

Public Disclosure

September 20, 1999

Community Reinvestment Act Performance Evaluation

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

115 East 4th Street
Minden, Nebraska 68959

Office of the Comptroller of the Currency
Omaha South Field Office
11606 Nicholas Street, Suite 201
Omaha, Nebraska 68154

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 September 20, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated Satisfactory.

The First National Bank and Trust Company of Minden's record of meeting the credit needs of the community demonstrates satisfactory performance. Based on our evaluation, the bank lends substantially within its assessment area. The bank's lending to businesses and farms of different sizes and to borrowers of different incomes is satisfactory and reflects the demographics of the assessment area.

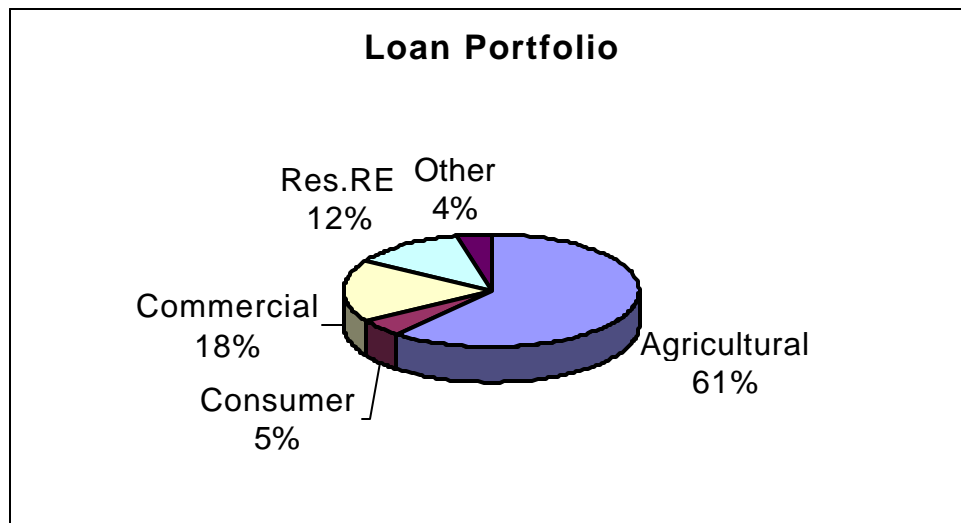
The following table indicates the performance level of **The First National Bank and Trust Company of Minden, Minden, Nebraska** with respect to each of the five performance criteria.

Small Institution Assessment Criteria	First National Bank and Trust 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 geographic distribution of loans is not meaningful to this bank.		
Response to complaints	No complaints have been received since the last examination.		

Description of Institution

The First National Bank and Trust Company of Minden (FNB) is a \$50 million full service bank located in Minden, Nebraska. Minden is located in Kearney County and serves as the county seat, with a population of about 2,800. The bank has one main office in Minden and one loan production office located in Hildreth, Nebraska. The bank has four 24-hour automated teller machines (ATMs) located in Minden and surrounding communities within the assessment area. The bank is a subsidiary of First of Minden Financial Corporation, a one-bank holding company, with no other subsidiaries or affiliates.

The bank is primarily an agricultural lender but offers a variety of loan products. The other product lines include commercial loans, real estate mortgages, and consumer loans. As of June 30, 1999, the bank's net loans were \$26,948,000 or 54% of total assets. The chart below shows the bank's portfolio mix as of June 30, 1999.



The last Performance Evaluation resulted in a Satisfactory rating and was conducted as of October 31, 1996. There are no legal or financial circumstances that would impede the bank's ability to meet community credit needs.

Description of Kearney County and Franklin County

The bank's assessment area is comprised of all of Kearney County and half of Franklin County, located in south central Nebraska. Only a portion of Franklin County is included, as reflected by lending patterns. The assessment area contains three Block Numbering Areas (BNAs) all of which are middle income tracts ranging between 94% and 110% of median family income, based on 1990 census figures. There are no identified low or moderate income geographies within the assessment area. The

assessment area meets the requirements of the regulation and does not arbitrarily exclude any low or moderate income geographies.

Based on 1990 census figures, total population within the assessment area is 8,325 with approximately 33% of the families considered low or moderate income. The 1999 updated median family income for the assessment area, updated from 1990 census figures, is \$39,800 compared to the updated HUD non-MSA statewide median family income for Nebraska of \$49,800.

Economic conditions remain stable, though the local economy remains dependent on agricultural-related business. A few, small manufacturing plants and the "Pioneer Village" tourist attraction also support the local economy. The bank competes with a state-chartered bank in the local Minden area, as well as several banks in the city of Kearney. Community credit needs were identified as agricultural and mortgage loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Analysis

The bank's level of lending is reasonable, relative to its size and the credit needs in the community. Between January 1997 and June 1999, or 11 quarters, the bank demonstrated an average quarterly loan-to-deposit ratio of 73%. The average loan-to-deposit ratio for selected peer banks in Kearney and Franklin Counties ranged from 40% to 78% in the same evaluation period.

Comparison of Credit Extended Inside and Outside the Assessment Area

A substantial majority of the loans originated by the bank are made within the assessment area. An analysis of 60 loans originated in all of 1998 and through June of 1999 indicated that 88% of the number of loans and 80% of the dollar amount of loans were originated within the assessment area. The analysis was performed for the bank's primary products. The sample included 26 agricultural loans, 13 commercial loans, and 21 residential real estate loans. Consumer loans represent less than 5% of the bank's portfolio and therefore were not included in the sample.

Table 1: Loans in the assessment area

LOAN TYPE	NUMBER OF LOANS INSIDE THE ASSESSMENT AREA		\$ OF LOANS INSIDE THE ASSESSMENT AREA	
Agricultural	22	85%	\$810,174	69%
Commercial	12	92%	\$316,153	93%
Residential R.E.	19	90%	\$1,125,182	87%
Total	53	88%	\$2,251,509	80%

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

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and to businesses and farms of different sizes. Conclusions were drawn on the number and dollar amount of originations in a given period. Comparisons were drawn to the assessment area's demographic data.

We evaluated a sample of 20 residential real estate loans out of 37 total made between January 1998 and June 1999. We noted that the bank continues to offer small dollar mortgages (under \$30 thousand) and small dollar consumer loans.

As shown below, the bank's lending reflects a reasonable penetration among borrowers of different income levels and is reflective of the local community. Income levels of borrowers, based on median family income for the assessment area, are provided in the tables. Consumer loans represent less than 5% of the bank's portfolio and therefore were not included in the sample.

Distribution of Loans among Borrowers of Different Income Levels

SAMPLE OF RESIDENTIAL REAL ESTATE	# OF LOANS	%	\$ OF LOANS	%
Low income borrower (up to \$20 M)	2	10%	\$90,300	8%
Moderate income (\$20M to \$32M)	4	20%	\$153,495	14%
Middle income (\$32M to \$45M)	4	20%	\$143,613	13%
High income (\$45M and higher)	10	50%	\$743,074	66%

Table 2

MEDIAN FAMILY INCOME DISTRIBUTION ACTUAL POPULATION	
Low income	16%
Moderate income	17%
Middle income	20%
High income	47%

Table 3

Lending levels to businesses and farms of different sizes is good. Our evaluation included 26 agricultural and commercial loans made between June 1998 and June 1999 out of a total of 177 originations in that period. Of this sample, \$1,062,318 or 96% of the loans were made to small farms or small businesses. The sampled borrowers' income ranged from \$34 thousand to \$1.5 million. A significant percentage of the bank's agricultural and commercial loans are small. The sampled loans ranged from \$5 thousand to \$450 thousand.

Distribution of Loans among Businesses and Farms

DISTRIBUTION OF AGRICULTURAL AND COMMERCIAL LOANS BY GROSS ANNUAL REVENUES	
\$0 to \$100,000	8
\$100,001 to \$500,000	16
\$500,001 to \$1,000,000	1
Greater than \$1,000,000	1

Table 4

Geographic Distribution of Loans

The bank's entire assessment area is comprised of three middle income tracts. Therefore, an analysis of the geographic distribution of loans within the assessment area does not provide meaningful information.

Compliance with Anti-Discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Based on our review of mortgage loans, no evidence of illegal credit practices or disparate treatment is noted.