



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 17, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Girard
Charter Number 3216**

**205 S. Summit Street
Girard, Kansas 66743**

**Comptroller of the Currency
Dan L. Gipple, Assistant Deputy Comptroller - Kansas City South
1710 East 32nd Street, Suite H
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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.

- First National Bank of Girard's (FNB) loan-to-deposit (LTD) ratio is satisfactory and reflects reasonable responsiveness to the credit needs of the assessment area (AA). The bank's quarterly average LTD ratio since the last CRA examination is 70.86% based on the last eighteen quarters. This is the third highest average LTD ratio for the six similarly situated banks in the AA and slightly above the average of 69.89%.
- FNB's record of lending within its AA is excellent. A substantial majority of all loans made are located in the AA. For consumer, agricultural, and commercial loans sampled, the bank originated 83% by number and 85% by dollar amount within its AA.
- FNB's performance of lending to borrowers of different incomes, small farms, and small businesses is satisfactory. The distribution of loans reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels, as well as farms and businesses of different sizes. Examiners reviewed a sample of 20 loans for each of the bank's primary product types originated in the AA since the previous CRA examination through May of 2003.

Performance for consumer lending to low-income individuals is more than reasonable. Loans to low and moderate-income individuals exceed demographics by number of loans. Based on the sample of 20 consumer loans, 45% by number or 20% by dollar were made to low-income borrowers, while 20% by number and by dollar were made to moderate-income borrowers. Demographic data from the 2000 census indicates 29% and 18% of households in the AA are designated low- and moderate-income respectively.

The bank's lending for agricultural loans is satisfactory. Based on the sample of 20 agriculture loans, 95% by number and 96% by dollar were made to small farms (revenue less than \$1 million). Demographic data from the 2000 census indicates 97% of the farms in the AA have revenues less than \$1 million.

FNB's lending for commercial loans is satisfactory as loans originated are slightly below demographics by number, but meet demographics by dollar. Based on the sample of 20 commercial loans, 70% by number and 74% by dollar were made to small businesses (revenue less than \$1 million). Demographic data from the 2000 census indicates 74% of the businesses in the AA have revenues less than \$1 million.

- The bank's geographic distribution of credit reflects satisfactory penetration throughout the AA. The volume of consumer, agricultural, and commercial lending activity in moderate-income areas, although below demographics, is satisfactory. There are no low-income tracts, and the only two moderate census tracts in the AA are located in the city of Pittsburg, Kansas. Pittsburg, which is approximately eight miles from the bank, is a city of 19,243 people with twelve banking locations.

The following tables illustrate the bank's performance in its AA compared to demographics:

Consumer Loans			
Tract Designation	% of Households in AA	% Originated by #	% Originated by \$
Moderate - income Tract	15.56%	10.00%	8.20%
Middle - income Tract	69.14%	80.00%	87.55%
Upper - income Tract	15.30%	10.00%	4.24%

Agricultural Production Loans			
Tract Designation	% of Farms in AA	% Originated by #	% Originated by \$
Moderate - income Tract	4.98%	0.00%	0.00%
Middle - income Tract	88.69%	100.00%	100.00%
Upper - income Tract	6.33%	0.00%	0.00%

Commercial & Industrial Loans			
Tract Designation	% of Businesses in AA	% Originated by #	% Originated by \$
Moderate - income Tract	23.83%	5.00%	14.23%
Middle - income Tract	63.11%	90.00%	85.41%
Upper - income Tract	13.06%	5.00%	0.37%

- FNB did not receive any complaints about its performance in helping meet credit needs in the AA during the evaluation period.
- FNB is in compliance with applicable antidiscrimination laws. An analysis of public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC concluded that a comprehensive fair lending examination would not be conducted in connection with the CRA evaluation this year.

DESCRIPTION OF INSTITUTION

FNB is a \$66 million institution located in Girard, Kansas. The bank is headquartered and operates one full service facility and one ATM facility in Girard. Consumer installment, agricultural production, and commercial loans are the primary focus of the bank's loan portfolio. FNB received a "Satisfactory" CRA rating at the last examination dated February 22, 1999. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Please refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA consists of Crawford County in Kansas. The AA contains eleven census tracts consisting of two moderate-income tracts, eight middle-income tracts and one upper-income tract. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. There are five other independently owned banks, which provide competition in the bank's AA. Competition includes University National Bank with \$76 million in total assets, Miners State Bank of Frontenac with \$44 million in total assets, First State Bank with \$10 million in total assets, Exchange State Bank with \$53 million in total assets, and Farmers National Bank with \$21 million in total assets.