



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 30, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Greenup National Bank
Charter #8115**

**705 East Cumberland Street
Greenup, Illinois 62428**

**Office of the Comptroller of the Currency
Devonshire Corporate Centre
2009 Fox Drive, Suite B
Champaign, IL 61820**

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 The Greenup National Bank prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of June 30, 1997. 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.

This rating is based on the fact that the bank's loan-to-deposit ratio is reasonable given the assessment area credit needs and a majority of the loans originated between January 1, 1996 and May 31, 1997 were located within the bank's assessment area. Additionally, the distribution of borrowers reflects a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

DESCRIPTION OF INSTITUTION

The Greenup National Bank is a \$44 million bank situated in Greenup, Illinois, which is located in Cumberland County, population 10,670. This institution is owned by The First Neighborhood Bancshares, Inc., a three-bank holding company. The bank offers two ATMs for customer service and convenience, along with a walk-up teller window branch in downtown Greenup. Greenup is located on Interstate 70, approximately 25 miles northeast of Effingham, Illinois and 45 miles southwest of Terre Haute, Indiana.

This institution serves the needs of the community by offering a variety of loan products. These loan products include commercial and agricultural loans (operating, equipment, and real estate), residential loans (construction, purchase, refinance, and home improvement), and consumer installment loans (new and used autos and trucks, debt consolidation, and unsecured).

The following represents this institution's loan portfolio mix as of March 31, 1997:

Commercial	12%
Residential Real Estate	41%
Consumer Installment	11%
Agricultural Related	36%

The bank does not have any financial or legal impediments restricting it from meeting the credit needs of its local community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is Cumberland County, which consists of three Block Numbering Areas (BNAs), #9724, #9725 and #9726. This assessment area conforms to the regulation and does not arbitrarily exclude low or moderate income areas. All three BNA's are considered middle income areas based on 1990 census data. The following demographic information on the bank's assessment area is based on 1990 census data:

Housing Stock:	83% of the housing units are 1-4 family.
Occupancy:	73% owner occupied, 17% renter occupied and 9% vacant.
Home Values:	The median home value is \$36,300.
Age of Homes:	The median year of homes built is 1960.
Income:	Median family income of the assessment area is \$28,425.
Income Levels:	18% of the families are low income, 21% are moderate income, 23% are middle income, while 38% are upper income.

The local economy is stable and driven by agriculture. Many residents commute to Mattoon, Charleston, and Effingham, where they hold service and industrial jobs. The largest employer in the county is Kern Manufacturing, where 200 employees manufacture intimate apparel in Neoga. Unemployment is in line with state and national averages.

The First National Bank in Toledo, which is owned by the same holding company, and a branch of First Mid-Illinois Bank & Trust, N.A. are the only other banks that have a presence in Cumberland County. Other competition stems from financial institutions in Mattoon, Charleston, Effingham, Casey, Lerna, and Teutopolis.

Two community contacts were performed by the Office of the Comptroller of the Currency with local government officials in October 1996. Long-term fixed rate mortgages, agricultural loans, and small personal loans were stated as the community credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN-TO-DEPOSIT RATIO

The bank's loan-to-deposit ratio is reasonable based on the institution's size and assessment area credit needs. During the most recent 12 calendar quarters, The Greenup National Bank's loan-to-deposit ratio went from 57% on June 30, 1994 to 73% on March 31, 1997, and during this time it averaged 67%. This is better than the average loan-to-deposit ratios of the five local banks with assets ranging from \$40 million to \$90 million, which was 64%. (The five local banks used in this comparison are The First National Bank of Toledo, Casey National Bank, Teutopolis State Bank, First National Bank in Newton, and First National Bank of Dieterich.)

LENDING IN ASSESSMENT AREA

A majority of the loans being originated are within the bank's assessment area. Based on a sample of loans (including 30 residential mortgage, 49 consumer/installment, and 30 commercial and agricultural) originated from January 1, 1996 through May 31, 1997, 76% of the number and 79% of the dollar amount of the loans were made within the bank's assessment area.

The following table shows the dollar amount and number of loans from our sample that fall within the assessment area and outside the assessment area:

Type of Loan	Within Assessment Area		Outside Assessment Area	
	Residential Real Estate	\$1,155,416	82%	\$256,067
	24	80%	6	20%
Consumer Loans	\$138,453	56%	\$108,149	44%
	36	73%	13	27%
Commercial and Agricultural Loans	\$1,081,261	79%	\$285,456	21%
	23	77%	7	23%
Total of Sample	\$2,375,130	79%	\$649,672	21%
	83	76%	26	24%

* This table was based on the sample of originations made 01/01/96-05/31/97.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES:

The bank has done a good job of lending to consumers of all income levels. Although all the BNAs located in the bank's assessment area are considered middle-income, 39% of the population is in the low- to moderate-income category.

The following tables show the distribution of residential real estate and installment originations among borrowers of different income levels within the assessment area:

Residential Mortgage Loans

Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	1	4%	\$28,000	2%
Moderate - Income 50% - 79% of Median	8	33%	\$213,551	18%
Middle - Income 80%-119% of Median	10	42%	\$514,815	45%
Upper - Income 120% or more of Median	5	21%	\$399,050	35%

*This table is based on the 24 residential real estate loans from the sample that were made in the bank's assessment area. Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$36,700). Based on this sample, 37% of residential real estate loans were made to low- and moderate-income borrowers.

Installment Loans

Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	18	50%	\$55,423	40%
Moderate - Income 50% - 79% of Median	9	25%	\$33,099	24%
Middle - Income 80%-119% of Median	6	17%	\$32,734	24%
Upper - Income 120% or more of Median	3	8%	\$17,197	12%

*This table is based on the 36 consumer installment loans from the sample that were made in the bank's assessment area. Income levels are based off of the 1997 nonmetropolitan median family income for Illinois (\$36,700). Based on this sample, 75% of installment loans were made to low- and moderate-income borrowers.

The following table demonstrates that the bank has done a good job of lending to businesses and farms of all sizes in the assessment area. The table presents information from the commercial and agricultural sample:

Gross Revenues	# of Loans	%	\$ of Loans	%
Less than \$100,000	16	70%	\$173,122	16%
\$100,000 - 250,000	3	13%	\$191,916	18%
\$250,000 - 500,000	1	4%	\$37,642	3%
\$500,000 - 1,000,000	0	0%	\$0	0%
More than \$1,000,000	3	13%	\$678,581	63%

*This table is based on the 23 commercial and agricultural loans out from the sample that were made to businesses located inside the bank's assessment area. A substantial majority of the loans reviewed were made to small farms and businesses.

GEOGRAPHIC DISTRIBUTION OF LOANS

A review of the geographic distribution of loans was not conducted, because all three BNAs are middle income areas.

COMPLIANCE WITH FAIR LENDING LAWS

Greenup National Bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. There is no evidence of practices to discourage individuals from applying for credit. The bank generally solicits credit applications from all segments of its assessment area.