



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 6, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Tribune
Charter Number 12168**

**423 Broadway
Tribune, Kansas 67879**

**Comptroller of the Currency
50 Fremont Street, Suite 3900
San Francisco, California 94105**

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 First National Bank of Tribune** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 6, 1998. 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.**”

First National Bank of Tribune’s record of meeting the credit needs of its assessment area is satisfactory. The bank’s loan-to-deposit ratio is reasonable. Most of the bank’s loans are originated in the assessment area. The bank actively lends to agricultural operations, small businesses, and individuals of all income levels.

DESCRIPTION OF INSTITUTION:

First National Bank of Tribune (FNB) is a \$25 million community bank located in rural western Kansas. Tribune is the county seat of Greeley County, the most sparsely populated county in Kansas with a population of 1,774. The population of Tribune is 918. FNB is the only financial institution in the county. It does not have any branches, but it does have one automated teller machine (ATM) in Tribune.

The principal lending focus of FNB is agricultural and real estate loans. The loan portfolio totaled \$14.6 million as of September 30, 1997, and included the following loan products: agricultural loans 61%, real estate loans 28%, commercial loans 7%, and consumer loans 4%.

The bank received a “Satisfactory Record of Meeting Community Credit Needs” rating at the March 9, 1995, CRA Examination.

DESCRIPTION OF ASSESSMENT AREA:

FNB has designated all of Greeley County as its assessment area. The assessment area meets the requirements of the regulation. Greeley County is not located in a Metropolitan Statistical Area (MSA). The assessment area consists of one Block Numbering Area (BNA) which is designated middle-income based on 1990 United States Census information. The table below provides a breakdown of family income levels within the BNA based upon the 1990 statewide non-MSA median-family income of \$28,068. Updated 1997 statewide non-MSA median-family income has now increased to \$36,100.

FAMILY INCOME LEVELS WITHIN ASSESSMENT AREA		
Income Classification	# of Families	% of Families
Low Income	72	15%
Moderate Income	80	17%
Middle Income	113	23%
Upper Income	219	45%
Total	484	100%

The economy in the assessment area is predominately agriculture with dryland wheat farms, cattle feedlots, and cattle ranches. Oil and gas production supplements the farming economy. Primary employers are Unified School District #200, Greeley County, and Greeley County Hospital. Economic growth in Greeley County is stable.

We contacted the Greater Greeley County Chamber of Commerce and Economic Development to discuss local credit needs and community development. Primary credit needs were determined to be agricultural and small business lending. The contact concluded that FNB is adequately meeting the community's credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable given its size, financial condition, and operating environment. FNB's average loan-to-deposit ratio for the eight quarters ending September 30, 1997, was 65%. The average loan-to-deposit ratio for four similarly situated banks in the surrounding area over the same period was 69%.

Lending in Assessment Area

FNB originates a majority of its loans within the assessment area. We analyzed all loans originated between June 1997 and December 1997 and found that 92% were within the assessment area.

DISTRIBUTION OF LOAN ORIGINATIONS			
Inside Assessment Area		Outside Assessment Area	
Number of Loans	Amount of Loans	Number of Loans	Amount of Loans
146	\$4,757,799	12	\$630,956

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

The bank's distribution of loans reflects a strong penetration of lending to small businesses and to individuals of different income levels. We sampled 36% of the 89 business and agricultural loans originated or renewed between June 1997 and December 1997. The following table summarizes the results of our sample.

DISTRIBUTION OF BUSINESS/AGRICULTURAL LOANS BY ANNUAL REVENUE

	Number of Loans Reviewed	Percent of Loans Reviewed
Revenues less than \$500M	31	97%
Revenues between \$500M and \$1,000M	1	3%
Revenues greater than \$1,000M	0	0%
Total Business/Agricultural Loans Sampled	32	100%

The table shows all but one of the 32 loans were made to businesses, farms, and ranches with annual revenues of less than \$500,000. This clearly demonstrates that FNB is serving the credit needs of small businesses and small agricultural operations.

FNB made loans to two small businesses that created new jobs in the community. One was for the expansion of an auto repair facility, and the other was to refurbish and open a service station. FNB also made a loan to open a recreational facility, which is the only one in Tribune.

We sampled 51% of the 68 consumer loans originated between June 1997 and December 1997. Our analysis indicates that FNB actively lends to individuals of all income levels. The table below shows that 55% of the loans in the sample were made to low- or moderate-income individuals. This is above the percentage of low- and moderate-income families in the assessment area.

DISTRIBUTION OF CONSUMER LOANS BY BORROWER INCOME LEVEL

Income Category	Loan Sample (Based on Updated 1997 Median Income of \$36,100)		Family Distribution Within Each Income Category (Based on 1990 Median Income of \$28,068)
	Number of Loans Reviewed	Percent of Loans Reviewed	
Low Income (< 50% of median income)	10	29%	15%
Moderate Income (51%-79% of median income)	9	26%	17%
Middle Income (80%-119% of median income)	11	31%	23%
Upper Income (120% or more of median income)	5	14%	45%
Total Consumer Loans	35	100%	100%

In conjunction with the Greeley County Merchants, FNB made interest-free loans to customers in 1997 for Christmas shopping done in Greeley County. The Greeley County Merchants helped subsidize the program. Customers could borrow from \$300 to \$1,000 for nine months with no finance charges and no payments until 1998. This program primarily aided low- and moderate-income individuals.

FNB is also helping to meet the credit needs for home mortgages in its assessment area. The following table provides information about mortgage loans made since January 1996.

ORIGINATIONS OF SINGLE FAMILY RESIDENCE MORTGAGE LOANS				
Type of Mortgage Loan	1996		1997	
	Number of Loans	Amount of Loans	Number of Loans	Amount of Loans
Home Purchase Mortgage Loans	1	\$ 50,000	6	\$212,500
Refinance Mortgage Loans	5	\$251,723	6	\$181,231
Total Mortgage Loans	6	\$301,723	12	\$393,731

Geographic Distribution of Loans

We did not analyze the geographic distribution of loans for FNB because the only BNA in the assessment area is not designated as low- or moderate-income.

Response to Complaints

No CRA related complaints have been received by FNB.

Investments

FNB invested \$200,000 in local bonds issued by the Greeley County Hospital in October 1997. This represented 5% of the total bond issue. Proceeds are being used to renovate and upgrade the facilities and to build offices for doctors. This is the only hospital in the county.

Services

In March 1997 FNB opened an ATM in Tribune to provide an additional service to the community. The ATM is located in a service station and is reasonably accessible to all residents of the assessment area.

Record of Compliance with Antidiscrimination Laws

We did not find any evidence of discrimination during our fair lending examination.