



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 6, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Albion National Bank
Charter Number 4173**

**240 South Third Street
Albion, Nebraska 68620**

**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 has a satisfactory record of lending to farms of different sizes.

The distribution of agricultural borrowers reflected satisfactory penetration among farms of different sizes. Demographic data from the U.S. Census Bureau's 1997 Census of Agriculture reveals that most of the farms in the bank's Assessment Area (AA) are small, with revenues of less than \$250 thousand. Based on 20 borrowers sampled, the bank does a reasonable job of lending to these small farms, and the bank's distribution of loans to farms with different revenues was comparable to demographic information on farms located in the AA.

- The bank originated a majority of its loans in the AA. For agricultural loans sampled, the bank originated 80% by number and 74% by dollar amount within its AA.
- The bank's average loan-to-deposit ratio since the last examination was reasonable. It averaged 73% over the past 18 quarters, and was comparable to the ratios of similarly situated banks in the AA. Competing banks' ratios ranged from 68% to 87%.
- A geographic analysis of the bank's lending was not meaningful, as the AA consists of only middle-income geographies.
- 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

The Albion National Bank (ANB) is a \$61MM institution located in northeast Nebraska. The bank's primary loan product by dollar amount was agricultural loans. ANB received a "Satisfactory" rating at the last CRA examination, dated March 29, 1999. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Examiners contacted a member of the community that is involved with economic development. The contact stated that the community could use more small businesses to provide economic diversification, and noted that loans for start-up businesses would be helpful. ANB makes commercial loans but primarily focuses on agricultural lending. The contact was not aware of any unmet credit needs in the community. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA encompassed all of Boone and Wheeler counties in Nebraska. 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 three middle-income block numbering areas. Refer to the bank's CRA Public File for more information.