



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 13, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Newman Grove
Charter Number 5282**

**416 Hale Street
Newman Grove, Nebraska 68758**

**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: This institution is rated Satisfactory.

- The bank had a satisfactory record of lending to farms of different sizes.

The distribution of agricultural borrowers reflected reasonable penetration among farms of different sizes. Based on 20 borrowers sampled, the bank's distribution of loans to farms with different revenues was comparable to demographic information on farms located in the Assessment Area (AA). Demographic information was obtained from the U.S. Census Bureau's 1997 Census of Agriculture. Our sample revealed that the bank did a particularly good job lending to farms in the \$100,000 – \$249,000 revenue range.

- The bank originated a majority of its loans in the AA. For agricultural loans sampled, the bank originated 90% by number and 67% by dollar amount within its AA.
- The bank's average loan-to-deposit ratio since the last examination was reasonable.

The bank's average loan-to-deposit ratio over the past 18 quarters meets the standards for satisfactory performance. The bank's average ratio of 73% was comparable to the ratios of similarly situated banks in the AA. Competing banks' ratios ranged from 67% to 101%.

- The bank originated one qualified investment since the last Community Reinvestment Act (CRA) examination. The bank purchased bonds issued by the Village of Newman Grove, the proceeds of which will be used to revitalize an area of town that has been designated as blighted by the city council.
- An analysis of the geographic distribution of loans was not applicable as the AA did not have any low- or moderate-income geographies.
- The bank did not receive any complaints about its performance in helping to meet AA credit needs during the evaluation period.
- An analysis of the 2000 and 2001 public comments and consumer complaint information was performed according to the OCC's risk-based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted with the CRA evaluation this year.

DESCRIPTION OF INSTITUTION

The First National Bank of Newman Grove (FNB) is a \$37MM institution located in northeast Nebraska. The bank's primary loan product by both number and dollar amount was agricultural loans. FNB received a "Satisfactory" rating at the last CRA examination dated May 4, 1998. There were no legal or financial factors that impede the bank's ability to help meet the credit needs of the assessment area. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF FNB'S ASSESSMENT AREA

The bank's AA encompassed parts of Boone, Madison, and Platte counties in Nebraska. It is composed of three middle-income block numbering areas. Refer to the bank's CRA Public File for more information.