both full scope AAs are either low- or moderate-income. Geographic distribution throughout the bank's AAs by First Mid was reasonable. In arriving at this conclusion, the Non-MSA AA received the most weight, as a majority of the bank's loans are originated within this AA.

First Mid's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. A substantial majority of the bank's primary loan products were made within their AAs.

Loan-to-Deposit Ratio

First Mid-Illinois Bank & Trust's net loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment areas' credit needs. The bank's net loan-to-deposit ratio averaged 91 percent over the 13 quarters since the last CRA examination, with a quarterly low of 75 percent and a quarterly high of 98 percent.

The bank's net loan-to-deposit ratio compares favorably with other community banks of similar size, location, and product offerings. The bank's peer banks are those between \$500 thousand and \$2 billion in Illinois, south of Interstate 80. First Mid-Illinois Bank and Trust ranks fifth among a total of 15 similarly situated banks serving its assessment area over the same time frame. The other 14 banks had net loan-to-deposit ratios averaging 84 percent. The 14 banks individual quarterly averages ranged from 63 percent to 100 percent over the past 13 quarters.

Lending in Assessment Area

A substantial majority of First Mid's primary loan products were made within the bank's assessment areas. Ninety-four percent of the loans originated were made within the AAs. The following table details the bank's lending of primary loan products within the assessment areas by number and dollar amount of loans.

Lending in Assessment Areas										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
RE - Home Purchase	961	90.57%	100	9.43%	1,061	\$101,765	90.33%	\$10,900	9.67%	\$112,665
RE - Home Refinance	716	92.39%	59	7.61%	775	\$85,559	92.35%	\$7,083	7.65%	\$92,642
RE - Home Improvement	338	92.10%	29	7.90%	367	\$13,131	92.50%	\$1,064	7.50%	\$14,195
Commercial Loans	3,499	95.52%	164	4.48%	3,663	\$334,459	94.03%	\$21,248	5.97%	\$355,707
Totals	5,514	94.00%	352	6.00%	5,866	\$534,914	92.99%	\$40,295	7.01%	\$575,209

Source: HMDA data and bank small business data from 1/1/07 – 6/30/09.

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

The distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes.

Performance in the Non-MSA AA

The borrower distribution of loans in the Non-MSA AA is reasonable.

Home Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels. First Mid's penetration for home loans among moderate-income borrowers was excellent. The bank originated 21 percent of their home loans to moderate-income borrowers, which is slightly above demographics. Penetration among moderate-income borrowers for home purchase and home improvement loans was excellent. Penetration among moderate-income borrowers for home refinance loans was reasonable.

First Mid had a reasonable penetration for home loans among low-income borrowers within the AA. The percentage of loans made to low-income families is only eight percent, which is less than the 16 percent of AA families that are considered low-income. However, this is somewhat mitigated due to the poverty rates for the AA, making it more difficult for these low-income residents to be able to afford a home loan. The poverty rate based on the 2000 Census was seven percent. Penetration for home purchase, home refinance, and home improvement products for low-income borrowers was reasonable.

The following table shows the distribution of home loans among borrowers of different income levels for the period of January 1, 2007 through June 30, 2009, as compared to the percent of families in each income category.

Table 2 - Borrower Distribution of Home Loans in Non-MSA AA								
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
Home Purchase	15.68	9.95	19.71	21.88	25.02	23.33	39.59	44.84
Refinance	15.68	8.15	19.71	19.02	25.02	23.91	39.59	48.92
Home Improvement	15.68	8.45	19.71	21.13	25.02	32.86	39.59	37.56
% of Total	15.68	8.30	19.71	21.01	25.02	25.81	39.59	44.88

Source: HMDA data from 1/1/07 – 6/30/09 and 2000 U.S. Census Data

Business Loans

The distribution of small business loans shows reasonable penetration among businesses of different sizes. Fifty-four percent of the bank’s small business loans originated during the loan sampling period were made to small businesses. Fifty-six percent of the AA’s businesses are small businesses. Small businesses are businesses with gross annual revenues of \$1 million or less.

The following table shows the distribution of commercial loans among different-sized businesses in the AA.

Table 2A - Borrower Distribution to Businesses in Non-MSA AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	56.06%	4.03%	39.91%	100.00%
% of Bank Loans in AA by #	54.39%	34.21%	11.40%	100.00%
% of Bank Loans in AA by \$	38.42%	52.95%	8.63%	100.00%

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Performance in the Champaign-Urbana AA

The borrower distribution of loans in the Champaign-Urbana MSA AA was reasonable. Home loans were weighed more in this analysis, as loans for affordable housing to low- and moderate-income individuals were identified as a credit need in this AA. The amount of home and small business loans originated by First Mid is comparable in this AA.

Home Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels. Penetration among moderate-income borrowers by First Mid was excellent. The bank originated 21 percent of their home loans to moderate-income borrowers, which is slightly above demographics. The penetration in all home products was excellent for

moderate-income borrowers.

Penetration among low-income borrowers by First Mid was poor. The percentage of loans made to low-income families is only seven percent, which is less than the 17 percent of AA families that are considered low-income. The penetration for home purchase and home refinance loans for low-income borrowers was poor. However, penetration for home improvement loans for low-income borrowers is reasonable. The family poverty rate for the AA was six percent in 2000.

The following table shows the distribution of home loans among borrowers of different income levels for the period of January 1, 2007 through June 30, 2009, as compared to the percent of families in each income category.

Table 2 - Borrower Distribution of Home Loans in Champaign-Urbana AA								
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
Home Purchase	16.84	4.19	18.09	20.94	24.54	28.27	40.53	46.60
Refinance	16.84	6.25	18.09	19.38	24.54	25.62	40.53	48.75
Home Improvement	16.84	16.22	18.09	22.97	24.54	25.68	40.53	35.13
% of Total	16.84	7.06	18.09	20.71	24.54	26.82	40.53	45.41

Source: HMDA data from 1/1/07 – 6/30/09 and U.S. Census Data

Business Loans

The distribution of small business loans shows poor penetration among businesses of different sizes. Forty-six percent of the bank’s small business loans were originated to small businesses. This is less than favorable when compared with demographic data that shows 64 percent of the AA’s businesses are small businesses.

The following table shows the distribution of commercial loans among different-sized businesses in the AA.

Table 2A - Borrower Distribution to Businesses in Champaign-Urbana AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	63.78%	4.50%	31.72%	100.00%
% of Bank Loans in AA by #	45.89%	21.75%	32.36%	100.00%
% of Bank Loans in AA by \$	42.68%	40.99%	16.33%	100.00%

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Performance in the Limited Scope Macon County MSA AA

Overall, this limited-scope AA borrower distribution was similar to the overall performance in the full-scope AAs. The distribution in the Macon County AA is considered reasonable. Business loans received more weight in this AA. Business loans make up 81 percent of the loans originated in the AA during the evaluation period.

Home Loans

The distribution of home loans to borrowers reflects poor penetration among borrowers of different income levels. Only ten percent of the bank's home loans within this AA were made to moderate-income families and only two percent were made to low-income families. This is significantly below the demographic data that shows 18 percent of the AA families are moderate-income and 20 percent of the AA families are low-income. Nine percent of the AA families live below poverty levels.

Penetration for home purchase loans for moderate-income borrowers was reasonable. However, home refinance lending was poor. Penetration for home purchase loans for low-income borrowers was poor. First Mid did not originate any home refinance loans to low-income borrowers within this AA.

First Mid made only two home improvement loans within the AA and both were to upper-income borrowers.

The following table shows the distribution of home loans among borrowers of different income levels for the period of January 1, 2007 through June 30, 2009, as compared to the percent of families in each income category.

Table 2 - Borrower Distribution of Home Loans in Macon County MSA AA								
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
Home Purchase	20.06	3.85	18.49	11.54	22.27	34.62	39.18	49.99
Refinance	20.06	0.00	18.49	8.33	22.27	16.67	39.18	75.00
Home Improvement	20.06	0.00	18.49	0.00	22.27	0.00	39.18	100.00
% of Total	20.06	1.96	18.49	9.80	22.27	25.49	39.18	62.75

Source: HMDA data from 1/1/07 – 6/30/09 and U.S. Census Data

Business Loans

The distribution of small business loans shows reasonable penetration among businesses of different sizes. Fifty-five percent of the bank’s small business loans were made to small businesses. Sixty-three percent of the AA’s businesses are small businesses. Small businesses are businesses with gross annual revenues of \$1 million or less.

The following table shows the distribution of commercial loans among different-sized businesses in the AA.

Table 2A - Borrower Distribution to Businesses in Macon County MSA AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	62.89%	5.25%	31.86%	100.00%
% of Bank Loans in AA by #	55.26%	28.07%	16.67%	100.00%
% of Bank Loans in AA by \$	43.35%	43.41%	13.24%	100.00%

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Performance in the Metro East AA

Overall, this limited-scope AA borrower distribution was stronger than the overall performance in the full-scope AAs. The distribution in the Metro East AA is excellent. Business loans received more weight in this AA. Four hundred, six small business loans were made in this AA since 2007, compared to 266 home loans during the same period.

Home Loans

The distribution of home loans to borrowers reflects reasonable penetration among borrowers of different income levels. The distribution among moderate-income families was excellent. Twenty-five percent of home loans originated within the AA were made to moderate-income families. This is favorable compared to the 18 percent of families in the AA that are moderate-income. Penetration among moderate-income borrowers in this assessment area for all home

products was excellent.

The distribution among low-income families was reasonable. Eight percent of the loans originated within the AA were to low-income. This is below the 14 percent of the AA families that are low-income. This is somewhat mitigated by the four percent family poverty rate. The penetration for home purchase and home refinance loans among low-income borrowers was reasonable. The penetration for home improvement loans among low-income borrowers was poor. Home improvement loans account for only 12 percent of the home loans made in this AA.

The following table shows the distribution of home loans among borrowers of different income levels for the period of January 1, 2007 through June 30, 2009, as compared to the percent of families in each income category.

Table 2 - Borrower Distribution of Home Loans in Metro East AA								
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
Home Purchase	14.28	8.33	18.21	26.85	24.93	25.93	42.58	38.89
Refinance	14.28	9.43	18.21	22.64	24.93	25.47	42.58	42.46
Home Improvement	14.28	3.13	18.21	25.00	24.93	31.25	42.58	40.62
% of Total	14.28	8.13	18.21	24.80	24.93	26.42	42.58	40.65

Source: HMDA data from 1/1/07 – 6/30/09 and U.S. Census Data.

Business Loans

The distribution of small business loans shows excellent penetration among businesses of different sizes. Sixty-two percent of the AA’s businesses are small businesses, 62 percent of the bank’s business loans originated during the loan sampling period were made to small businesses.

The following table shows the distribution of commercial loans among different-sized businesses in the AA.

Table 2A - Borrower Distribution to Businesses in Metro East AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	62.00%	3.65%	34.35%	100.00%
% of Bank Loans in AA by #	61.98%	30.12%	7.90%	100.00%
% of Bank Loans in AA by \$	44.13%	52.29%	3.58%	100.00%

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Geographic Distribution of Loans

The distribution of loans reflects reasonable dispersion throughout the bank's AAs. The performance in the Non-MSA AA was weighed heavier than the Champaign-Urbana AA for the full-scope review. A majority of the loans originated were within the Non-MSA AA. There were no significant conspicuous gaps identified.

Performance in the Non-MSA AA

The bank's geographic distribution of loans in the Non-MSA AA is reasonable. This AA does not have a low-income census tract, we concentrated on performance in moderate-income census tracts. The opportunity to lend in moderate-income census tracts is limited as less than five percent of owner-occupied houses and businesses are located within the four moderate-income census tracts. No conspicuous gaps were noted. One middle-income census tract in Fayette County had no home loan or small business loan activity during the evaluation period.

Home Loans

The geographic distribution of home loans in this AA reflects reasonable dispersion throughout census tracts of different income levels.

Geographic distribution of home loans within moderate-income census tracts was reasonable. One percent of the bank's home loans within this AA were made within moderate-income census tracts. Four percent of the AA's owner-occupied housing is located in moderate-income census tracts. Distribution for home purchase and home refinance loans within the census tracts were reasonable. Distribution for home improvement loans was poor, as less than one percent of home improvement loans were made in moderate-income census tracts. However, home improvement loans originated within this AA, account for only seven percent of the home loan originations since 2007.

The following table details the bank's performance as compared to the percentage of owner-occupied housing units in each census tract income level, based on our sample.

Table 3 - Geographic Distribution of Home Loans in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	3.62	1.35	91.41	91.37	4.97	7.28
Refinance	0.00	0.00	3.62	2.02	91.41	91.94	4.97	6.04
Home Improvement	0.00	0.00	3.62	0.45	91.41	96.41	4.97	3.14
% of Total	0.00%	0.00%	3.62	1.47	91.41	92.47	4.97	6.06

Source: HMDA data from 1/1/07 – 6/30/09 and 2000 U.S. Census Data

Business Loans

The bank’s geographic distribution of business loans reflects reasonable dispersion throughout the census tracts of different income levels.

Dispersion of business loans in moderate–income census tracts by First Mid was reasonable. The bank made one percent of their loans to businesses in moderate-income census tracts. Four percent or 664 of the AA’s businesses are located within moderate-income census tracts.

The following table shows the distribution of commercial loans among businesses in each census tract income level, based on our sample.

Table 3A - Geographic Distribution of Commercial Loans in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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
% of Total	0.00	0.00	4.43	0.73	91.54	97.27	4.03	2.00

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Performance in the Champaign-Urbana AA

The bank's geographic distribution of loans in the Champaign-Urbana AA was reasonable. First Mid made approximately the same amount of home and business loans within this AA; however, the home loans were weighed heavier. While First Mid had very poor dispersion of small business loans within moderate-income census tracts within this AA, it is important to note that the Champaign and Urbana branches concentrated on home loans. These branches, which would be located closest to low- and moderate-income census tracts in the AA, originated only 63 small business loans. These loans represent only seven percent of the small business loans made within the AA. Therefore the business geographical analysis for this AA was not as meaningful as the home loan geographical analysis.

No conspicuous gaps were noted in this AA. There were two census tracts in the AA where First Mid did not have any home or small business loan activity during this evaluation period.

Home Loans

The geographic distribution of home loans in this AA reflects reasonable dispersion throughout census tracts of different income levels. Performance within the moderate-income census tracts were weighted heavier than performance within the low-income census tracts. The bank has limited opportunity to make home loans within the low-income census tracts, as only 359 units of owner-occupied housing are located within these three census tracts.

Geographic distribution of home loans within moderate-income census tracts was reasonable. Twelve percent of the bank's home loans within this AA were made within moderate-income census tracts. Fifteen percent of the AA's owner-occupied housing is located in moderate-income census tracts. Distribution for home purchase and home refinance loans within the census tracts was reasonable. Distribution for home improvement loans was poor, as only one percent of home improvement loans were made in moderate-income census tracts. First Mid did make 37 percent of their home loans as home improvement loans within this AA.

Geographic distribution of home loans within low-income census tracts was reasonable. One percent of the bank's home loans within this AA were made within low-income census tracts, which is similar to demographic data. Distribution for home improvement and home refinance loans within the census tracts was excellent. Distribution for home purchase loans was poor, as none of the home purchase loans originated since 2007 were within low-income census tracts in this AA.

The following table details the bank's performance as compared to the percentage of owner-occupied housing units in each census tract income level, based on our sample.

Table 3 - Geographic Distribution of Home Loans in Champaign-Urbana AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.88	0.00	14.93	14.15	54.77	58.54	29.42	27.31
Refinance	0.88	1.20	14.93	10.18	54.77	66.47	29.42	22.15
Home Improvement	0.88	1.33	14.93	1.33	54.77	82.67	29.42	14.67
% of Total	0.88	0.66	14.93	11.82	54.77	64.55	29.42	22.97

Source: HMDA data from 1/1/07 – 6/30/09 and 2000 U.S. Census Data

Business Loans

The bank’s geographic distribution of business loans reflects very poor dispersion throughout the census tracts of different income levels

Dispersion of business loans within moderate-income census tracts in this AA by First Mid was very poor. The bank made only six percent of their small business loans within the moderate-income census tracts. This is significantly below demographic data, which shows that 23 percent of businesses within the AA are located within the ten moderate-income census tracts. First Mid’s dispersion within low-income census tracts within the AA is poor. While five percent of businesses are located within the three low-income census tracts, only one percent of all small business loans were to businesses located within these census tracts.

The following table shows the distribution of commercial loans among businesses in each census tract income level, based on our sample.

Table 3A - Geographic Distribution of Commercial Loans in Champaign-Urbana AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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
% of Total	4.86	0.51	23.25	5.99	48.07	70.55	21.71	22.95

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data
 **2.11% of the AA businesses are located in a census tract that is not defined by income level (or labeled NA).

Limited Scope - Performance in the Macon County MSA AA

Overall, this limited-scope AA geographic distribution was stronger than the overall performance in the full-scope AAs. The distribution in the Macon County AA is considered excellent. Business loans received more weight in this AA. Business loans make up 81 percent of the loans originated in the AA during the evaluation period.

No conspicuous gaps were noted during the evaluation period. First Mid has home loan and/or small business activity in all but three census tracts in the AA. Two of these census tracts are low-income. However, less than 100 businesses were located in each of these census tracts.

Home Loans

The geographic distribution of home loans in this AA reflects excellent dispersion throughout census tracts of different income levels. Twenty-two percent of the AA’s owner-occupied housing is located within moderate-income census tracts; performance within the moderate-income census tracts was weighted more heavily than performance within the low-income census tracts.

First Mid’s lending within moderate-income census tracts was excellent. Twenty-six percent of the bank’s housing loans were made within the ten moderate-income census tracts, which compares favorably to demographic data. Distribution among home refinance and home improvement was excellent in moderate-income census tracts. Distribution among home purchase in moderate-income census tracts was reasonable.

First Mid’s lending within low-income census tracts was reasonable. First Mid originated one percent of their home loans within this AA to homes located in the five low-income census tracts. Three percent of the AA’s owner-occupied housing is located within these census tracts.

The following table details the bank’s performance as compared to the percentage of owner-occupied housing units in each census tract income level, based on our sample.

Table 3 - Geographic Distribution of Home Loans in Macon County MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.18	2.63	21.90	21.05	50.66	47.37	24.26	28.95
Refinance	3.18	0.00	21.90	27.59	50.66	48.28	24.26	24.13
Home Improvement	3.18	0.00	21.90	50.00	50.66	50.00	24.26	0.00
% of Total	3.18	1.43	21.90	25.71	50.66	47.14	24.26	25.72

Source: HMDA data from 1/1/07 – 6/30/09 and 2000 U.S. Census Data

Business Loans

The bank’s geographic distribution of business loans reflects excellent dispersion throughout the census tracts of different income levels.

First Mid’s performance within low-income census tracts was excellent. First Mid originated 31 percent of their small business loans in this AA to business located within low-income census tracts. This is significantly stronger than demographic data.

First Mid’s performance within the moderate-income census tracts was reasonable. Thirty percent of the small business loans originated within this AA are located within the moderate income census tracts. Thirty-one percent of the AA businesses are located within moderate-income census tract areas.

The following table shows the distribution of commercial loans among businesses in each census tract income level, based on our sample.

Table 3A - Geographic Distribution of Commercial Loans in Macon County MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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
% of Total	13.92	31.29	30.59	30.42	36.38	28.45	19.11	9.84

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Limited Scope - Performance in the Metro East AA

Overall, this limited-scope AA geographic distribution was similar to the overall performance in the full-scope AAs. The bank’s geographic distribution of loans in the Metro East AA is reasonable. No conspicuous gaps were noted. Home and/or small business loans were originated by First Mid in all but one middle-income census tract in the AA.

Home Loans

The geographic distribution of home loans in this AA reflects reasonable dispersion throughout census tracts of different income levels. This AA does not have any low-income census tracts.

Distribution within the moderate-income census tracts was reasonable. Five percent of the bank’s home loans originated within this AA are made in moderate-income census tracts. This is comparable to demographic data. Distribution for home purchase and home improvement loans in this AA was reasonable. Distribution for home purchase loans was excellent.

The following table details the bank’s performance as compared to the percentage of owner-occupied housing units in each census tract income level, based on our sample.

Table 3 - Geographic Distribution of Home Loans in Metro East AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	5.35	5.13	61.83	54.70	32.82	40.17
Refinance	0.00	0.00	5.35	5.36	61.83	65.18	32.82	29.46
Home Improvement	0.00	0.00	5.35	3.03	61.83	81.82	32.82	15.15
% of Total	0.00	0.00	5.35	4.89	61.83	62.78	32.82	32.33

Source: HMDA data from 1/1/07 – 6/30/09 and 2000 U.S. Census Data

Business Loans

The bank’s geographic distribution of business loans reflects reasonable dispersion throughout the census tracts of different income levels.

First Mid dispersion of business loans in moderate–income census tracts was reasonable. The bank made two percent of their small business loans within this AA in moderate-income census tracts. Six percent of the AA’s businesses are located within these two census tracts.

The following table shows the distribution of commercial loans among businesses in each census tract income level, based on our sample.

Table 3A - Geographic Distribution of Commercial Loans in Metro East AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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
% of Total	0.00	0.00	6.18	2.46	60.56	88.67	33.26	8.87

Source: Bank Small Business Data for loans originated from 1/1/07 – 6/30/2009 & 2008 Business Geodemographic Data

Responses to Complaints

First Mid has not received any CRA complaints during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated Satisfactory. Overall, performance in the full-scope AAs demonstrated adequate responsiveness to the community development needs within its AAs. During the evaluation period, First Mid-Illinois provided over \$22.9 million in community development loans and CRA qualified investments to help meet the community development (CD) needs of its AAs. In addition, bank officers provide financial and other expertise to 20 community development organizations serving the AAs.

As 52 percent of the bank's offices were located in the Non-MSA AA, this AA was more heavily weighted. The bank's level of CD activities is considered adequate given its size and capacity, considering the CD needs and opportunities of its AAs.

Performance in the Non-MSA AA

First Mid-Illinois has demonstrated excellent responsiveness to the community development needs of this AA, considering its performance context and the needs and opportunities within the AA.

Performance in the Champaign AA

First Mid-Illinois has demonstrated poor responsiveness to the community development needs of this AA, considering its performance context and the needs and opportunities within the AA.

Performance in Limited-Scope Macon County AA

The bank's responsiveness to community development needs in this AA was weaker than performance for full-scope AAs. The bank has demonstrated poor responsiveness to the community development needs of this AA.

Performance in Limited-Scope Metro East AA

The bank's responsiveness to community development needs in this AA was weak in comparison to its performance for the full-scope AAs. The bank has demonstrated very poor responsiveness to the community development needs of this AA.

Number and Amount of Community Development Loans

Performance in the Non MSA AA

Twenty-nine community development loans (benefiting ten organizations) were originated by First Mid in this AA since the last CRA examination, totaling \$20.78 million.

- Seven of these loans, totaling \$13.05 million were made to various organizations for the revitalization/stabilization of recognized distressed middle income areas in Effingham County. Two of these loans were to refinance and refurbish motels within these distressed census tracts. These loans helped to retain jobs in the area for low- and moderate-income individuals. One loan provided working capital to a car dealership to help retain this business in the distressed area. One loan was to develop a strip mall for six retail businesses within a TIF district in distressed census tracts. The remaining three loans were to create a theatre that will attract visitors to the area that will also visit local retail businesses. This theatre has provided eight to ten new full time positions and 50

part-time positions to the area. These seven loans were all made to for-profit businesses in these distressed middle income census tracts.

- Twenty-one loans totaling \$5.49 million were made to five different not-for-profit organizations within the AA that provide community services to low- and moderate - income individuals.
 1. Two organizations that provide services to developmentally disabled low- and moderate-income individuals received loans totaling \$523 thousand. These funds were used for working capital and vehicle purchases.
 2. Two organizations that provide mental health services to low- and moderate-income individuals within Coles County received loans totaling \$4.98 million. These funds were used for building construction and working capital needs.
 3. One religious related organization that provides a variety of community services, including food, clothing, pharmaceutical, and housing assistance, to low- and moderate-income individuals received \$5 thousand to help purchase a van to transport clients.

Performance in the Champaign AA

One community development loan totaling \$1.43million was originated by First Mid in this AA since the last CRA examination.

- This loan was made to a for-profit organization for the economic development within one of the AA’s moderate-income census tract. The loan was to refinance and refurbish a motel, including reopening a restaurant on the motel premises. This loan helped with the retention and creation of a few positions within this moderate-income census tract.

Performance in Limited Scope Macon County AA

Six community development loans benefiting one community development organization were originated by First Mid in this AA, since the last CRA examination, totaling \$550 thousand.

- This loan was made to a not-for-profit organization whose purpose is the service to developmental disabled low- and moderate-income individuals. These loans were working capital loans.

Performance in Limited Scope Metro East AA

The bank has not originated any community development loans in this AA since the last CRA Examination.

Number and Amount of Qualified Investments

Performance in the Non-MSA AA

First Mid made thirty-two donations, benefiting 11 community development organizations in the AA, that were qualified investments totaling \$124 thousand in this AA since the last examination.

A majority of the bank’s donations have been made to those organizations providing services to low- and moderate-income individuals. The bank’s holding company established First Mid Charitable Foundation that donated \$80 thousand to the Coles County Council on Aging LifeSpan Center, servicing primarily low- and moderate-income senior citizens. First Mid donated \$17 thousand through cash donations and computer equipment and supplies to Head

Start, a program that provides educational preschool services primarily to low- and moderate-income families. Coles County United Way was the beneficiary of a \$15 thousand donation by First Mid; this money was specified to go to community development organizations that primarily serve low- and moderate-income individuals. Donations by First Mid totaling \$5 thousand were made to four different food banks serving the AA. Smaller donations of \$1 thousand or less were made to HOPE, providing services to a battered women and children shelter; Embarrass River Basin Agency, providing energy assistance, tax assistance, food, and homeless prevention programs to low- and moderate-income individuals; and Salvation Army, a faith based organization providing food, clothing, and shelter, primarily to low- and moderate-income individuals.

A \$2 thousand donation by First Mid was made to Habitat for Humanity, an organization that provides affordable housing for low- and moderate-income families.

First Mid donated \$1 thousand to Coles County Community Development Corp, which provides loans to small businesses targeting retaining or creating at list one permanent position.

Performance in the Champaign AA

The bank made three donations that are qualified investments totaling \$6 thousand to CD organizations in this AA since the last examination. One donation of \$100 was given to the Community Action Food Pantry and two donations totaling \$6 thousand were provided to the Urban League of Champaign County. Both organizations offer services (including free or low priced food items, housing assistance, civil services, etc.) to low- and moderate-income individuals and families.

Performance in Limited Scope Macon County AA

First Mid-Illinois has made no donations to any organizations within this AA since the last CRA Examination.

Performance in Limited Scope Metro East AA

First Mid-Illinois has made no donations to any organizations within this AA since the last CRA Examination.

Extent to Which the Bank Provides Community Development Services

Performance in the Non-MSA AA

First Mid offers Free Checking Plus accounts providing checking accounts with no minimum deposit amount needed, along with free online banking and online bill pay available. A free Visa check card and telephone banking services are also offered. This account is offered to all customers, but helps increase the access to financial services for low- and moderate-income individuals. In addition, two of the 14 branches located in this AA are located in moderate-income census tracts. Two additional branches are located in distressed middle income census tracts. Additionally, five out of 24 ATMs are located within moderate income census tracts. Thirty-five percent, of the AA's families are considered to be low- and moderate-income.

Fifteen bank officers provided community development services to 16 qualifying programs in this AA during the evaluation period. Two of the community development services benefited

programs for affordable housing in Coles County. The bank provides proposed amortization schedules and serves as the loan server for the CDAP housing program, which provides low-interest funds to conduct repairs and rehabilitate single family housing for low- and moderate-income individuals in Charleston, Illinois. Two officers also provided financial technical expertise to Coles County Habitat for Humanity through the review of applications and participating in education forums concerning mortgages and budgeting for low- and moderate-income individuals.

Twelve organizations that provide services to low- and moderate- income individuals benefited from bank officer's services. Bank officers provided financial guidance on accounting, budgeting, and financial reporting processes. Bank officers also provided assistance on fundraising. A bank officer also instructed banking basics to low- and moderate-income students in a non-traditional high school program.

Bank officers also provided services to two organizations providing economic development within the AA. Officers reviewed financials and approved loans for organizations providing loans to small businesses that support job creation or retention for low- and moderate-income individuals.

Performance in the Champaign AA

As noted above, First Mid provides Free Checking Plus accounts that generally help to increase access to financial services for low- and moderate-income individuals. The bank operates seven branches in this AA and five full service ATMs. None of the branches or ATMs are located in low- or moderate-income census tracts. Thirty-five percent of the AA families are considered to be low- and moderate-income families.

Five bank officers provided community development services to four qualifying programs in this AA. Two of the organizations provided affordable housing services. A bank officer in Champaign reviewed loan applications for low- and moderate-income individuals participating in a Neighborhood Focus Program and informed applicants of loan products available. Other bank officers participated in an Affordable Housing Fair for low- and moderate-income individuals and participated in a First Time Homebuyer Seminar.

Another bank officer served on a loan committee for an organization that helps low- and moderate-income individuals obtain vehicles to be able to get to work. A bank officer also participated in workshops for low-income individuals and minorities that were interested in starting up businesses in distressed neighborhoods in Champaign.

Performance in Limited Scope Macon County AA

As noted above, First Mid provides Free Checking Plus accounts that generally help to increase access to financial services for low- and moderate-income individuals. The bank operates one branch in this AA and it is located in a low-income census tract. Thirty-nine percent of the AA families are considered to be low- and moderate-income families.

Bank officers did not provide community development services in this AA.

Performance in Limited Scope Metro East AA

As noted above, First Mid provides Free Checking Plus accounts that generally help to increase access to financial services for low- and moderate-income individuals. The bank operates four branches in this AA and one is located in a moderate-income census tract. Five ATMs are located within the AA and one is located in a moderate-income census tract. Thirty-two percent of the AA families are considered to be low- and moderate-income families.

Bank officers did not provide community development services in this AA.

Responsiveness to Community Development Needs

Performance in the Non-MSA AA

First Mid's community development activities demonstrate excellent responsiveness to the needs and opportunities in the AA. Community contacts stated that while most credit needs are being met, there is still a need for more affordable housing for low- and moderate-income individuals in the AA. Identified community development needs include affordable housing loans, small business loans, and community services to the low- and moderate-income families in the local area. The need for home ownership counseling and foreclosure prevention has increased. Community development opportunities are adequate with several organizations serving the 35 percent of the AA families that are low- and moderate-income families.

Over \$5.6 million was provided in community development loans and qualified investments to organizations that provide community services to low- and moderate-income individuals. A majority of these funds were community development loans to organizations that provide mental health services primarily to low- and moderate-income individuals in Coles County; services to developmentally disabled low- and moderate-income individuals in Coles and Moultrie Counties; and, to an organization that serves low- and moderate-income senior citizens in Coles County.

Donations totaling \$2 thousand were provided by First Mid to Habitat for Humanity, which provides affordable housing. Two organizations/programs concentrating on affordable housing received community development services.

A \$1 thousand donation was made by First Mid for community development services to the Coles County Community Development Corporation. This organization provides small business financing for creation/retention of jobs, primarily for low- and moderate-income individuals. Additionally, community development services were provided to the City of Sullivan Participation Loan Program that provides small business financing for creation of jobs within the City TIF plan.

In addition, \$13 million in community development loans were loans that went to businesses located in Effingham County to stabilize/revitalize distressed areas. While several low- and moderate-income jobs were retained or created, the impact is not considered significant.

Performance in the Champaign AA

First Mid's community development activities demonstrate poor responsiveness to the needs and opportunities in the AA. Community contacts stated that while credit needs are primarily being

met, affordable housing remains a credit need. First Mid did not provide any community development loans or qualified investments for this need. However, community development services were provided to two community development organizations that concentrate on affordable housing. Community services, serving the AA families that are low- and moderate-income, are also needed. Thirty-five percent of the AA families are low- and moderate-income families. First Mid did provide \$6 thousand in qualified donations to organizations providing services for low- and moderate-income individuals. In addition, community development services were provided to the Urban League of Champaign that primarily serves low- and moderate-income individuals through Ways to Work program. A community development loan was made to a business that was helping to revitalize a moderate-income census tract by improving a hotel and reopening a restaurant.

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.