



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

DECEMBER 24, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of White
Charter Number 6294**

**301 West Main Street
White, South Dakota 57276**

**Office of the Comptroller of the Currency
Post Office Box 1405
Sioux Falls, South Dakota 57101**

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 CRA performance of **The First National Bank of White, White, South Dakota**, prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of December 24, 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.

- The distribution of borrowers reflects good penetration among individuals of different income levels and businesses and farms of different sizes.
- The bank's loan to deposit ratio is reasonable, given the institution's size, financial condition, and credit needs of the assessment area.
- A majority of the bank's loan originations are to borrowers within its assessment area.

DESCRIPTION OF INSTITUTION

The First National Bank of White is a \$23.5 million bank located in White, South Dakota. It is the only bank in White and it has no other offices. White is situated in east-central South Dakota near the Minnesota border. It is 15 miles from Brookings, the largest community in the area. The bank's credit products focus on agribusiness, other small business, and residential and consumer lending. It has approximately 36% of its loan portfolio *dollar volume* in agricultural loans, 29% in residential real estate loans, 26% in commercial loans, and 9% in consumer loans. These percentages are comparable to the other banks chartered in Brookings County.

The bank's financial condition, asset size, and product offerings do not limit its ability to meet the community's credit needs. It is owned by Fishback Financial Corporation, a multi-bank holding company. Individuals can refer to the bank's CRA Public File for a list of the specific products and services available from the bank.

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

The bank's assessment area is all of Brookings County which consists of four Block Numbering Areas (BNA's). BNA numbers 9586, 9587, and 9588 are middle-income and BNA number 9589 is upper-income. Refer to the CRA Public File for a map outlining the bank's assessment area.

The HUD South Dakota statewide nonmetropolitan median family income for 1997 is \$34,500. Brookings County had a 1990 Census population of 25,207 and it has increased since then. Local economic conditions revolve around agriculture and have been fairly stable in recent years. Other major employment opportunities include manufacturing, health care, and education. The area's largest employers are located in the city of Brookings. South Dakota State University, the state's second largest post secondary educational institution, is also located in Brookings.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan to Deposit Analysis

The bank's overall lending level is satisfactory and reflects a reasonable response to its assessment area credit needs. Its September 30, 1997 loan to deposit ratio is 70% and reasonable based upon other banks chartered in the assessment area. The average loan to deposit ratio for the other banks chartered in Brookings County is 76% ranging from 46% to 98%. This bank's average ratio since the prior CRA exam dated December 6, 1994 is 59%.

Lending in Assessment Areas

A reasonable amount of the bank's loan originations are to borrowers within its assessment area. Bank prepared information from January 1995 to October 1997 shows that 63% of the number of loan originations were to borrowers within the assessment area. The bank also purchases loans from The First National Bank in Brookings. As of October 31, 1997, approximately 25% of the dollar volume in 1997 was purchased from this affiliate bank. A majority of these purchased loans are also to borrowers from within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank does an excellent job of lending to individuals of different income levels and farms and businesses of different sizes. HUD information for Brookings County in 1997 shows that within the bank’s assessment area, low- and moderate-income *families* represent a combined 30% of the total number of families. This information also shows that 76% of businesses and farms had gross annual revenue less than \$1 million.

Examiners sampled 20 consumer and 20 commercial/agricultural loans originated from within the bank’s assessment area. Seventy percent of consumer loans sampled were to low- or moderate-income individuals and 90% of commercial/agricultural loans were to businesses and farms with gross annual revenues less than \$1 million.

Consumer	# of loan originations	% of total originations	% of families at this income level (HUD)
low-income	5	25%	16%
moderate-income	9	45%	14%
middle-income	5	25%	21%
upper-income	1	5%	48%
TOTAL	20	100%	100%

Commercial/Agricultural	# of loan originations	% of total originations
gross revenues < \$100,000	14	70%
\$100,001 to \$250,000	2	10%
\$250,001 to \$500,000	0	0%
\$500,001 to \$1,000,000	2	10%
> \$1,000,000	2	10%
TOTAL	20	100%

Geographic Distribution of Loans

Examiners did not conduct an analysis of the geographic distribution of loans within the bank’s assessment area as it contains no low- or moderate-income geographies (BNAs).

Record of Compliance with Antidiscrimination Laws

The fair lending review detected no evidence of disparate treatment or discrimination.

Response to Complaints

No complaints have been received since the prior examination.