

PUBLIC DISCLOSURE

June 2, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank & Trust Company
RSSD# 474946

121 Idaho
P.O. Box 506
Glidden, Iowa 51443

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

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.

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INSTITUTION'S CRA RATING: First Bank & Trust Company is rated **Satisfactory**.

This institution is helping to meet the credit needs of the different segments of its assessment area. The loan-to-deposit (LTD) ratio is reasonable, and a majority of loans are in the assessment area. Loans are reasonably dispersed among borrowers of different revenue and income levels, and the geographic distribution of loans is reasonable taking into account the needs and characteristics of the assessment area. There were no CRA-related complaints received by the institution or this Reserve Bank regarding the institution's CRA performance.

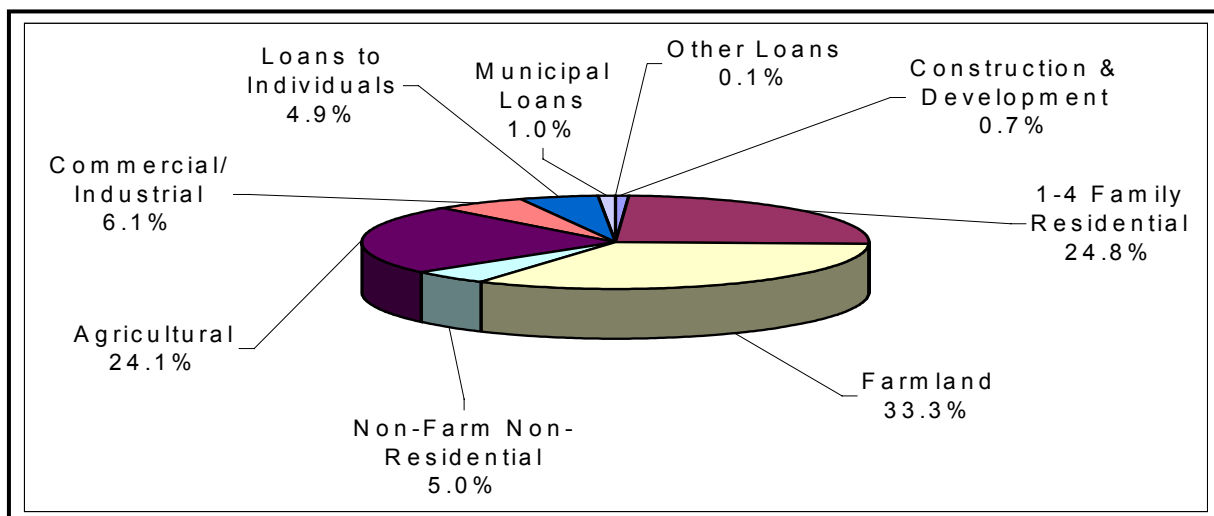
The bank was rated satisfactory under the CRA at the previous evaluation as of June 1, 1999.

DESCRIPTION OF INSTITUTION

First Bank & Trust Company is a subsidiary of Glidden First National Holding Company, a one-bank holding company, both based in Glidden, Iowa, approximately 80 miles northwest of Des Moines, Iowa. The bank offers standard credit and deposit products at both the main bank and branch office located in Lohrville, Iowa. The bank does not have any automated teller machines.

According to the March 31, 2003 Uniform Bank Performance Report, the bank had total assets of \$53.2 million. Exhibit 1 shows the composition of the loan portfolio as of that date. As illustrated, agricultural loans (operating and farmland) comprised the majority of the portfolio, followed by 1-4 family residential and commercial loans (operating and real estate secured).

Exhibit 1 – Composition of Loan Portfolio



First Bank & Trust Company, Glidden, Iowa

The bank's peer group includes all insured commercial banks having assets between \$50 and \$100 million, with 2 or less banking offices, and located in a non-metropolitan area. Competitors in the area for loans and deposits include Carroll County State Bank, Carroll; Iowa Savings Bank, Carroll, with a branch office in Lake City; Commercial Savings Bank, Carroll; United Bank Iowa, Ida Grove, with branches in Carroll and Lake City; Security Savings Bank, Gowrie, with a branch in Farnhamville; and Peoples Trust and Savings Bank, Adel, with a branch office in Scranton. According to the FDIC/OTS Summary of Deposits Market Share Report as of June 30, 2002, First Bank and Trust Company is ranked ninth among twenty-two financial institutions in Calhoun, Carroll, and Greene Counties, with 4.6% of total deposits.

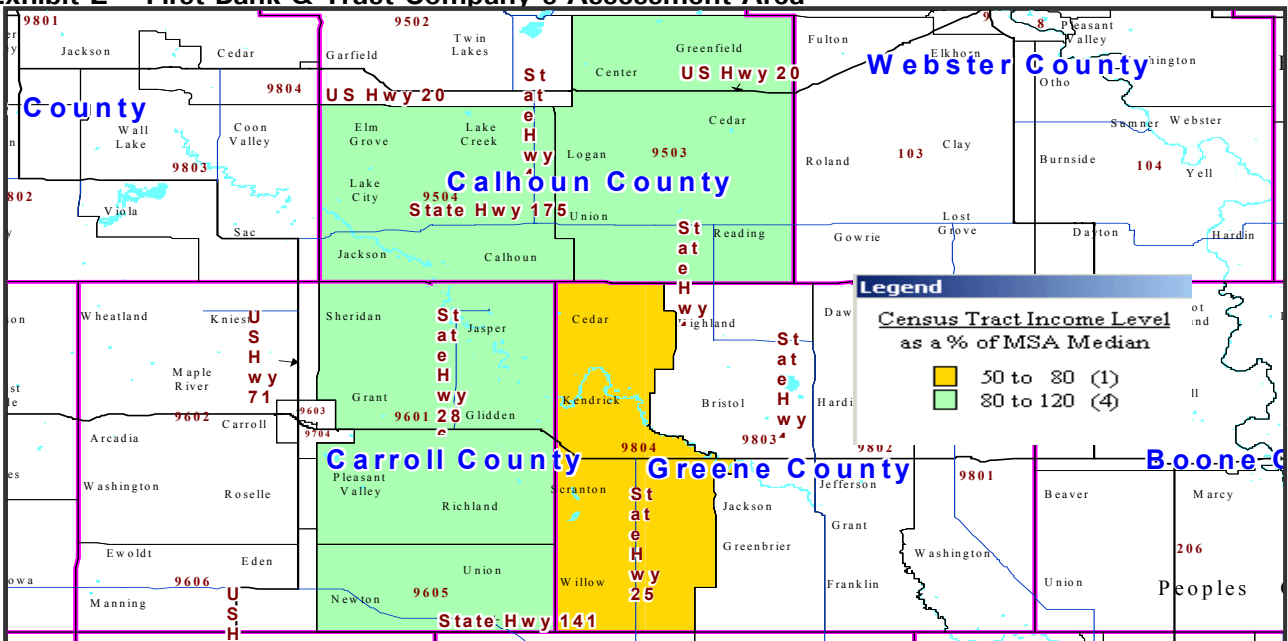
There are no apparent factors relating to the bank's financial condition, size, products offered, prior performance, legal impediments, or local economic conditions that would prevent the bank from meeting the credit needs of the community.

DESCRIPTION OF ASSESSMENT AREA

An institution's assessment area(s) will include the towns, counties, or other political subdivisions where its branches are located and a substantial portion of its loans are made. Assessment area(s) must consist of one or more geographies defined by block numbering areas (BNAs) or census tracts, which are statistical subdivisions of a county. Census tracts are primarily used in metropolitan areas, while BNAs are used in non-metropolitan areas. 1990 U.S. Bureau of Census data is used in this evaluation, unless stated otherwise.

First Bank & Trust Company's assessment area, depicted in Exhibit 2, includes sections of Calhoun, Carroll, and Greene Counties. The assessment area is comprised of five BNAs: one moderate-income and four middle-income. The middle-income BNAs are located in Calhoun (9503 and 9504) and Carroll Counties (9601 and 9605), and the one moderate-income BNA is located in western Greene County (9804).

Exhibit 2 – First Bank & Trust Company's Assessment Area



First Bank & Trust Company, Glidden, Iowa

Exhibit 3 shows the income levels for the assessment area in comparison to all non-metropolitan areas of Iowa based on 1990 census data. In contrast to the 1990 data, estimates provided by the Department of Housing and Urban Development (HUD) indicate that the 2002 median family incomes for Calhoun County, Carroll County, and Greene County are \$40,900, \$48,800, and 46,300, respectively, and \$49,400 for all non-metropolitan areas of Iowa. *Low-income is defined as less than 50% of median family income, moderate-income as 50% to less than 80% of median family income, middle-income as 80% to less than 120% of median family income, and upper-income as 120% or more of median family income.*

Exhibit 3 – Distribution of Families by Income Level

Location	Median Family Income (\$)	Percent of Families				
		Low	Moderate	Middle	Upper	Below Poverty Level
Assessment Area	27,178	17.1	23.9	26.5	32.5	8.3
Non-Metropolitan Iowa	29,303	17.5	19.2	25.8	37.5	8.8

According to the 1990 census data, the population of the assessment area is 12,351. Housing in the assessment area consists of 5,190 units. Approximately 65.5% of the units are owner-occupied and 25.6% are rental units; compared to 66.3% and 25.3%, respectively, for non-metropolitan Iowa. The median age of the housing stock in the assessment area is 51 years, in contrast to 39 years for all of non-metropolitan Iowa. The median housing value in the assessment area is \$26,098, which is significantly below the non-metropolitan Iowa median housing value of \$38,521.

Affordability ratios, developed by dividing the median household income by the median household value for a given area or groups of geographies, are helpful in comparing costs for different areas. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. The affordability ratios for the assessment area and for all of non-metropolitan Iowa are 0.87% and 0.63% respectively, indicating housing is considerably more affordable in the assessment area than in the rest of non-metropolitan Iowa.

Based upon Iowa Workforce Development statistics, unemployment figures in the assessment area have decreased for both Carroll County and Greene County and remained constant for Calhoun County. Labor and employment in the assessment area are largely dependent on services and manufacturing.

Exhibit 4 – Unemployment Rates*

Period	State of Iowa	Calhoun County	Carroll County	Greene County
January 2002	3.7%	4.3%	3.2%	5.0%
January 2003	3.8%	4.3%	2.6%	3.8%

*Source: Iowa Workforce Development

First Bank & Trust Company, Glidden, Iowa

Exhibit 5 – Primary Employers in the Assessment Area*

Company	Location	Description
American Athletic Inc.	Greene County	Manufacturing
Electrolux Home Products	Greene County	Manufacturing
Scranton Manufacturing Co	Greene County	Manufacturing
Farner-Bocken Company	Carroll County	Grocery Wholesale
Pella Corporation	Carroll County	Manufacturing
American Home Shield Corp.	Carroll County	Insurance
Opportunity Living	Calhoun County	Care Facility
Stewart Memorial Hospital	Calhoun County	Hospital
Shady Oak Care Center	Calhoun County	Care Facility

* Source: Iowa Workforce Development, Employment Statistics Bureau

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income and farms and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints.

To determine CRA performance, the above standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LOAN-TO-DEPOSIT (LTD) RATIO

First Bank & Trust Company's LTD ratio meets the standard for satisfactory performance. As Exhibits 6 and 7 show, the bank's average LTD ratio for eight-quarters ending March 31, 2003, is reasonable, when compared to the average ratios for its peer group, a sample of local competitors, and institutions in Iowa with similar asset size.

Exhibit 6 – LTD Ratios for First Bank & Trust Company, Peer Group, and Competitors

Name, City, 3/03 Assets (Million)	Percent								
	6/01	9/01	12/01	3/02	6/02	9/02	12/02	3/03	Avg.
First Bank & Trust Company, Glidden, \$53.2	84.8	86.7	74.7	72.0	73.1	75.2	71.4	71.7	76.2
Peer Group	70.8	70.8	69.1	68.8	70.5	71.2	69.3	68.1	69.8
Carroll City State Bank,	74.6	74.1	76.3	72.2	74.9	73.9	72.3	67.3	73.2

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Carroll, \$139.5									
Iowa Savings Bank, Carroll, \$131.7	88.0	83.2	74.6	78.4	86.6	88.5	82.9	81.1	82.9
Commercial Savings Bank, Carroll, \$80.4	95.1	92.7	84.9	81.6	84.2	88.3	83.2	77.0	85.9
United Bank Iowa, Ida Grove, \$378.0	95.6	94.4	89.7	98.8	98.6	98.0	94.0	100.8	96.2
Security Savings Bank, Gowrie, IA \$52.6	68.2	74.4	68.3	69.5	70.4	76.8	69.9	67.5	70.6
Peoples Trust and Savings Bank, Adel \$142.0	114.7	106.7	104.5	94.8	103.9	104.5	108.2	92.1	103.7

Exhibit 7 – LTD Ratios for First Bank & Trust Company and a Sample of Institutions in Iowa with Similar Asset Size

Name, City, 3/03 Assets (Millions)	Percent								
	6/01	9/01	12/01	3/02	6/02	9/02	12/02	3/03	Avg.
First Bank & Trust Company, Glidden, \$53.2	84.8	86.7	74.7	72.0	73.1	75.2	71.4	71.7	76.2
Landsman National Bank, Audubon, \$52.0	85.9	83.8	81.1	81.1	81.9	82.6	82.7	77.0	82.0
Security Savings Bank, Gowrie, \$52.6	68.2	74.4	68.3	69.5	70.4	76.8	69.9	67.5	70.6
First National Bank of Manning, Manning, \$55.8	81.7	84.0	81.6	84.9	82.2	85.1	76.9	78.5	81.9
Heartland Bank, Somers, \$54.8	78.1	79.7	79.1	77.7	81.3	85.1	82.0	79.6	80.3
Templeton Savings Bank, Templeton, \$51.6	86.5	89.4	85.8	88.2	89.1	88.5	87.4	77.8	86.6

LENDING IN THE ASSESSMENT AREA

The distribution of a sample of First Bank & Trust Company’s primary loan products, consisting of agricultural, residential real estate and commercial loans originated within the year ending February 28, 2003, indicates that a majority of the loans by number and dollar amount are within the assessment area, as illustrated in Exhibit 8. Lending within the assessment area meets the standards for satisfactory performance.

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Exhibit 8 – Distribution of Loans in the Assessment Area

Loan Type	Number of Loans			Dollar Amount (000s)		
	# in Sample	# in AA	% in AA	\$ in Sample	\$ in AA	% in AA
Agricultural	524	354	67.6	18,107	13,097	72.3
Commercial	97	83	85.6	3,482	2,619	75.2
Residential Real Estate	68	57	83.8	3,623	2,686	74.1
Totals	689	494	71.7	25,212	18,402	73.0

LENDING TO BORROWERS OF DIFFERENT INCOME LEVELS AND TO FARMS AND BUSINESSES OF DIFFERENT SIZES

A review of First Bank & Trust Company’s distribution of agricultural, commercial and residential real estate loans reflects a reasonable penetration of loans among borrowers of different revenue and income levels.

Agricultural and Commercial Loans

A review of First Bank & Trust Company’s commercial and agricultural loans indicates a strong penetration among small businesses and small farms. This conclusion is based on analysis of loan data provided in the Consolidated Report of Condition dated June 30, 2002.

According to the Consolidated Report of Condition, small farm lending represents 100.0% of the dollar amount of agricultural loans in the bank’s loan portfolio. Exhibit 9 shows the distribution of these loans. As shown, all farm loans originated were in the \$100,000 or less category. Loans in these amounts are considered most beneficial to small farms.

Exhibit 9 – Distribution of Loans to Small Farms

Original Dollar Amount	Outstanding Number	Outstanding Dollar Amount (000s)
Loans Secured by Farmland		
Less than or equal to \$100,000	124	10,710
Greater than \$100,000 through \$250,000	0	0
Greater than \$250,000 through \$500,000	0	0
Total	124	10,710
Loans to Finance Agricultural Production and Other Loans to Farmers		
Less than or equal to \$100,000	301	7,566
Greater than \$100,000 through \$250,000	0	0
Greater than \$250,000 through \$500,000	0	0
Total	301	7,566
Loans Secured by Farmland and Loans to Finance Agricultural Production and Other Loans to Farmers		
Grand Total	425	18,276

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According to the Consolidated Report of Condition, small business lending represented 100.0% of the total dollar amount of business loans in the bank's loan portfolio. Exhibit 10 shows the distribution of the bank's small business loans by number and dollar amount. As shown, all business loans were originated in the \$100,000 or less category. Loans in these amounts are considered most beneficial to small businesses.

Exhibit 10 – Distribution of Loans to Small Businesses

Original Dollar Amount	Outstanding Number	Outstanding Dollar Amount (000s)
Loans Secured by Nonfarm Nonresidential Properties		
Less than or equal to \$100,000	21	1,659
Greater than \$100,000 through \$250,000	0	0
Greater than \$250,000 through \$1 million	0	0
Total	21	1,659
Commercial and Industrial Loans		
Less than or equal to \$100,000	90	2,499
Greater than \$100,000 through \$250,000	0	0
Greater than \$250,000 through \$1 million	0	0
Total	90	2,499
Loans Secured by Nonfarm Nonresidential Properties and Commercial and Industrial Loans		
Grand Total	111	4,158

Residential Real Estate

An analysis of the distribution of a sample of real estate loans originated in the assessment area during the year ending February 28, 2003, indicates that the percentage of loans to low- or moderate-income borrowers is somewhat less than the percentage of families in the assessment area that are considered low- or moderate-income. However, according to community representatives, financial institutions are adequately serving the credit needs of the community and no unmet credit needs were identified. The analysis, using HUD's estimated 2002 median family income for non-metropolitan Iowa, is shown in Exhibit 11.

Exhibit 11 – Distribution of Residential Real Estate Loans by Income Level

Income Level	Number		Dollar Amount		Percent of Families in Assessment Area
	Number	Percent	Amount	Percent	
Low	11	19.6	205,259	7.8	17.1
Moderate	7	12.5	201,825	7.6	23.9
Middle	21	37.5	1,046,445	39.7	26.5
Upper	17	30.4	1,183,527	44.9	32.5
Totals	56	100.0	2,637,056	100.0	100.0

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As shown, 32.1% of the number and 15.4% of the dollar amount of the residential real estate loans in the sample were made to low- and moderate-income individuals, which is below area demographics as 41.0% of the families are classified as low- or moderate-income. Community representatives affirmed that credit needs in the area are being met. Information obtained from the bank indicates no residential real estate loans were denied during the sample period.

Other Lending Related Activities

First Bank & Trust Company is engaged in other lending related activities that enhance credit availability in the assessment area. These activities include three loans totaling \$104,200 under flexible loan programs. Exhibit 12 depicts the loans originated under those programs since the previous evaluation.

Exhibit 12 – Participation in Loan Programs

Government Subsidized Programs	Number	Original Dollar Amount
Homeward, Inc. Program	2	\$79,000
FHLB Forgivable Down Payment Assistance	1	25,200

GEOGRAPHIC DISTRIBUTION OF LOANS

A review of the geographic distribution of a sample of the bank’s primary loan products reflects a reasonable penetration of loans among geographies of different income levels in the assessment area in relation to area demographics and the characteristics and needs in the assessment area.

Exhibit 13 - Geographic Distribution of Agricultural and Commercial Loans

Census Tract/ BNA	Assessment Area				Loans			
	BNAs		Farms/Businesses		Number		Dollars	
	#	%	#	%	#	%	\$(000s)	%
Moderate	1	20.0	178	13.6	25	5.7	557	3.5
Middle	4	80.0	1,132	86.4	412	94.3	15,159	96.5
Total	5	100.0	1,310	100.0	437	100.0	15,716	100.0

Exhibit 13 depicts the geographic distribution of the sample of agricultural and commercial loans originated within the assessment area during the year ending February 28, 2003. As shown, 5.7% of the number and 3.5% of the dollar amount of loans were originated in the moderate-income BNA. In contrast, 13.6% of the businesses in the assessment area are located in this BNA. As previously noted, there are no low- or upper-income geographies within the assessment area. Community representatives indicated that there are no unmet credit needs in the moderate-income geography and that financial institutions are meeting the credit needs in the assessment area.

Exhibit 14 - Geographic Distribution of 1-4 Family Residential Real Estate Loans

Census Tract/ BNA	Assessment Area				Loans			
	BNAs		Owner Occupied Housing Units		Number		Dollars	
	#	%	#	%	#	%	\$(000s)	%
Moderate	1	20.0	421	12.4	0	0.0	0	0.0
Middle	4	80.0	2,978	87.6	57	100.0	2,686	100.0
Total	5	100.0	3,399	100.0	57	100.0	2,686	100.0

Exhibit 14 indicates all residential real estate loans were originated in the middle-income BNAs. An additional review of area demographics indicated that 12.4% of the owner-occupied housing units in the assessment area are located in the moderate-income BNA. The majority of owner-occupied housing is located in the middle-income census tract. The bank indicated it has not received any residential real estate applications within the moderate-income tract, due to the competition in this area. In addition, community representatives in the assessment area indicated that financial needs are being met in all segments of the assessment area.

RESPONSE TO SUBSTANTIATED COMPLAINTS

Since the previous evaluation no complaints have been received by First Bank & Trust Company or this Reserve Bank regarding the institution’s CRA performance.

FAIR LENDING

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A sample of the banks’ lending activity was reviewed to determine whether loan policies and lending standards are in compliance with the fair lending laws and regulations, and implemented on an equitable basis. No evidence of prohibited discriminatory credit practices was detected.