



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

December 30, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**United National Bank
Charter Number 9384**

**702 N. 2nd Street
Natoma, KS 67651**

**Comptroller of the Currency
Kansas City North
6700 Antioch Road Suite 450
Merriam, KS 66204**

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."

- United National Bank (UNB) has a good record of lending to agricultural and commercial borrowers of different sizes.

Of the 40 borrowers sampled, 100 percent by number and dollar volume of the loans with income information available were originated to borrowers with revenues of less than one million. This compares reasonably to the assessment area (AA) demographics that reflect 96 percent of farms and 73 percent of commercial businesses earn revenues of less than one million. *Demographic information was obtained from the United States Census Bureau's 1997 Census of Agriculture.*

- The bank originated a majority of loans in the AA.

The bank's record of lending to borrowers within the AA is good. UNB loan originations inside the AA comprised 95 percent by number and 87 percent by dollar volume.

- UNB's average quarterly loan-to-deposit (LTD) ratio is reasonable.

The average quarterly LTD ratio from December 31, 1999 through December 31, 2002 is 59 percent and meets the standard for Satisfactory performance. UNB's average LTD ratio ranked third among seven similarly situated institutions. Ratios for the similarly situated banks ranged from 41 to 70 percent.

- UNB's overall geographic distribution reflects satisfactory penetration throughout the AA.

Based on our sample of 20 agricultural loans, 35 percent by number and 65 percent by dollar volume were originated in moderate-income areas. This exceeds AA demographics that reflect 23 percent of the farms are located in moderate-income tracts.

Based on our sample of 20 commercial loans, 15 percent by number and 26 percent by dollar volume were originated in moderate-income areas. This is comparable to AA demographics that reflect 24 percent of commercial operations are located in moderate-income tracts.

UNB did not make any loans in the moderate-income tract in Ellis county. Mitigating factors include the low number of farms in the tract, the tract is furthest from the bank's branches, and it is a highly banked community.

- FNB has not received any written CRA related complaints during our review period of November 2, 1999 through December 31, 2002.

- We found no evidence of illegal discrimination or other illegal credit practices.

DESCRIPTION OF INSTITUTION

UNB is a \$60 million bank headquartered in Natoma, Kansas with a branch located in nearby Russell, Kansas. UNB is an intrastate bank and is a wholly owned subsidiary of Republic Bancshares, Inc., a one-bank holding company. UNB offers conventional financial products and services. The bank's primary loan types are agricultural and commercial loans.

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs of its AA. UNB received a Satisfactory rating in its last CRA evaluation dated November 1, 1999.

DESCRIPTION OF ASSESSMENT AREA

UNB has designated all of Ellis, Russell, Rooks, and Osborne Counties as its AA. The bank's main office is located in tract 9742 in Osborne County and the Russell branch is located in tract 9738 in Russell County. The AA includes three moderate, eight middle, and one upper-income tract. While UNB is the only bank in Natoma, there are several other financial institutions located throughout the AA. The financial institutions range from sizes that are comparable to UNB to those that are much larger. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. Please refer to the bank's CRA Public File for more information.

We made one community contact during this review. Agricultural loans continue to be a primary need due to the rural demographics. The contact stated that local financial institutions were meeting credit needs in the AA and provide good community support.