



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

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

PUBLIC DISCLOSURE

December 6, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Genoa National Bank
Charter Number 6805**

**502 Willard Avenue
Genoa, Nebraska 68640**

<p>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.</p>

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 Genoa National Bank** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 6, 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 Genoa National Bank (Bank) has done a reasonable job of extending agricultural loans to farms of different sizes. The bank's loan-to-deposit ratio is good given the bank's size, financial condition, and assessment area credit needs. A majority of loans are in the bank's assessment area.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	The Genoa National Bank 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 Genoa National Bank is a \$37 million institution located in central Nebraska. The bank has no branches, but does maintain an off-premise ATM in Genoa. Loans represent 70% of total bank assets. The bank is primarily an agricultural lender with 74% of its loans for agricultural purposes. The remainder of the portfolio is vested in commercial (18%), residential real estate (5%) and consumer loans (3%). Loan and deposit competition comes from numerous institutions located in the larger community of Columbus, twenty miles away, and six other small institutions located in communities throughout Nance and Platte Counties. 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 ASSESSMENT AREA

Management designated all of Nance County and part of Platte County as their assessment area (AA). This area contains three adjoining block numbering areas (BNAs). All three BNAs are designated as middle income. None of the BNAs are located in a Metropolitan Statistical Area. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas.

The AA is a sparsely populated rural area with several small communities. According to 1990 census information, 11,916 people reside in the AA with 1,452 individuals in Fullerton, 1,082 in Genoa, 741 in Humphrey, and 1,404 in four other small towns. The following chart summarizes family income information for the AA. It is based on 1990 census data:

	Total Families	Low Income (%)	Moderate Income (%)	Middle Income (%)	Upper Income (%)	Median Family Income	State Median Income
AA	3,178	16%	22%	28%	34%	\$25,976	\$27,623

Agriculture and its related industries dominate the area. The nearby communities of Columbus and Lindsay provide industrial employment. Other major employers in the area include school districts and a hospital. Three members of the community, contacted by examiners, stated the primary identified credit needs for the area are agricultural, residential real estate, and small business financing. While the bank offers all these loan types, the majority of its loans are for agricultural purposes. Other area institutions also provide home loans and small business financing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan to Deposit Ratio

The bank maintains a good loan to deposit ratio. This ratio averaged 81% over the twelve quarter period between December 31, 1993 and September 30, 1996. The bank's ratio of 81% at December 31, 1995, ranks a strong third among seven community banks whose main offices are within the bank's assessment area. These banks' ratios range between 36% and 82%.

Lending In Assessment Area

The bank extends the vast majority of its credit to individuals residing within its assessment area. Management's analysis of borrower locations indicates about 87% of the total number of loans were made to customers who reside within the assessment area. We confirmed the accuracy of their analysis by sampling 31 farm loans and verifying the location of those borrowers.

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

The bank has done a good job of extending credit to farm borrowers of different incomes and farms of different sizes. The bank's lending is concentrated in agriculture, so our analysis focused on agriculture loans. Our review of farm loans for income information at the exam date revealed 16 of 17 farm loans were to farmers with gross revenues of less than \$1 million. The distribution of these loans by level of gross income ranges from \$54,000 to \$4,700,000 and is summarized below (in \$000s):

\$0 - \$100	\$100 - \$250	\$250 - \$500	\$500 - \$1,000	> \$1,000	Total
3	4	8	1	1	17

Management indicated the vast majority of farm operations in their AA have gross revenues of less than \$1 million.

Geographic Distribution of Loans

We did not assess the reasonableness of loans distributed within the bank's AA because the entire area is fully designated as middle income.

The bank is in compliance with anti-discrimination laws and regulations. Our fair lending 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.