



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 31, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank and Trust Company of Minden
Charter Number 3057**

**P.O. Box 147
Minden, Nebraska 68802**

**Office of the Comptroller of the Currency
Grand Island Duty Station
P.O. Box 129
Grand Island, Nebraska 68802**

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 and Trust Company of Minden, Minden, Nebraska** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 31, 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 bank has a satisfactory level of lending, which reflects a reasonable response to local credit needs. The bank's lending to businesses of different sizes and borrowers of different incomes compares favorably to the assessment areas demographics. The bank makes a majority of its loans within its assessment area.

The following table indicates the performance level of **The First National Bank and Trust Company of Minden** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE FIRST NATIONAL BANK and TRUST COMPANY of MINDEN 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	An analysis of the geographic distribution of loans would not be meaningful.		
Response to Complaints	No complaints were received since the prior examination.		

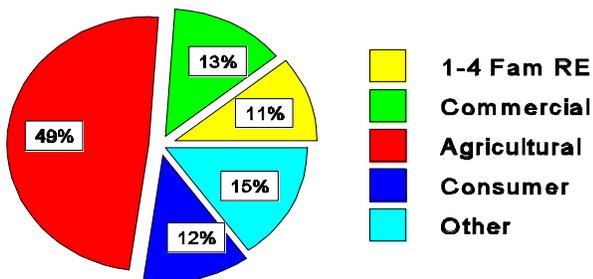
DESCRIPTION OF INSTITUTION

The First National Bank and Trust Company of Minden (FNB) is a \$44 million bank with the main office located in Kearney county, Nebraska. The bank is a subsidiary of First of Minden Financial Corporation, a one bank holding company. The bank does not have any branches, however, it does have three 24-hour automated teller machines (ATMs). One is located at the bank, with another located in Minden near Pioneer Village (a local tourist attraction) and another in Axtell, Nebraska, approximately eleven miles west of Minden. A fourth ATM is approved for a restaurant in Kearney.

FNB is a full service bank and offers a variety of loan products. As of June 30, 1996, the bank's loan portfolio consisted of the following breakdown: agriculture (including farmland RE) 49%; commercial 13%; consumer 12%; one-to-four family real estate loans 11%; other 15%. As of June 30, 1996, gross loans totaled \$26 million.

Loan Portfolio Composition

As of June 30, 1996



The bank's financial condition, size, local economic conditions, and other factors allow it to assist in meeting the credit needs of its assessment area. The bank has not opened any offices since the previous examination.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is Kearney county and the northern half of Franklin county. The assessment area is made up of 3 middle-income tracts. The assessment area does not have any low- or moderate-income tracts. The median family income for the assessment area is \$29,459 compared to the Nebraska statewide non-metropolitan median family income of \$35,100 for 1996.

Kearney and Franklin counties are located directly south of Kearney, Nebraska, in the south central part of Nebraska. The assessment area has a combined population of 8,000. Minden, population 3,000, has a stable local economy, dominated by agriculture. Local manufacturing plants and the Pioneer Village tourist attraction provide some diversification.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Analysis

The bank's lending level is satisfactory and reflects a reasonable response to community credit needs, given the strong competition within the assessment area. The bank's eleven quarter average loan-to-deposit ratio since the last CRA exam (December 31, 1992) is 71%. The average loan-to-deposit ratios for the 5 other banks in the assessment area ranges from 26% to 81% over the same eleven quarter time period.

Comparison of Credit Extended Inside and Outside the Assessment Area

The bank extends a majority of its loans within its assessment area. We reviewed a sample of fifty-two loans originating from March 31, 1996, to September 30, 1996, from the bank's four major areas of lending; i.e.: agriculture, commercial, 1-4 family RE, and consumer. Of our sample, the bank loaned 87% of the dollar volume and 77% of the number of loans to customers residing within the assessment area.

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

Lending levels to businesses of different sizes and to borrowers of different incomes are good. Examiners selected twenty-nine agricultural and business loans out of the 126 made from March 31, 1996, to September 30, 1996. We found twenty-seven of these loans were made to small farms or businesses. Management believes that a majority of area businesses are small, i.e., gross annual revenues of less than \$750,000. The sampled borrowers had gross annual revenues ranging from \$16,000 to \$2,749,000 with the following distribution:

Gross Annual Revenue Distribution Business and Agriculture Lending	
\$0 to \$100,000	11
\$100,001 to \$500,000	12
\$500,001 to \$999,999	4
\$1,000,000 and above	2

The bank lends to individuals of all income levels and compares favorably to the assessment area's demographics. We selected a sample of twenty consumer loans and ten 1-4 family real estate loans out of the 107 made from March 31, 1996, to

September 30, 1996. The bank has a strong level of penetration to borrowers with low- or moderate-incomes. As the table below indicates, the bank has originated a larger portion of its consumer and home loans to borrowers with low- or moderate-incomes than the proportion of low- and moderate-income individuals residing in the assessment area. We discovered the bank lends to individuals for various consumer purposes, without regard to minimum loan amounts. Our sample disclosed borrowers with gross annual revenues ranging from \$4,000 to \$85,000.

Median Family Income Distribution Sample of Consumer & Residential RE Loans made by Bank			Median Family Income Distribution Actual Population	
Low Income	(up to 15M)	40%	Low Income	16%
Moderate Income	(15M up to 24M)	30%	Moderate Income	17%
Middle Income	(24M up to 35M)	10%	Middle Income	20%
Upper Income	(Greater than 35M)	20%	Upper Income	47%

Distribution of Credit Within the Assessment Area

An analysis of the distribution of credit within the assessment area would not be meaningful as the assessment area does not contain any low- or moderate-income tracts.

Compliance with Anti-Discrimination Laws and Regulations

We did not identify any substantive violations of the fair lending laws and regulations. Our review did not indicate any evidence of apparent disparate treatment or other illegal credit practices.