



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 27, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Carson National Bank of Auburn
Charter Number 3628**

**2301 Dahlke Avenue
Auburn, NE 68305**

**Office of the Comptroller of the Currency
Omaha South Field Office
13710 FNB Parkway, Suite 110
Omaha, NE 68154-5298**

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 Carson National Bank of Auburn (CNB) has an adequate record of lending to farms of different sizes and individuals of different income levels.

The distribution of agricultural borrowers reflects satisfactory penetration among farms of different sizes. Based on 20 borrowers sampled, the bank's distribution of loans to farms with different revenues reasonably compared to demographic information of the assessment area (AA). Demographic information was obtained from the United States Census Bureau's 1997 Census of Agriculture.

The distribution of consumer borrowers with different income levels is good. Based on 20 borrowers sampled, the bank's distribution of loans to consumers at low- and moderate-income (LMI) levels exceeded demographic data. Demographic information was obtained from the 1990 United States Census.

The distribution of residential real estate borrowers reflects reasonable penetration to borrowers of different income levels. Based on 20 borrowers sampled, the bank's distribution of loans to families at LMI levels slightly exceeded the demographic data used for comparison. Demographic information was obtained from the 1990 United States Census.

- The bank originated a majority of its loans in the AA.

CNB originated 77% by number and 59% by dollar amount within its AA for agricultural, consumer, and residential real estate loans sampled.

- The bank's quarterly average loan-to-deposit ratio since the last examination is reasonable.

CNB's average quarterly loan-to-deposit ratio over the past nineteen quarters met the standard for satisfactory performance. The bank's average ratio of 58% satisfactorily compares to ratios of similarly situated banks. The average loan-to-deposit ratio for CNB's most similarly situated institution was 68%.

- An analysis of the geographic distribution of loans was not applicable, as the AA did not have any low- or moderate-income geographies.
- CNB has not received any consumer complaints regarding its Community Reinvestment Act (CRA) performance during the evaluation period.
- An analysis of the 2000, 2001, and 2002 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

CNB is a \$44 million institution located in southeast Nebraska. CNB received a "Satisfactory" rating at the last CRA examination, dated February 20, 1998. The bank's primary loan products are agricultural, consumer, and residential real estate loans. CNB has one full service facility. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA.

Refer to CNB's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA encompasses all of Nemaha County. The AA is comprised of one middle-income and one upper-income block numbering area. The AA does not arbitrarily exclude any low- or moderate-income areas.

Refer to CNB's CRA Public File for more information.