PUBLIC DISCLOSURE

May 7, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

National Bank
Charter Number 14510

212 South Main Street
Hillsboro, Illinois 62049

Comptroller of the Currency

St. Louis Metro Field Office
13 Executive Drive, Suite 7
Fairview Heights, Illinois 62208

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 ***National Bank****, Hillsboro, Illinois, prepared by the* ***Office of the Comptroller of the Currency****, the institution's supervisory agency, as of May 7, 2001. This evaluation is based on performance since the last CRA examination dated November 27, 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**.

- The level of lending to low- and moderate-income individuals, and businesses and farms of different sizes shows good penetration based on area demographics and the credit needs of the assessment area.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The bank's loan to deposit ratio is comparable to the loan to deposit ratios of similarly situated area banks.
- A majority of loans are extended within the assessment area.

DESCRIPTION OF INSTITUTION

National Bank is a $221 million dollar bank, which is wholly owned by Country Bancorp, Inc., a one-bank holding company. The bank's main office, in Hillsboro, Illinois, is complemented by thirteen banking facilities located in the Illinois towns of Hillsboro, Vandalia, Greenville, Mt. Olive, Alhambra, Livingston, Mt. Clare, Pana, Effingham, Edwardsville, Carlyle, Keyesport, and Highland. The bank has fifteen automated teller machines in operation.

As of December 31, 2000, the loan portfolio represented 73% of total assets. The composition of the loan portfolio was 37% residential real estate, 25% agriculture-related, 20% commercial, 16% consumer, and 2% other loans.

No financial or legal constraints impede the bank's ability to meet community credit needs. The bank has adequate resources to provide for the credit needs of its assessment area. The type and amount of CRA activities are consistent with the bank's size, financial capacity, and local economic conditions. National Bank received a *Satisfactory Record of Meeting Community Credit Needs* at its last CRA examination, dated November 27, 1996.

DESCRIPTION OF ASSESSMENT AREA

National Bank's assessment area covers a total of 35 block numbering areas (BNAs) and 10 census tracts (CTs) in nine Illinois counties. The assessment area includes all BNAs of Montgomery, Bond, and Effingham counties. It includes the southeast portion of Macoupin County containing BNAs 9568, 9569, 9570, 9571 and 9572; the southeast portion of Christian County containing BNAs 9587, 9588, and 9589; the eastern portion of Shelby County containing BNA 9592; and all of Fayette County except middle income BNA 9505. The assessment area also includes the northeast portion of Madison County containing CTs 4038.01, 4038.02, 4029.00, 4030.01, 4030.02, 4031.01, 4031.02, 4036, and 4037; and the northeast portion of Clinton County with CT 9004. The Madison and Clinton County CTs are located in the St. Louis, Missouri, Metropolitan Statistical Area (MSA). Of the 35 BNAs, all are middle-income geographies, except for upper-income BNA 9598 in Effingham County and moderate-income BNAs 9506 in Fayette County and 9589 in Christian County. Of the ten CTs, seven geographies are middle-income, one is upper-income, and two are moderate-income. The moderate-income CTs are 9004 in Clinton County and 4031.01 in Madison County. This assessment area is contiguous, meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

The population of the non-MSA portion of the assessment area as of the 1990 census was 126,005. The population of the St. Louis MSA portion of the assessment area as of the 1990 census was 57,737. The 2000 Illinois statewide non-MSA median family income is $43,600. The corresponding St. Louis MSA median family income is $56,500. Census family income information aggregated for all BNAs of the assessment area indicates that 6,662 families or 19.4% are considered low income, 6,466 families or 18.8% are considered moderate income, 8,580 families or 25% are considered middle income, and 12,634 families or 36.8% are considered upper income. Census family income information aggregated for all CTs of the assessment area indicates that 2,612 families or 16.6% are considered low income, 2,854 families or 18.2% are considered moderate income, 4,172 families or 26.5% are considered middle income, and 6,081 families or 38.7% are considered upper income.

For the analysis contained in this report regarding the non-MSA portion of the assessment area, low income is defined as income that is less than 50% of the 2000 statewide non-MSA median family income. Moderate income is at least 50% but less than 80% of the 2000 statewide non-MSA median family income. Middle income is at least 80% but less than 120% of the 2000 statewide non-MSA median family income. Upper income is 120% or more of the 2000 statewide non-MSA median family income.

For the analysis contained in this report regarding the MSA portion of the assessment area, low income is defined as income that is less than 50% of the 2000 St. Louis MSA median family income. Moderate income is at least 50% but less than 80% of the 2000 St. Louis MSA median family income. Middle income is at least 80% but less than 120% of the 2000 St. Louis MSA median family income. Upper income is 120% or more of the 2000 St. Louis MSA median family income.

The 1990 census demographic data for the non-MSA portion of the assessment area shows that 17% of the population is age 65 and over, 16% of the households are in retirement, and 13% of the households are below the poverty level. Median housing value is $40,480 and the median age of the housing stock is 45 years. Owner-occupied units represent 71% of the housing stock, with 84% being 1-4 family units.

The 1990 census demographic data for the MSA portion of the assessment area shows that 14% of the population is age 65 and over, 17% of the households are in retirement, and 10% of the households are below the poverty level. Median housing value is $64,079 and the median age of the housing stock is 37 years. Owner-occupied units represent 69% of the housing stock, with 83% being 1-4 family units.

The overall economic condition of the assessment area is good. Some areas are enjoying prosperity from growth in numerous small manufacturing and light industry companies, while others areas remain stable. The welfare of the assessment area depends upon the economic health of both these small companies and local agricultural production. The area does enjoy a wide variety of employers. Several of the major employers are the Hillsboro Community Unit School District, St. Francis Hospital, Hydraulics Inc., Schutt Manufacturing, Tru-Weld Grating, Inc., Central Illinois Power Company, Graham Correctional Center and the Georgia Pacific corrugated box plant. March 2001 unemployment figures for Bond County were 5.3%, Fayette County 7.2%, Macoupin County 6.6%, Madison County 5.5%, Clinton County 4.9%, Shelby County 6.5%, Effingham County 5.0%, Christian Coounty 6.1%, and Montgomery County 8.1%. This compares to the Illinois unemployment rate of 5.5% and the national rate of 4.6% for the same period.

Competitive pressures are strong. The bank's broad assessment area exposes them to numerous competitors, including many nonbank financial product service companies. Bank competitors range from small independent community banks to branches of a large multi-state bank.

To further our understanding of the community's credit needs, we performed one community contact during this examination with a local cleric. Based on information from this contact, the ongoing credit needs of the community include financing for low-cost housing (rental or 1-4 family home purchase) and for downtown business development and improvements. The community contact feels that the two locally owned independent banks are dedicated to meeting these needs. National Bank is one of these two banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Lending to Borrowers of Different Incomes and Businesses of Different Sizes:
The distribution of loans to borrowers of different income levels reflects a good penetration among families of different income levels and businesses and farms of different sizes.

During the examination, we reviewed all Home Mortgage Disclosure Act (HMDA) reportable residential real estate loans in the MSA portion of the assessment area, as well as a sample of residential real estate and consumer installment loans **not** in the MSA portion of the assessment area. All loans reviewed originated between October 10, 1996, and May 7, 2001. These loan types were selected for review because they are the primary product lines of the financial institution. Residential real estate loans comprise the largest portion of the loan portfolio on a dollar basis, and installment loans comprise the largest portion of the loan portfolio on a number basis.

Based on our review of HMDA reportable residential real estate loans described above, we determined the distribution of credit within the assessment area by borrower income level. The findings of this analysis are presented in the following table.

Income Levels	**# of Loans**	**% By # of Loans**	**Loan $ (000's)**	**% By $ of Loans**	**MSA Family Income**
Low Income	6	30%	$231	18%	17%
Moderate Income	9	45%	$678	53%	18%
Middle Income	2	10%	$192	15%	26%
Upper Income	3	15%	$182	14%	39%

Based on our samples of residential real estate and installment loans, we determined the distribution of credit within the assessment area by borrower income level. The findings of these analyses are presented in the following tables.

Residential Real Estate Loans

Income Levels	# of Loans	% By # of Loans	Loan $ (000's)	% By $ of Loans	Non- MSA Family Income
Low Income	3	15%	$127	13%	19%
Moderate Income	6	30%	$231	23%	19%
Middle Income	4	20%	$232	23%	25%
Upper Income	7	35%	$420	42%	37%

Installment Loans

Income Levels	# of Loans	% By # of Loans	Loan $ (000's)	% By $ of Loans	Non- MSA Family Income
Low Income	2	10%	$ 23	9%	19%
Moderate Income	10	50%	$114	45%	19%
Middle Income	2	10%	$ 45	18%	25%
Upper Income	6	30%	$ 70	28%	37%

The following table illustrates the distribution of farm-related loan originations by size of annual revenues within the assessment area.

Small Farms	Gross Revenues less than $100M	Gross Revenues $100M - $250M	Gross Revenues $250M - $500M	Gross Revenues $500M - $1MM	Gross Revenues Over $1MM	Total
# of Loans	8	6	3	2	1	20
% of Total	40 %	30%	15%	10%	5%	100%
$ of Loans (000's)	$596	$618	$620	$690	$553	$3,077
% of Total	19%	20%	20%	23%	18%	100%

Based on 1990 business demographic data, 99.5% of all farms within the assessment area have gross annual revenues of less than $1 million.

The following table illustrates the distribution of business loan originations by size of annual revenues within the assessment area.

Small Businesses	Gross Revenues less than $100M	Gross Revenues $100M - $250M	Gross Revenues $250M - $500M	Gross Revenues $500M - $1MM	Gross Revenues Over $1MM	Total
# of Loans	8	3	5	2	2	20
% of Total	40 %	15%	25%	10%	10%	100%
$ of Loans (000's)	$202	$196	$2,549	$130	$2,110	$5,187
% of Total	4%	4%	49%	3%	41%	100%

Based on 1990 business demographic data, 89% of all businesses within the assessment area have gross annual revenues of less than $1 million.

Geographic Distribution of the Bank's Loans:
The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. This conclusion is based on our review of HMDA reportable residential real estate loans in the MSA portion of the assessment area, as well as on a sample of residential real estate and consumer installment loans **not** in the MSA portion of the assessment area. All loans reviewed originated between October 10, 1996, and May 7, 2001.

Based on our review of HMDA reportable residential real estate loans, we determined the distribution of credit within the assessment area by geography. The findings of this analysis are presented in the following table.

Income Characteristics of CTs	# of Loans	% By # of Loans	Loan $ (000's)	% By $ of Loans	% Owner Occupied By Tract
Low Income (a)	0	0%	$ 0	0%	0%
Moderate Income (b)	2	10%	$ 63	5%	17%
Middle Income (c)	18	90%	$1,220	95%	70%
Upper Income (d)	0	0%	$ 0	0%	13%

(a) 0 low-income CTs in assessment area
(b) 2 moderate-income CTs in assessment area
(c) 7 middle-income CTs in assessment area
(d) 1 upper-income CT in assessment area

Based on our samples of non-MSA residential real estate and installment loans, we determined the distribution of credit within the assessment area by geography. The findings of these analyses are presented in the following tables.

Residential Real Estate Loans

Income Characteristics of BNAs	# of Loans	% By # of Loans	Loan $ (000's)	% By $ of Loans	% Owner Occupied By Tract
Low Income (a)	0	0%	$ 0	0%	0%
Moderate Income (b)	2	10%	$ 68	7%	4%
Middle Income (c)	18	90%	$940	93%	92%
Upper Income (d)	0	0%	$ 0	0%	4%

(a) 0 low-income BNAs in assessment area
(b) 2 moderate-income BNAs in assessment area
(c) 32 middle-income BNAs in assessment area
(d) 1 upper-income BNA in assessment area

Installment Loans

Income Characteristics of BNAs	# of Loans	% By # of Loans	Loan $ (000's)	% By $ of Loans	% Population By Tract
Low Income (a)	0	0%	$ 0	0%	0%
Moderate Income (b	1	5%	$ 10	4%	5%
Middle Income (c)	19	95%	$241	96%	92%
Upper Income (d)	0	0%	$ 0	0%	3%

(a) 0 low-income BNAs in assessment area
(b) 2 moderate-income BNAs in assessment area
(c) 32 middle-income BNAs in assessment area
(d) 1 upper-income BNA in assessment area

Loan to Deposit Ratio:
National Bank's loan to deposit ratio is comparable to the loan to deposit ratios of similarly situated area banks. The bank's average loan to deposit ratio was 78% for the seventeen quarters from December 31, 1996, to December 31, 2000. As of December 31, 2000, the ratio was 83%. Three similarly situated area institutions, with total assets between $167 million and $374 million, have current loan to deposit ratios ranging from 69% to 79% and average ratios for the period ranging from 66% to 78%. These institutions are considered similarly situated because they are located in the same assessment area with comparable assets sizes and branch locations.

Lending in the Assessment Area:
A majority of the bank's loans are within its assessment area.

The following table represents the results of our review of HMDA reportable residential real estate (RE) loans in the MSA portion of the assessment area, as well as a sample of residential real estate and consumer installment loans **not** in the MSA portion of the assessment area. All loans reviewed originated between October 10, 1996, and May 7, 2001.

Loans by Number and Dollar Amount Within the Assessment Area

Loan Type	**# Reviewed/ Sampled**	**% of Loans Within AA (#)**	**$ of Loans Reviewed/ Sampled (000's)**	**% of Loans Within AA ($)**
HMDA Residential RE (MSA)	25	68%	$1,635	72%
Residential RE (Non-MSA)	20	95%	$1,029	94%
Installment (Non-MSA)	20	95%	$ 260	97%

Response to Complaints:
No complaints were received since the prior CRA evaluation.

Compliance with Antidiscrimination Laws:
We analyzed four years of public comments and consumer complaint information according to the OCC's risk based fair lending approach. Based on our analysis of the information, we determined that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The most recent OCC fair lending examination was performed in 1996.