



---

**Comptroller of the Currency  
Administrator of National Banks**

---

Grand Island Duty Station  
P.O. Box 129  
Grand Island, Nebraska 68802

## **PUBLIC DISCLOSURE**

**October 30, 1996**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Wilcox  
Charter Number 7861**

**102 West Sapp  
Wilcox, Nebraska 68982**

<p><b>NOTE:</b> 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.</p>
---

## 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 First National Bank of Wilcox** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 30, 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 First National Bank of Wilcox (Bank) does a good job of extending agricultural loans to farms of different sizes. The bank’s loan volume is reasonably distributed throughout its assessment areas.

The following table indicates the performance level of *The First National Bank of Wilcox* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	The First National Bank of Wilcox Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		x	
Lending in Assessment Area	x		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		x	
Geographic Distribution of Loans		x	
Response to Complaints	NO COMPLAINTS WERE RECEIVED SINCE THE PRIOR EXAMINATION		

## **DESCRIPTION OF INSTITUTION:**

The First National Bank of Wilcox is a \$10 million institution located in south central Nebraska. The bank does not have any branches or Automated Teller Machines. Loans represent 50% of total bank assets. The bank is primarily an agricultural lender with 86% of its loans for agricultural purposes. The First National Bank of Wilcox offers a variety of basic loan products including consumer, fixed rate residential real estate and commercial loans. Loan and deposit competition comes from numerous financial institutions located in communities throughout Kearney, Franklin, Harlan and Phelps Counties. There are no legal impediments or other factors, including the financial condition of the bank, which hinder the bank's ability to comply with the Community Reinvestment Act. The OCC previously rated the bank's CRA performance "Satisfactory" at our May 11, 1993 Examination.

## **DESCRIPTION OF ASSESSMENT AREA:**

Wilcox is located in the southwest corner of Kearney County with a substantial portion of the bank's business coming from three bordering counties. As a result, management designated one block numbering area (BNA) from each of the following contiguous counties as their assessment area: Kearney, Franklin, Harlan and Phelps. The assessment area does not contain any low or moderate income tracts. All four BNAs fall under the middle income classification. None of the counties are within a Metropolitan Statistical Area. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas.

The bank's assessment area is a sparsely populated rural area with several small communities. According to 1990 census information, 10,421 people reside in the assessment area with 379 individuals in Wilcox and the remaining population split among nine other small towns and the surrounding countryside. Wage or salaried persons represent 74% of the households. Self Employed (Farms) individuals are present in 31% of households. The median family income for the assessment area is \$27,705 compared to the statewide nonmetropolitan median family income of \$27,623. The percent of families by income level for the assessment area is as follows: low income 13.6%, moderate income 20.3%, middle income 28.2% and upper income 37.9%.

Agriculture and its related industries dominate the area. Other major employers include several major industrial companies located in the nearby communities of Kearney, Holdrege and Minden. Individuals in the assessment area contacted by bank officials and an individual contacted by examiners, stated the primary identified credit needs for the area are residential real estate loans and small business financing. While the bank does offer these types of loans, the majority of its loans are for agricultural purposes. Other area institutions also provide home loans and small business financing.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

### **Loan to Deposit Ratio**

The bank maintains a reasonable loan to deposit ratio. The bank's average loan to deposit ratio since the bank's last CRA exam (May 11, 1993) is 63%. The ratio remains unchanged over the past eight quarters ending June 30, 1996. The bank's average loan to deposit ratio for 1995 ranks sixth among eight community banks with main offices in the bank's assessment area. These ratios range between 28% and 83%.

### **Lending In Assessment Area**

The bank extends the vast majority of its credit to individuals residing within its assessment area. Approximately 86% of the number of loans and 87% of the dollar volume of loans were made to customers who reside within the assessment area. We calculated these percentages by reviewing loans outstanding on the bank's October 15, 1996 loan trial balance. Management assisted in the process by identifying borrowers' home addresses and the purpose of the loan proceeds.

### **Lending to Borrowers of Different Incomes / Businesses and Farms of Different Sizes**

The bank has done a good job of extending credit to farm borrowers of different incomes and farms of different sizes. The bank's lending is concentrated in agriculture, so our analysis focused on agriculture loans. Our review of farm loans for income information revealed 15 of 15 farm operations are considered "small farms" as they had gross revenues of less than \$1 million. The distribution of these loans by level of gross income ranges from \$34,000 to \$615,000 and is summarized below (in \$000s):

<b>\$0 - \$100</b>	<b>\$100 - \$250</b>	<b>\$250 - \$500</b>	<b>\$500 - \$1,000</b>	<b>&gt; \$1,000</b>	<b>Total</b>
2	10	1	2	0	15

### **Geographic Distribution of Loans**

Credit is reasonably distributed within the bank's assessment area. Because Wilcox is located in the southwest corner of Kearney County, the bank's assessment area encompasses parts of three adjoining counties as described earlier. Through discussions with management and a review of the bank's October 15, 1996 loan trial balance, it is readily apparent the vast majority of the bank's loan customers reside throughout the assessment area.

The bank is in compliance with anti-discrimination laws and regulations. Our review did not disclose any substantive violations of the Fair Lending laws. We did not note any practices intended to discourage applications for the types of credit the bank offers.