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**Comptroller of the Currency  
Administrator of National Banks**

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Grand Island Duty Station  
P.O. Box 129  
Grand Island, Nebraska 68802

## **PUBLIC DISCLOSURE**

**December 12, 1996**

# **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  
Grand Island Duty Station  
1811 West 2nd Street, Suite 360  
Grand Island, Nebraska 68803**

<b>NOTE:</b>	<b>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.</b>
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## 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 City National Bank of Greeley, Greeley, Nebraska** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 12, 1996. 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 City National Bank of Greeley, Greeley, Nebraska (Bank) is actively meeting the credit needs of its community. The bank's loan-to-deposit ratio is reasonable, with the majority of loans being made to customers within its assessment area. The bank's lending efforts reasonably penetrate all segments of the assessment area, with excellent penetration to low- and moderate-income individuals and small farms and businesses.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	The City National Bank of Greeley Performance Levels		
	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	ANALYSIS NOT MEANINGFUL		
Response to Complaints	NO COMPLAINTS WERE RECEIVED SINCE THE PRIOR EXAMINATION.		

## **DESCRIPTION OF INSTITUTION:**

The City National Bank of Greeley is a \$16 million institution located in central Nebraska. The bank has no branches or automated teller machines (ATMs), but provides ATM cards to those depositors requesting this service. The bank is owned by City National Bancshares, Greeley, Nebraska, a one-bank holding company. Loans represent 50% of total bank assets. The bank is primarily an agricultural lender with 68% ( by dollar) of its loans for agricultural purposes. The bank's other primary loan products are consumer, commercial and residential real estate loans. These categories represent 16%, 7%, and 6% of the bank's total loans. Loan and deposit competition in the assessment area comes from two other banks and a branch of a non-local state bank. There are no legal impediments or other factors, including the financial condition of the bank, which hinder the bank's ability to comply with the Community Reinvestment Act.

## **DESCRIPTION OF CITY NATIONAL BANK'S ASSESSMENT AREA:**

The bank's assessment area (AA) encompasses all of Greeley County, which is a single block numbering area (BNA). The AA is not located within a Metropolitan Statistical Area and does not contain any low- or moderate-income tracts. The 1990 Census designates the BNA as middle income. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The AA is a sparsely populated rural area with several small communities. According to 1990 census information, 3,006 people reside within Greeley County with 597 individuals in the town of Greeley and the remaining population split among three other small towns of similar size and the surrounding countryside. Wage or salaried persons represent 67% of the households. Self employed (Farms) individuals are present in 34% of households. The median family income for the AA is \$22,750 compared to the statewide nonmetropolitan median family income of \$27,623. The percent of families by income level for the AA is as follows: low income 21.8%, moderate income 26.6%, middle income 27.3% and upper income 24.3%.

Agriculture and its related industries dominate the area. The distant community of Grand Island provides some industrial employment. Other major employers in the area include school districts, county government, and elder care homes in the larger towns. Members of the community, contacted by examiners, stated the primary identified credit need for the area was home loans, especially within the communities of Spalding and Wolbach, farm real estate loans, and loans to qualifying farmers who are impacted by severe weather and recent poor cattle prices.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

### Loan to Deposit Ratio

The bank maintains a reasonable loan to deposit ratio. This ratio averaged 55% over the fifteen quarter period between March 31, 1993 and September 30, 1996. The bank's ratio of 56% on December 31, 1995, ranks above the other three community bank's within the AA whose ratios are closely grouped around 45%. The loan to deposit ratio for other independently owned rural agricultural banks in surrounding counties ranges from 44% to 86%.

### Lending In Assessment Area

The bank extends a substantial majority of its credit to individuals residing within its AA. Management's analysis of borrower locations indicates approximately 71% of the total number of borrowers have addresses within the AA. We confirmed the accuracy of their analysis by sampling 46 consumer loans and 103 agriculture/business loans and verifying the location of those borrowers.

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

The bank's distribution of credit to borrowers reflects excellent penetration to individuals across all levels of income, especially to area small farms and businesses and to individuals with low- or moderate-incomes. The portfolio is well balanced in relation to the demographics of the AA as demonstrated by the following tables:

#### AGRICULTURAL/COMMERCIAL LOANS

ANNUAL SALES	# of Loans	%	\$ of Loans	%
<\$100,000	53	63.1%	\$753,163	58.8%
\$101-250,000	20	23.8%	\$268,970	21.0%
\$251-500,000	0	--	--	--
\$501-1,000,000	0	--	--	--
>\$1,000,000	11	13.1	\$259,721	20.2%
Total	84	100.0%	\$1,281,854	100.0%

## PERSONAL / REAL ESTATE LOANS

Income Classification	# of Loans	%	\$ of Loans	%
Low-income	16	45.7%	\$77,110	30.6%
Moderate-income	12	34.3%	\$60,168	23.8%
Middle-income	3	8.6%	\$60,423	23.9%
High-income	4	11.4%	\$54,700	21.7%
Total	35	100.0%	\$252,401	100.0%

### **Geographic Distribution of Loans**

We did not assess the reasonableness of loans distributed within the bank's AA because the entire area is designated as middle income. Through discussions with management and a review of the bank's November 21, 1996 loan trial balance, it is readily apparent the vast majority of the bank's loan customers reside throughout the AA.

The bank is in compliance with anti-discrimination laws and regulations. Our review did not disclose any substantive violations of the Fair Lending laws. We did not note any practices intended to discourage applications for the types of credit the bank offers.