



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **PUBLIC DISCLOSURE**

**August 20, 2007**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**American National Bank of Fremont  
Charter Number 17719**

**99 W. 6<sup>th</sup> Street  
Fremont, Nebraska 68025**

**Comptroller of the Currency  
Omaha 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 Outstanding.**

American National Bank of Fremont (ANB Fremont) does an excellent job of meeting the credit needs of its assessment area (AA).

- ANB Fremont's lending level is exceptional given the institution's size, financial condition, and the AA's credit needs.
- A reasonable majority of the bank's loans are within its AA.
- Lending to small businesses and households with low- or moderate- income levels is good.
- ANB Fremont's community development and other Community Reinvestment Act (CRA) activities enhanced its overall CRA performance and helped to meet the needs of the AA, especially to low- and moderate-income (LMI) individuals.

## **SCOPE OF EXAMINATION**

Small bank CRA procedures were used to evaluate the bank's CRA performance. We sampled all loans originated from January 1, 2005 to June 30, 2007. The bank's primary lending activity was to businesses and consumer customers. For community development loans, services, and investments, we reviewed all activity since 2001.

## **DESCRIPTION OF INSTITUTION**

ANB Fremont is a \$150 million institution located in Dodge County in eastern Nebraska. The bank was chartered in 1983 and is wholly owned by American Banc Corporation, Inc., a one-bank holding company. The main bank and both branches are located in Fremont. The bank operates with four automated teller machines.

The bank continues to offer traditional loan and deposit products. As of June 30, 2007, the bank's loan portfolio totaled 74% of assets. As of June 30, 2007 the loan portfolio consisted of 11% home loans, 3% consumer loans, 71% business loans, and 15% agricultural loans, based on originated dollars. The table on the following page shows the break down of loans originated and purchased since January 1, 2005.

<b>Loan Type</b>	<b>% by Dollars of Loans</b>	<b>% by Number of Loans</b>
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	Originated/Purchased during evaluation period	Originated/Purchased during evaluation period
Home Loans	11%	22%
<b>Consumer Loans</b>	<b>3%</b>	<b>34%</b>
<b>Business Loans</b>	<b>71%</b>	<b>32%</b>
Agricultural Loans	15%	12%
Total	100%	100%

Source: Bank reports.

ANB Fremont has no legal or financial impediments that prevent it from fulfilling its obligations under the CRA. ANB Fremont received an Outstanding rating at the last CRA examination, dated November 16, 2001.

## DESCRIPTION OF ASSESSMENT AREA

The bank's AA is legal and does not extend substantially beyond the MSA boundary, nor does it arbitrarily exclude any LMI areas. The AA consists of eleven contiguous census tracts (CTs): nine located in Dodge county, one in Washington county, and one in Saunders county. Nine of the eleven CTs are middle-income geographies, and two CTs are upper-income geographies. The CTs in Saunders and Washington counties are also part of the Omaha, NE-IA Metropolitan Statistical Area (MSA) #36540. The multistate MSA consists of five counties in Nebraska and three counties in Iowa; however, ANB Fremont limited their AA to two CTs located in the northwest and western portion of the MSA. This is appropriate as using the entire counties or MSA boundary would have resulted in an area too large for ANB Fremont to reasonable serve. Individuals can refer to the bank's CRA Public File for a map outlining the AA.

According to the 2000 U.S. Census, the total population of the AA is 43,813. Approximately 14% of families in the AA are low income, 19% are moderate income, 26% are middle income, and 41% are upper income. 5% of the AA households are below the poverty level. The weighted average median family income is \$46,039 for the non-MSA in the AA. The weighted average median family income is \$43,843 for the MSA in the AA. The median weighted average house value in the AA is \$86,265, and 65% of homes are owner occupied.

The local economy is stable and benefits from the growth of commercial businesses and the availability of residential housing. Unemployment is low at 3.3%. There is a diverse economic base with employers in agriculture, food processing, fabricated metal processing, and electronic manufacturing. The availability of housing and commercial development space continues to be credit needs in the community

Competition is strong among the financial institutions in the area. There are eleven deposit taking financial institutions in Dodge county with 24 banking offices. Community contacts noted there are limited opportunities to perform Community Development (CD) activities in the AA. Responses from community contacts indicate that ANB Fremont has provided exceptional support, in both time and money, in CD activities in the AA, especially for the bank's size and the local competition.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

### Loan-to-Deposit-Ratio

ANB Fremont's lending level is excellent given the bank's loan-to-deposit (LTD) ratio, size, financial condition, and the AA credit needs. ANB Fremont's net LTD as of March 31, 2007 was 93%. Over the last 18 quarters, ending March 31, 2007, the bank's average LTD was 100%. The average LTD for similarly situated banks in the AA was 77%.

### Lending in Assessment Area

ANB Fremont originates a reasonable majority of its loans within its AA. We reviewed a sample of 20 consumer and 20 business loans, originated between January 1, 2005 and June 30, 2007, to determine the bank's lending performance within the AA. We identified 33 loans, or 83% of consumer and business loans were originated within the bank's AA. Furthermore, \$2,157,045, or 50% of loan volume, was originated within the AA. The table below depicts the level of lending in and out of the bank's AA.

<b>Lending in the Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	15	75%	5	25%	20	\$2,063,207	49%	\$2,127,904	51%	\$4,191,111
Consumer Loans	18	90%	2	10%	20	\$93,838	96%	\$4,384	4%	\$98,222
Total	33	83%	7	17%	40	\$2,157,045	50%	\$2,132,288	50%	\$4,289,333

Source: Bank Reports.

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

ANB Fremont's performance for lending to small businesses and households with LMI levels is satisfactory. We reviewed a sample of 20 business and consumer loans to determine the bank's borrower distribution of loans. All of the loans in this sample were located in the AA and were originated after January 1, 2005.

ANB Fremont originated 70% of loans to businesses with gross revenues of less than \$1 million. The bank exceeds the demographic comparative ratio of 56%; however, only 60% of the businesses included in the AA demographic comparator reported gross revenues.

<b>Borrower Distribution of Loans to Businesses in Assessment Area</b>		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	56%	4%
% of Bank Loans in AA by #	70%	30%
% of Bank Loans in AA by \$	42%	58%

Source: Loan Sample; Dun and Bradstreet 2006 Information  
40% of AA businesses did not report revenue income.

ANB Fremont reasonably compares to the number of consumer loans originated to LMI households within the AA. The bank originated 15% of consumer loans to low-income borrowers, and 20% of consumer loans to moderate-income borrowers. The bank performs similar to the peer demographic information, which indicates 18% of households in the AA have low-incomes, and 17% of households in the AA have moderate-incomes.

<b>Borrower Distribution of Consumer Loans in Assessment Area</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	18%	15%	17%	20%	20%	45%	45%	20%

*Source: Loan Sample; Dun and Bradstreet 2006 Information.*

### **Geographic Distribution of Loans**

An analysis of the geographic distribution of loans was not meaningful as the AA did not have any low- or moderate-income geographies.

### **Community Development Loans**

ANB Fremont originated three community development loans totaling \$1.8 million during the evaluation period. All three loans were used to finance the construction of low-income apartments in the AA. One of the facilities provides housing for the LMI elderly in the AA.

### **Community Development Services**

Five bank officers served in leadership roles to six organizations located in the AA. Officers served as Board members of organizations that support economic development, provide community services, and promote affordable housing to LMI individuals throughout the AA. One officer also served as President of an organization that supports community service in the AA.

### **Community Development Investments**

During the evaluation period, ANB Fremont made \$63 thousand in qualified investments. The bank's volume of qualified investments was good given the low level of CD opportunities in the AA. Investments included \$26 thousand to build a new homeless shelter for LMI individuals in the AA, and \$10 thousand to construct a facility serving LMI children. Additionally, the bank contributed \$27 thousand to six organizations that provide affordable housing and promote community services throughout the AA.

### **Other CRA Activities**

ANB Fremont participates in the Federal Home Loan Bank of Topeka's Rural First-Time Home Buyer Program (RFHP). This program provides grant assistance to LMI first-time homebuyers for downpayment and closing cost assistance. The bank originated one loan totaling approximately \$83M under this program. Borrowers also received \$4M in grants under this program.

### **Responses to Complaints**

The Office of the Comptroller of the Currency and the bank did not receive any complaints about its CRA performance during the evaluation period.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.