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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

October 18, 1996

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Quinter  
Charter Number 10982**

**400 Main  
Quinter, Kansas 67752**

**Office of the Comptroller of the Currency  
Salina Duty Station  
1516 E. Iron Ave.  
Salina, Kansas 67602-0616**

**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 Quinter** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 18, 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 an impressive record of lending to farms with gross revenues of less than \$250 thousand. The bank's loan-to-deposit ratio is reasonable. The bank makes a large majority of its loans within its assessment area.

The following table indicates the performance level of *The First National Bank of Quinter* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE FIRST NATIONAL BANK OF QUINTER 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	Not meaningful.		
Response to Complaints	No complaints were received since the prior examination.		

## DESCRIPTION OF INSTITUTION

The First National Bank of Quinter (FNB), Quinter, Kansas, is a \$61 million bank located in northwest Kansas. The bank has no branches and operates one automated teller machine. Quinter Insurance Service, Inc., a one-bank holding company, owns 90% of the bank.

FNB is primarily an agricultural lender. The bank also offers a variety of other loan products including consumer, commercial, and residential real estate loans. As of June 30, 1996, the composition of the loan portfolio included the following types of loans:

	Dollars (000s)	% of Total
Agricultural Production	18,738	63
Farm Real Estate	2,540	8
Nonfarm Real Estate	2,226	7
Commercial	4,931	16
Consumer	1,441	6

The bank's financial condition, size, local economic conditions, and other factors allow it to help meet the credit needs of its assessment area. The bank was rated "Satisfactory Record of Meeting Community Credit Needs" at the last CRA examination dated January 18, 1994.

**DESCRIPTION OF FIRST NATIONAL BANK'S ASSESSMENT AREA**

The bank's assessment area includes all of Gove and Trego counties and portions of Ness and Sheridan counties. Seven other banks are located within these four counties. The only other financial institution in Quinter is a credit union. The assessment area includes six block numbering areas. All six block numbering areas are considered middle-income. Of all families within the assessment area, 18% of the families are low-income, 21% are moderate-income, 28% are middle-income, and 33% are upper-income. The population of the assessment area in 1990 was 10,508 according to census data. The statewide median family income for nonmetropolitan areas is \$34,300. The assessment area complies with the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Examiners contacted one member of the community in conjunction with this examination. The local citizen stated the main credit need is for agricultural loans. The community member also said the two local financial institutions and institutions from neighboring communities were meeting all of the local credit needs.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

### *Loan-to-Deposit Analysis*

The bank's loan to deposit ratio is reasonable and compares favorably to similar banks in the local area. Its average loan-to-deposit ratio during the last eight quarters was 58%. The average loan-to-deposit ratio for all banks headquartered in Gove, Trego, Ness, Sheridan counties was 61%. The banks' average loan-to-deposit ratios ranged from 92% to 29%.

### *Comparison of Credit Extended Inside and Outside of the Assessment Area*

The bank originates a substantial majority of its loans within the assessment area. Based on all agricultural production loans and farm real estate loans made since September 30, 1995, the bank originated 92% of the number of loans and 88% of the dollar volume of loans within its assessment area. Examiners verified the accuracy of the reports supplied by bank management.

### *Lending to Borrowers Of Different Incomes and to Businesses of Different Sizes*

The bank makes loans to farms of all sizes. Examiners reviewed a sample of 21 agricultural production and real estate loans made since September 30, 1995. The sample revealed the bank made loans to farm borrowers with gross revenues ranging from \$14 thousand to \$6.2 million. The following table provides a further breakdown of the sampled loans in annual gross revenues.

<b>Annual Gross Revenues</b>	<b>Number</b>	<b>Percent</b>
< \$100,000	7	33%
\$101,000 - \$250,000	7	33%
\$251,000 - \$500,000	2	10%
\$501,000 - \$1,000,000	1	5%
> \$1,000,000	4	19%

### *Distribution of Credit Within the Assessment Area*

An analysis of the geographic distribution of the bank's loans within the assessment area would not be meaningful since all block numbering areas are middle-income. A geographic plotting of loans performed by bank personnel reflects a reasonable distribution throughout the assessment area.

***Compliance with Antidiscrimination Laws and Regulations***

Based on our review, the bank is in substantial compliance with all provisions of the antidiscrimination laws and regulations. We did not identify any violations of law or regulation.