



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 25, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**NebraskaLand National Bank
Charter Number 23645**

**121 North Dewey
North Platte, NE 69101**

**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 businesses of different sizes.

The distribution of commercial borrowers reflected satisfactory penetration among businesses of different sizes. 2002 business demographic data reveals that 81% of the businesses in the bank's Assessment Area (AA) are small, with revenues of less than \$1 million. Based on 20 borrowers sampled, the bank does a satisfactory job of lending to these small businesses. The bank's distribution of loans to businesses with different revenues was comparable to demographic information on businesses located in the AA.

- The bank had a reasonable record of lending to residential real estate borrowers of different income levels.

The distribution of residential real estate borrowers reflected reasonable penetration among borrowers of different income levels. The following table depicts the bank's residential real estate lending, based on a sample of loans originated in 2001 and 2002. The table shows that the bank's lending to moderate-income borrowers is good and exceeds AA demographics. There are several mitigating factors that explain the bank's lack of penetration in the low-income category for residential real estate loans. The 1990 Census lists the median cost of housing in the AA at \$43,311. However, a local realtor noted that the average price of a house in North Platte is now \$88,000. In order to be considered low-income, applicants would have annual incomes of less than \$22,900. This income level would make it difficult to qualify for a mortgage for the average house in North Platte. In addition, 10% of families in the bank's AA are living below the poverty level, leaving only 7% of families low-income but above the poverty level.

Borrower Distribution of Residential Real Estate Loans in Assessment Area								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential RE	17	0	15	25	21	25	47	50

Source: Sample of loans originated in 2001 and 2002; U.S. Census data.

- The bank had a good record of lending to geographies of different incomes.

The bank does a good job of lending to commercial borrowers in the moderate-income block numbering area in the AA. Based on a sample of 20 loans, the bank made 45% of commercial loans to borrowers located in the moderate-income BNA. This compares well with AA demographics, which show that 17% of businesses in the AA are located in the moderate-income BNA.

The bank's geographic distribution of residential real estate loans was reasonable. Based on a sample of 20 loans, the bank did not make any residential real estate loans to borrowers located in the moderate-income BNA. This is explained by AA demographics, however, as only 2% of the AA's owner-occupied housing is located in this BNA.

- The bank originated a majority of its loans in the AA. For commercial loans sampled, the bank originated 75% by number and 77% by dollar amount within its AA. For residential real estate loans sampled, the bank originated 90% by number and 91% by dollar amount in the AA.
- The bank's average loan-to-deposit ratio since the last examination was more than reasonable. It averaged 92% over the past 17 quarters, and compared favorably with the ratios of other locally chartered banks. Competing banks' ratios ranged from 79% to 96%.
- The bank did not receive any complaints about its performance in helping to meet AA credit needs during the evaluation period.
- We found no evidence of illegal discrimination or other illegal credit practices.

DESCRIPTION OF INSTITUTION

NebraskaLand National Bank (NLNB) is a \$95MM institution located in western Nebraska. The bank's primary loan products by number and dollar amount were commercial and residential real estate loans. NLNB received a "Satisfactory" rating at the last CRA examination, dated May 10, 1999. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Community contacts were not aware of any unmet credit needs in the community. Examiners contacted a member of the community that is involved with providing housing for low- and moderate-income individuals. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA is Lincoln County, Nebraska, which is comprised of nine block-numbering areas (BNAs). The bank's AA meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas. It is composed of one moderate-income BNA, four middle-income BNAs, and four upper-income BNAs. Refer to the bank's CRA Public File for more information.