



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 4, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

**423 Broadway
Tribune, KS 67879**

**Comptroller of the Currency
1099 18th Street Suite 2650
Denver, CO 80202**

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

The First National Bank of Tribune (FNB) is rated "Outstanding."

- The bank has a good record of lending to farms of different sizes.

The distribution of agricultural borrowers reflects good penetration among farms of different sizes. Based on 20 borrowers sampled, the bank's distribution of loans to farms with different revenues exceeds the demographic breakdown of information on farms located in the assessment area (AA). Demographic statistics were obtained from the U.S. Census Bureau 1997 Census of Agriculture.

- The bank originates a majority of its loans in the assessment area.

FNB originated 75 percent by number and 55 percent by dollar volume of agricultural-related loans within its assessment area. This is the bank's primary loan product, comprising 74 percent of the bank's loan portfolio. The lower dollar volume of originations was the result of one large loan made in an adjoining county.

- The average loan-to-deposit ratio since the last examination is reasonable.

FNB's average loan-to-deposit ratio over the past 18 quarters is satisfactory. The ratio of 65 percent satisfactorily compares to ratios of two similarly situated banks in size and product mix. The average loan-to-deposit ratio for these institutions is 65 percent and 72 percent, respectively.

- The bank took a leadership role in a community development investment.

The bank, through a capital investment in the initial development of a state-of-the-art dairy cooperative, improved job opportunities in the AA. This dairy cooperative provides jobs for low- and moderate-income individuals.

The bank's equity investment in this community development project helped to provide capital to fund the dairy and related small businesses, creating permanent local community jobs. Additionally, a bank officer served on the company board, providing financial expertise. The bank also made low interest rate loans available to area borrowers who wanted to invest in the dairy, further supporting the company's capital base.

The bank took a leadership role in structuring the financing needed to establish a dairy in the assessment area. Part of the financing was an OCC approved community development investment that helped stabilize or revitalize the local economy. A significant number of permanent jobs were created in this rural area, which has been adversely impacted by drought. The bank's direct and indirect loans invests approximately 15% of Tier 1 capital.

- An analysis of the geographic distribution of loans was not applicable since the assessment

area did not have any low-or moderate-income geographies.

- FNB has not received any consumer complaints regarding its CRA performance during the evaluation period.
- An analysis of the 1999, 2000, and 2001 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 decided that a comprehensive fair lending examination would not need to be conducted with the Community Reinvestment Act (CRA) evaluation this year. The latest comprehensive fair lending examination was performed in 1995.

DESCRIPTION OF INSTITUTION

FNB is a \$33 million bank located in the rural community of Tribune, Kansas. Tribune is in the geographical center of Greeley County. FNB received a "Satisfactory" rating at the last CRA examination, dated March 2, 1998. The bank's primary loan product is agricultural loans, comprising 74 percent of the dollar volume of loans as of June 30, 2002. They also offer commercial, real estate, and consumer loans. Net loans to total assets are 56 percent as of June 30, 2002. FNB has one full-service facility located in Tribune and a cash dispensing automated teller machine (ATM) located at a truck stop in Tribune. FNB is the only financial institution located in Greeley County. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the designated assessment area. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF GREELEY COUNTY

The bank's AA encompasses all of Greeley County. The AA is comprised of one middle-income block numbering area and meets the requirements of the regulation. Greeley County is the least populated county in the state of Kansas. The total county population is 1775, with approximately 950 people residing in the town of Tribune. The population has remained constant since 1990. The majority of businesses are agricultural based or related service industries that support the agriculture economy. Primary employers include the Unified School District, Greeley County government, and Greeley County Hospital. Business opportunities for diversity are not strong due to the rural location and lack of a significant workforce.

Economically, Greeley County suffered significant crop losses due to drought conditions and winterkill in 2002. Recent economic information reflects that farm income is anticipated to be lower in the third quarter of 2002, with U.S. Department of Agriculture reporting that total farm income is forecast to fall 23 percent in 2002. A community contact noted that current economic conditions are poor but did not identify any specific unmet credit needs. Refer to the bank's CRA Public File for more information.