



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

September 02, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Ainsworth
Charter Number 8992**

**317 North Main Street
Ainsworth, Nebraska 69210**

**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.

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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. 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 had a good record of lending to geographies of different incomes.

The bank does a good job of lending to agricultural borrowers in the moderate-income block numbering areas in the AA. Based on a sample of 20 agricultural loans, the bank made the vast majority of loans to borrowers located in moderate-income areas. It is reasonable to expect the bank to make a large volume of loans to borrowers in moderate-income geographies, however. The bank does most of its business in Brown, Rock, and Keya Paha Counties, and two of these three counties (Brown and Keya Paha) are designated moderate-income areas.

- The bank originated a majority of its loans in the AA. For agricultural loans sampled, the bank originated 85% by number and 84% by dollar amount within its AA.
- The bank's average loan-to-deposit ratio since the last examination was more than reasonable. It averaged 86% over the past 20 quarters, and exceeded the ratios of similarly situated banks in the AA. Competing banks' ratios ranged from 50% to 75%.
- 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 First National Bank of Ainsworth (FNB) is a \$39MM institution located in north central 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 August 17, 1998. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Community contacts indicated that agricultural credit is the primary credit need in the community. Examiners contacted a member of the community that is involved with

economic development. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA encompassed all of Cherry, Holt, Brown, Rock, and Keya Paha 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 moderate-income block numbering areas and six middle-income block numbering areas. Refer to the bank's CRA Public File for more information.