



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Omaha, NE 68154

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## **PUBLIC DISCLOSURE**

**July 24, 2006**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The City National Bank of Greeley  
Charter Number 13461**

**123 S. Galway  
Greeley, Nebraska 68842**

**Office of the Comptroller of the Currency  
Omaha South Field Office  
13710 FNB Parkway, Suite 110  
Omaha, Nebraska 68154**

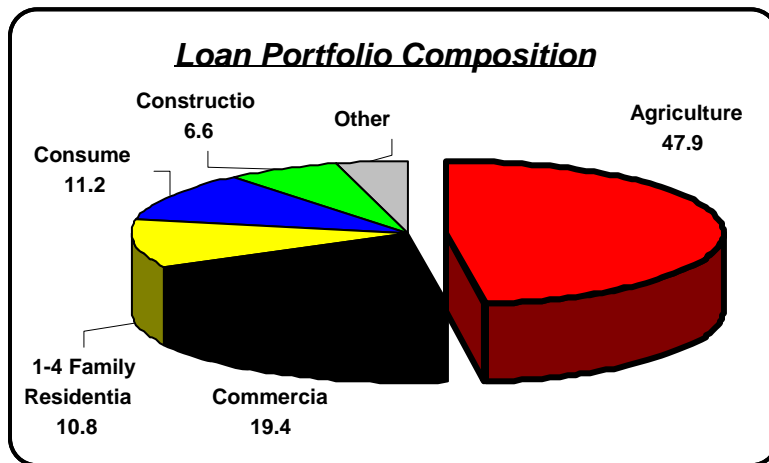
**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of 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: The City National Bank of Greeley (CNB) is rated Satisfactory.**

- CNB’s record of lending to agricultural borrowers of different sizes is good.
- The majority of the loans made by CNB are within the assessment area (AA).
- CNB’s average loan-to-deposit ratio since the last examination is reasonable.

**DESCRIPTION OF THE CITY NATIONAL BANK OF GREELEY**

CNB is an \$18 million institution located in the city of Greeley, Nebraska. The bank is owned by City National Bancshares, Inc., a one-bank holding company. The city of Greeley is in the center of Greeley County in central Nebraska. CNB offers a variety of products and services to its customer base. CNB’s primary loan product is agriculture. Please refer to the following graph for a breakdown of current outstanding loans by dollar volume originated from December 4, 2001 to July 11, 2006.



CNB received a “Satisfactory” rating for the last CRA examination dated December 3, 2001. There are no legal or financial circumstances that impede the bank’s ability to meet the credit needs in its AA.

**DESCRIPTION OF GREELEY COUNTY**

The AA is at the base of the “sandhills”, which is predominantly ranch land in central Nebraska. Greeley County has one Census Tract that is designated as middle-income. The 2000 United States Census (Census) noted the total population of Greeley County was 2,714 with none of the four towns containing more than 537 people. The city of Greeley is located in the center of the county and had 531 residents according to the 2000 Census. Population estimates for 2005 from

the Census indicate a 7% decline in population in Greeley County from 2000 to 2005 and a 10% decline in population in the City of Greeley. The demographics of the population are also changing as 23% of the population in Greeley County was over the age of 65 in 2000, which was an 11% increase from 1990.

Greeley County is heavily dependent on the agricultural economy. Fluctuating commodity prices and government payments have significantly impacted area farmers since the last CRA evaluation. The AA has two other state chartered institutions and one branch of another state chartered institution. Agricultural credit remains a primary credit need in Greeley County according to a community contact. The community contact also stated that other types of credit, such as commercial loans, would be beneficial but the demand in the city and county is diminishing. The community contact stated the financial institutions in Greeley County are meeting the credit needs of the various communities and are offering sufficient products and services.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

The loan-to-deposit ratio meets the standards for financial institutions. CNB's average loan-to-deposit ratio since the prior CRA examination is 53%. This compares reasonably to the average of the two other banks in the AA of 55.65%. The other institutions had a high loan-to-deposit ratio of 69% and a low of 42%. CNB's loan-to-deposit ratio does not reflect \$450,000 of secondary market loan originations in December 2005.

### Lending in Assessment Area

Loans made inside the assessment area meet the standards for financial institutions. CNB makes a majority of its agriculture loans in its AA. The loan sample consisted of 20 randomly selected agriculture loans originated since the prior examination. The following table summarizes the number and dollar volume of loans made inside and outside of the AA.

Lending in Greeley County										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agriculture <sup>1</sup>	17	85	3	15	20	1,915M	95	99M	5	2,014M

Source: <sup>1</sup> Loan Sample

## Lending to Farms of Different Sizes

Lending to farms of different sizes exceeds the standards for financial institutions. CNB's record of lending to businesses of different sizes is good. All of the loans in the sample were made to small farms, which are defined as farms with gross revenues of less than \$1 million. The demographic data supports this type of lending and makes it apparent that small farms constitute the vast majority of farms in the AA. The following table summarizes the results of the loan sample.

<b>Borrower Distribution of Loans to Farms in Greeley County</b>		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Farms <sup>1</sup>	96.5	3.5
% of Bank Loans in AA by # <sup>2</sup>	100.0	0.0
% of Bank Loans in AA by \$ <sup>2</sup>	100.0	0.0

<sup>1</sup>Source: 2006 Business Geodemographic Data from Dunn and Bradstreet

<sup>2</sup>50% of the loan sample by number did not have gross revenue data in the file; thus, loan size had to be used as a proxy.

## Geographic Distribution of Loans

Geographic distribution analysis is not applicable as the AA consists of one middle-income Census Tract.

## Responses to Complaints

CNB has not received any CRA related complaints since the last performance evaluation.

## Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.