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Comptroller of the Currency  
Administrator of National Banks

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## PUBLIC DISCLOSURE

May 15, 1997

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Eden  
Charter No. 11506  
P.O. Box 7  
Eden, South Dakota 57232**

**Office of the Comptroller of the Currency  
Fargo Duty Station  
3211 Fiechtner Drive, SW  
Fargo, North Dakota 58103**

**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 Eden (TFNB)** prepared by the Office of The Comptroller of the Currency, the institution's supervisory agency, as of May 15, 1997. 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**.

TFNB is meeting the credit needs of its assessment area. The bank's loan to deposit ratio is reasonable, with the vast majority of loans being made within its assessment area. Lending efforts penetrate all segments of the assessment area and are dispersed to borrowers of all income levels. The bank actively lends to borrowers with low- and moderate-incomes, and businesses of different sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<b>THE FIRST NATIONAL BANK OF EDEN PERFORMANCE LEVELS</b>		
	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		X	
Response to Complaints	No complaints were received since the prior examination.		

## **DESCRIPTION OF INSTITUTION**

TFNB is a \$10 million bank located in Eden, South Dakota. TFNB is wholly owned by Great Plains Bank Corporation. The bank does not have any branches or ATM's.

TFNB offers a wide variety of loan products including agricultural, small business, consumer and residential real estate loans. As of 12/31/96 TFNB's loan mix was approximately 70% agricultural, 11% real estate (7% agricultural, 3% 1-4 family residential and 1% nonfarm nonresidential), 14% commercial and 5% consumer.

There are no legal impediments or other factors, including the financial condition of TFNB, which hinder TFNB's ability to fulfill its CRA obligation.

## **DESCRIPTION OF ASSESSMENT AREA: BLOCK NUMBERING AREAS 9501, 9502, 9503, 9506, 9507, 9526 AND 9527.**

The bank's assessment area (AA) includes portions of Day and Roberts County and all of Marshall County. A majority of the assessment area is located within the Sisseton-Wahpeton Indian Reservation. The 1990 census population of the assessment areas was approximately 17,800. The updated 1996 weighted average Non-metropolitan state-wide median family income was \$32,800. BNAs 9501, 9502, 9507 and 9527 are middle-income geographies while 9503, 9506 and 9526 are moderate-income. The primary housing facilities are owner occupied 1-4 family units with a median value of \$20,000. Agriculture, including farming and ranching, and agricultural-dependent businesses support the assessment area's economy. TFNB's assessment area does not arbitrarily exclude any low- or moderate-income areas. The following table illustrates TFNB's population breakdown within their AA by family income.

Population	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Total	
	#	%	#	%	#	%	#	%	#	%
	1212	25%	1067	22%	1309	27%	1261	26%	4849	100%

The community contact included a representative of a local housing commission. The community contact said housing is the primary credit need in the area. The community contact indicated that banks have been hesitant in the past to provide funding for Native American housing but that they are improving. The community contact stated that this bank provides good overall service to the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

### Loan-to-Deposit Analysis

TFNB's loan-to-deposit ratio (L/D) is reasonable. We calculated the L/D for each quarter-end since March 31, 1995. The L/D averaged 68%. The L/D is comparable to similar situated banks throughout the bank's assessment area.

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

A substantial majority of TFNB's loans are within its defined assessment area. We used internal reports generated by TFNB to analyze the extent of lending inside and outside of the assessment area. We reviewed TFNB's internal reports and determined that they were accurate. Over 84% of TFNB's loans outstanding as of March 10, 1997 were within its assessment area. By volume, 89% of loans outstanding were within the assessment area.

Loans outstanding as of March 10, 1997	# of loans	\$ amount
	185	\$7,546,614
% in AA	84%	89%
% out of AA	16%	11%

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

The income distribution for small business loans and agricultural loans shows good penetration to businesses of different sizes. We sampled 32 agricultural and commercial loans to determine the gross income levels of the farms and small businesses. Our sample showed that 97% of the commercial and agricultural loans had gross incomes of less than \$1,000,000.

<b>Gross income for Agricultural and Commercial Businesses</b>						
	< \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	> \$1,000,000	Total
# of loans	17	11	3	0	1	32
% of loans	54%	34%	9%	0%	3%	100%

### Geographic Distribution of Loans

TFNB's distribution of loans within the bank's defined area is reasonable. We determined this by reviewing all outstanding loans within the bank's assessment area as of March 10, 1997. There are seven BNA's in the bank's AA, (43% moderate and 57% middle). An analysis of the bank's lending patterns reflects penetration as follows:

- o The bank's outstanding loans by volume were 45% moderate and 55% middle; and
- o The number of loans outstanding were 51% moderate and 49% middle.

TFNB's loans are concentrated around the town of Eden but extended in all geographies.

### Compliance with antidiscrimination laws and regulations

Our review did not identify any violations of the substantive provisions of the antidiscrimination laws and regulations.