



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 14, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Citizens National Bank of Wisner
Charter Number 6866**

**921 Avenue E
Wisner, Nebraska 68791**

**Comptroller of the Currency
Omaha North 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 Citizens National Bank of Wisner (CNB) adequately meets the credit needs of its assessment area. The bank's primary lending activities are agricultural, commercial, and consumer loans.

- CNB meets the credit needs of its assessment area.
- A substantial majority of the bank's loans are within the assessment area.
- The bank's lending efforts result in reasonable penetration of farms and businesses of different sizes and borrowers of different income levels.

DESCRIPTION OF INSTITUTION

CNB is a \$30 million bank located in northwest Cuming County in northeastern Nebraska. The bank has one main location in Wisner, Nebraska and has no branches. The bank also owns one automated teller machine located in Wisner. Citizens National Corporation, a four-bank holding company, owns 100% of CNB. The \$110 million holding company is headquartered in Wisner. There are no legal or financial impediments limiting the bank's ability to help meet community credit needs.

As of September 30, 2001, CNB's loan portfolio comprised 84% of total assets. The bank's primary credit products are agriculture, commercial, and consumer loans. The table below breaks down the loan portfolio by outstanding dollars and number of loans.

	% of originated dollars	% of originated # of loans
Agricultural/RE Loans	75%	52%
Commercial/RE Loans	11%	12%
Residential RE Loans	8%	11%
Consumer Loans	4%	23%
Other Loans	2%	2%

CNB was rated "Satisfactory Record of Meeting Community Credit Needs" at the last CRA examination dated October 21, 1997.

DESCRIPTION OF ASSESSMENT AREA

CNB's assessment area (AA) consists of Block Numbering Areas (BNAs) 9826 and 9827 in Cuming County and BNA 9786 in Wayne County. The AA includes all of Cuming and Wayne Counties. Towns in the AA include: Wisner, Beemer, Carroll, Hoskins, Winside, and Monterey. The AA does not have any low- or moderate-income census tracts, and it meets the requirements of CRA. Individuals can refer to the CRA public file for a map outlining the bank's AA.

According to the 1990 U.S. Census, the population of the AA is 9,676. The 2001 weighted average updated median family income is \$45,000 for non-metropolitan statistical areas in Nebraska. All three BNAs are middle income. Family incomes in the area are 17% low-income, 25% moderate-income, 27% middle-income, and 31% upper-income. Thirteen percent of AA households are below the poverty level. The median housing value in the AA is \$31,126, and 65% of housing is owner-occupied. The area economy is reasonably stable with the main sources of employment provided by farming, cattle feeding, and hog feeding.

Examiners made one community contact during this CRA examination and reviewed one other contact conducted previously in the AA. The new contact represented both the Wisner Chamber of Commerce and Wisner Development Committee. Discussions with the contact revealed agricultural, small business, and affordable housing lending as the primary credit needs of the area. CNB offers and originates these types of loans.

The primary competition within the AA includes three state banks and one national bank, with asset sizes between \$20 million and \$70 million. There are also three national banks located in West Point, Nebraska, which is just outside of CNB's AA.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

CNB's average loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and AA credit needs. CNB's ratio averaged 90% over the past seventeen quarters and was 93% at September 30, 2001. The seventeen-quarter average for banks with similar products and services ranged from 57% to 91%, with an average of 76%.

Lending in Assessment Area

CNB originates a substantial majority of its loans within the AA. We reviewed a sample of agricultural, commercial, and consumer borrowers to determine the bank's lending to individuals in the AA. All loans were originated since the last CRA examination. The following table shows the findings of our sample:

ASSESSMENT AREA CONCENTRATION				
	# of Loans	% of total #	\$ of Loans	% of total \$
Inside AA	50	83%	\$4,232,281	85%
Outside AA	10	17%	\$719,836	15%
Totals	60	100%	\$4,952,117	100%

Lending to Borrowers of Different Incomes and to Businesses and Farms of Different Sizes

CNB has a satisfactory record of lending to borrowers of different income levels. We reviewed 20 consumer loans totaling \$204,927 to determine the bank's performance in this area. All of the loans in the sample were made to borrowers located within the bank's AA and were originated since the last CRA examination. CNB originated 65% of its loans to low- and moderate-income borrowers, while only 42% of the AA households are low- or moderate-income. Lending levels, given the demographics of the AA, reflect reasonable penetration among individuals of different income levels. The table below demonstrates the breakdown of loans to individuals as compared to the demographics of the AA.

LOANS TO INDIVIDUALS OF DIFFERENT INCOME LEVELS					
Income Level	# of loans	% of total #	\$ of loans	% of total \$	% of Households in the AA
Low	6	30%	\$78,722	38%	17%
Moderate	7	35%	\$64,898	32%	25%
Middle	5	25%	\$39,494	19%	27%
Upper	2	10%	\$21,813	11%	31%
Totals	20	100%	\$204,927	100%	100%

CNB does not collect income information on all loans to farm operations. Of the 25 sampled agricultural loans, we were only able to select 18 loans totaling \$2,162,040 to determine the bank's lending to farms of different sizes. All of the loans in the sample were to farms located within the AA and originated since the last CRA examination. Based on the income information available, the bank has a satisfactory record of lending to agricultural borrowers of different sizes. Fifty-five percent of the bank's lending was to smaller operations, those with less than \$250,000 in gross annual revenue. The following table shows the number, dollar volume, and corresponding percentages of the agricultural loan sample.

LOANS TO FARMS OF DIFFERENT SIZES					
Gross Revenue of Farms	# of loans	% of total #	\$ of loans	% of total \$	% of Farms in AA
\$0 - \$100,000	4	22%	\$164,726	8%	59%
\$100,001 - \$250,000	6	33%	\$567,189	26%	22%
\$250,000 - \$500,000	5	28%	\$830,125	38%	10%
Over \$500,000	3	17%	\$600,000	28%	9%
Totals	18	100%	\$2,162,040	100%	100%

CNB does not collect income information on all loans to businesses. We were not able to obtain an adequate sample size of commercial loans with income information. Therefore, we elected to use loan size as a proxy for this performance criterion. Theoretically, smaller loan amounts are needed by smaller commercial operations. The bank has a satisfactory record of lending to businesses of different sizes. All of the loans in the sample were made to businesses located within the AA and were originated since the last CRA examination. The following table shows the number, dollar volume, and corresponding percentages of the commercial loan sample.

LOANS TO BUSINESSES OF DIFFERENT SIZES				
Loan Amounts to Borrowers	# of loans	% of total #	\$ of loans	% of total \$
\$0 - \$20,000	7	35%	\$65,006	3%
\$20,001 - \$50,000	7	35%	\$236,262	10%
\$50,001 - \$100,000	3	15%	\$254,666	10%
Over \$100,000	3	15%	\$1,850,000	77%
Totals	20	100%	\$2,405,934	100%

Geographic Distribution of Loans

All BNA's in the AA are middle income. Therefore, specific analysis of geographic distribution is not meaningful.

Responses to Complaints

The bank has not received any complaints regarding CRA performance since the last CRA examination dated October 21, 1997.

Fair Lending Review

An analysis of 1999, 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 in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1997.