



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 23, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Golden Belt Bank, FSA
Charter Number 702253

1101 East 27th
Hays, Kansas 67601

Office of the Comptroller of the Currency

Kansas City Field Office
1516 East Iron
Salina, Kansas 67401

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.

The major factors supporting the institution's rating:

- The bank's lending level is more than reasonable given the financial institution's size, financial condition, and the assessment area (AA) credit needs.
- A majority of the bank's loans are made to borrowers within its AA.
- The bank's record of lending to consumers of different income levels is reasonable.
- The institution does not have any CRA related complaints.

SCOPE OF EXAMINATION

We evaluated the bank's Community Reinvestment Act (CRA) performance using small bank CRA procedures which focuses on lending performance. Golden Belt Bank, Federal Savings Association (GBB) has one AA, Ellis County, Kansas.

We based our review on the number and dollar volume of loans originated and purchased from January 1, 2010 through December 31, 2011. We determined GBB's primary loan products are residential mortgage loans and consumer auto loans. Residential loans comprise 72 percent of the loan originations by dollar and 52 percent by number. Consumer auto loans comprise 3 percent of loan portfolio originations by dollar and 19 percent by number.

DESCRIPTION OF INSTITUTION

Golden Belt Bank, Federal Savings Association (GBB) is a \$134 million federally chartered mutual savings association located in Ellis, Kansas. GBB is a wholly owned subsidiary of Mid-America Financial Corporation. It also operates a full-service branch with drive-up facilities in Hays, Kansas. The institution has three automatic teller machines with one located at the Hays branch, one located at the main office in Ellis and one located at Centennial Mall in Hays. All ATMs are located in census tract (CT) 9727 of Ellis County.

As of September 30, 2012, net loans totaled \$95 million and represented 71 percent of the associations' total assets. Tier one capital is \$15 million.

Ellis County is doing well. The largest employers are the hospital and Fort Hays State University. Oil exploration and drilling is expanding in the area. This brings many job opportunities to the area. Hays is a retail center for western Kansas and draws customers from many outlying areas for medical, educational, and retail services.

There are currently no legal or financial impediments to the institution's ability to meet the credit needs of its assessment area. GBB was rated Outstanding at its last CRA evaluation as of May 22, 2006.

DESCRIPTION OF ASSESSMENT AREA(S)

GBB has one assessment area (AA) comprised of all Ellis County Census Tracts (CT). The AA is contiguous and is in a non-metropolitan statistical area. There are no low- or moderate income CTs in the County. Four of the five CTs are designated middle- (80 percent) and one is upper-income (20 percent). The main office in Ellis is located in CT 9730(middle-income) and the Hays branch is in CT 9727 (middle-income). All three ATMs are located in CT 9727 (middle-income) in Ellis County.

Approximately fifty-nine percent of the AA housing units are owner-occupied. Occupied rentals comprise 34 percent of the AA housing units. The high rental population is attributed to Fort Hays State student housing needs. Per the Bureau of Labor Statistics as of November 2011, the unemployment rates in Ellis County were 3.1 percent. This compares favorably with the rate for the State of Kansas of 6.4 percent and is well below the national rate of 8.6 percent for the same time period.

The table below provides information regarding the number and percentage of families by income level living in the AA as of the 2000 US Census. The 2000 census information shows that of the total families (6,840), 1,130 are low-income and 1,256 are moderate-income. Additionally, 6 percent of families are below poverty level. Owner occupied units represent 58.6 percent of total housing units in the AA. Rental housing comprises 34 percent of total housing and is attributed to the needs of students at Fort Hays State University.

Assessment Area Demographic Information								
Income Category	%Family Distribution	Census Tract Data Distributions						
		# Tracts	% Housing Units	% Owner Occupied Units	% Rental Occupied Units	% Single Family Units	Median Housing Value	Median Housing Age
Low	16.52	0	0	0	0	0	0	0
Moderate	18.36	0	0	0	0	0	0	0
Middle	24.39	4	73.65	56.35	34.94	81.81	73,901	27
Upper	40.73	1	26.35	65.13	31.42	86.27	115,800	17
Total # or \$								

Source: 2000 US Census

Competition from other financial institutions is high. The AA has eight commercial banks and several credit unions that compete with GBB. As of June 30, 2010, the bank ranks fifth with a deposit market share of approximately 12 percent. The bank's competitors include several local community banks and branches of large regional institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

GBB’s loan to deposit (LTD) ratio is more than reasonable. We analyzed this ratio, along with comparisons to other similarly sized institutions. Loan volumes are considered indicators of whether the level of lending is reasonable in light of capacity to lend and lending opportunities in the assessment area.

As of September 30, 2012, the institution’s LTD ratio was 90.5 percent. GBB has maintained an average LTD of 93 percent over the 21 quarters ending September 30, 2012. The association’s peer group LTD ratio during this same period ranged from 44 percent to 89 percent. GBB’s high ratio is attributed to strong loan demand during the evaluation period and the institution’s willingness and capacity to meet that loan demand.

Lending in Assessment Area

A majority of the loans originated by GBB are to customers within its AA. GBB’s lending to customers within the AA for all loan types is reasonable. We reviewed a sample of 20 residential real estate loans and 20 consumer auto loans to determine the association’s lending performance in the AA. The following table reflects the institution’s commitment to meet the credit needs of the AA. We found 79 percent of the loans sampled were within the AA.

Concentration of Thrift Loans Originated In and Outside of the Assessment Area						
Loan Type	% Inside Area		% Outside Area		Total	
	#	\$(000)	#	\$(000)	#	\$(000)
Residential RE	16	1,958,858	4	568,600	20	2,527,458
Consumer Auto	17	229,119	3	12,116	20	241,235

Data Source: Loan sample originated from January 1, 2010 through December 31, 2011.

Lending to Borrowers of Different Incomes

Lending levels to residential real estate and consumer borrowers of different incomes is reasonable. In order to assess the bank’s performance, we selected a sample of 60 real estate and 60 consumer loans originated during the assessment period.

Lending to low- and moderate-income residential real estate borrowers is reasonable compared to demographics. The AA demographics report 16 percent of the families are low-income and 5 percent of the institution’s loans were made to low-income families

compared to peer performance of 4.7 percent of loans given to low-income families. Although lower than demographics, the percentage is reasonable due to the cost of housing and a low demand for residential real estate loans by low-income families. Lending to moderate-income families was comparable to peer performance data showing that 11.7 percent of GBB’s loans were made to moderate-income families compared to peer loans at 14.5 percent.

Table 3A - Distribution of Thrift (Residential RE) Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	5.0	2.29	16.52	4.67
Moderate	11.67	7.81	18.36	14.48
Middle	28.33	24.51	24.38	22.72
Upper	55.00	65.4	40.73	46.55
Total # or \$	60	\$4,686,333		

Data Source: Loan Sample and 2000 US Census

GBB’s performance of consumer auto lending to low- and moderate-income borrowers is reasonable. Table 3B reflects the sample of consumer loans and shows that loans made to low-income borrowers is 20 percent compared to household demographics of 25 percent, and moderate-income borrowers received 15 percent of the loans compared to demographics of 16 percent.

Table 3B - Distribution of Thrift (Consumer Auto) Loans By Borrower Income Level in the Assessment Area			
Borrower Income Category	% of Loans	% of \$ Volume	% Household Distribution
Low	20.00	17.89	25.14
Moderate	15.00	8.61	16.39
Middle	13.33	18.76	18.07
Upper	51.67	54.74	40.40
Total # or \$	60	\$621,465	

Data Source: Loan Sample and 2000 US Census

Geographic Distribution of Loans

There are no low- or moderate-income geographies within the association’s AA; therefore, an analysis of geographic distribution of loans would not be meaningful.

Responses to Complaints

GBB did not have any complaints related to its CRA performance.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.