



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 16, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

**99 West 6th Street
Fremont, NE 68026**

**Comptroller of the Currency
Omaha South Field Office
13710 FNB Parkway #110
Omaha, NE 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.

The American National Bank of Fremont (ANB) satisfactorily meets the credit needs of its assessment area.

- ANB originates a majority of its loans in the assessment area.
- ANB has a satisfactory record of lending to businesses of different sizes and to borrowers of different incomes.
- ANB's average loan-to-deposit ratio since the last examination is more than reasonable.

DESCRIPTION OF INSTITUTION

ANB is an \$87 million institution located in eastern Nebraska, approximately 30 miles west of Omaha and 50 miles northeast of Lincoln. ANB has one branch, which is also located in Fremont. ANB is owned by a one-bank holding company, American Banc Corporation. ANB's net loans to total assets was 78.79% as of September 30, 2001. The bank is primarily a commercial lender. The following table summarizes ANB's loan originations between September 1, 1997 and September 30, 2001.

Loan Type	# of Notes	% by #	\$ Volume (000s)	% by \$
Commercial	182	10.5%	28,183	41%
Commercial RE	89	5.1%	14,108	20.5%
Residential RE	304	17.5%	14,224	20.7%
Consumer	1,022	59%	5,581	8%
Agriculture	112	6.5%	5,226	7.6%
Other	25	1.4%	1,503	2.2%
Totals:	1,734	100%	68,825	100%

ANB received a "Satisfactory" rating during the August 13, 1997 examination. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the assessment area. There have not been any changes in the bank's corporate structure since the last examination. Please refer to ANB's CRA public file for additional information.

DESCRIPTION OF ANB'S ASSESSMENT AREA

The bank's assessment area (AA) meets the requirements of the regulation, and it does not arbitrarily exclude low- or moderate-income areas. The bank's AA does not extend substantially beyond the MSA boundary. It encompasses all of Dodge County, which is comprised of nine block numbering areas, one block numbering area in Saunders County, and one census tract in Washington County that is located in a metropolitan statistical area (MSA). The 1990 census designated all eleven tracts as middle- and upper-income. The updated 2001 median family income is \$45,000.

Examiners reviewed two previous community contacts made by regulatory agencies in the bank's AA and performed one additional community contact with the Chamber of Commerce during this examination. Community contacts revealed a need for commercial funding and residential housing for the new industrial park in Fremont and four new real estate developments. Please refer to ANB's CRA public file for additional information.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

ANB's average loan-to-deposit ratio over the past seventeen quarters is more than reasonable at 95%. The bank's average ratio is well above the average loan-to-deposit ratio for the other seven community banks in its assessment area. The average loan-to-deposit ratio for the seven area banks is 75%, with a range of 66% to 86%.

Lending in the Assessment Area

ANB originates a majority of its loans in the assessment area with 73% by number and 69% by dollar volume. Examiners sampled 20 consumer, commercial, commercial real estate, and residential real estate loans originated between September 1, 1997 and September 30, 2001. The following table displays the results of the bank's record of lending in the assessment area based on the sample of 80 borrowers.

Lending in the Assessment Area		
Loan Type	% of # of Borrowers in the Assessment Area	% of \$ Volume of Loans made in the Assessment Area
Commercial Loan Sample	80%	54%
Residential Real Estate Loan Sample	85%	91%
Consumer Loan Sample	35%	30%
Commercial Real Estate Loan Sample	90%	74%
Combined:	73%	69%

The bank's lending in the AA, especially the consumer loan sample, is skewed because the bank purchases numerous water softener contracts from a soft water company. This company sells water softeners to customers all around the state of Nebraska and then sells the contracts to ANB. The contracts account for approximately 60% of the bank's consumer loan portfolio by number and over 20% by dollar volume.

The dollar volume of loans made in the assessment area for commercial loans is also skewed. ANB originates 80% of its commercial loans in its assessment area. However, the bank purchases many large participations for Omaha businesses, which makes the dollar volume of loans made in the assessment area appear low.

Lending to Businesses of Different Sizes

ANB has a satisfactory record of lending to businesses of different sizes. Examiners sampled 20 business borrowers and 20 commercial real estate borrowers with loans originated between September 1, 1997 and September 30, 2001. The sample represents 11% of the number of business borrowers and 12% of the dollar volume of business loans originated during this period. The commercial real estate sample represents 22% of the number of commercial real estate borrowers and 45% of the dollar volume of commercial real estate loans originated during this period.

The following table displays the bank's record of lending to businesses of different sizes based on the 20 business borrowers sampled.

Sample of 20 Business Borrowers		
Annual Gross Revenue (000)	% of Number of Borrowers in Revenue Range	% of \$ Volume of Loans made in Revenue Range
< 100	30%	6%
100 - 249	15%	2%
250 - 499	10%	9%
500 - 1,000	30%	58%
> 1,000	15%	25%

The following table displays the bank's record of lending to commercial real estate borrowers of different sizes based on the 20 borrowers sampled.

Sample of 20 Commercial Real Estate Borrowers		
Annual Gross Revenue (000)	% of Number of Borrowers in Revenue Range	% of \$ Volume of Loans made in Revenue Range
< 100	35%	4%
100 - 249	35%	36%
250 - 499	10%	15%
500 - 1,000	5%	38%
> 1,000	15%	7%

The above tables reveal 30% of commercial borrowers and 35% of commercial real estate borrowers generate gross annual revenues of \$100,000 or less and 85% of both commercial and commercial real estate borrowers have gross annual revenues of \$1 million or less. This compares reasonably to 1990 U.S. Census Data, which reveals 87% of businesses that reported income in the bank's assessment area have gross annual revenues of \$1 million or less.

Lending to Borrowers of Different Incomes

ANB's good distribution of loans to borrowers of different income levels evidences its willingness to extend credit to meet the needs of its community, specifically providing affordable housing. Examiners sampled 20 residential real estate borrowers with loans originated between September 1, 1997 and September 30, 2001. The sample represents 7% of the number of residential real estate borrowers and 8% of the dollar volume of residential real estate loans originated during this period. The table below shows 10% of the residential real estate borrowers were low-income and 25% were moderate-income. This favorably compares to 1990 U.S. Census Data, which reveals 14% of families are low-income and 16% are moderate-income.

Sample of 20 Residential Real Estate Borrowers			
Income Level	% of Number of Borrowers in Income Range	% of \$ Volume of Loans made in Income Range	Family Demographics in Assessment Area (%)
Low-income	10%	4%	14%
Moderate-income	25%	18%	16%
Middle-income	20%	20%	26%
Upper-income	45%	58%	44%

The community contact indicated a need for residential lending in the community. The bank has met this credit need very well, especially to low- and moderate-income borrowers.

ANB's excellent distribution of loans to borrowers of different income levels evidences its willingness to extend credit to meet the needs of its community. Examiners sampled 20 consumer borrowers with loans originated between September 1, 1997 and September 30, 2001. The sample represents 2% of the number of consumer borrowers and 3% of the dollar volume of consumer loans originated during this period. The table below shows 15% of the consumer borrowers were low-income and 45% were moderate-income. This compares favorably to 1990 U.S. Census Data, which reveals that 19% of households are low-income and 16% are moderate-income.

The following table displays the bank's record of lending to consumer borrowers of different income based on the 20 borrowers sampled.

Sample of 20 Consumer Borrowers			
Income Level	% of Number of Borrowers in Income Range	% of \$ Volume of Loans made in Income Range	Household Demographics in Assessment Area (%)
Low-income	15%	23%	19%
Moderate-income	45%	29%	16%
Middle-income	15%	11%	19%
Upper-income	20%	32%	46%
Unknown	5%	5%	0%

Geographic Distribution of Loans

A geographic analysis of the distribution of the bank's loans was not performed because it would not be meaningful. The bank's assessment area consists entirely of middle- and upper-income geographies.

Responses to Complaints

ANB has not received any complaints about its performance in helping to meet AA credit needs during this evaluation period.

Fair Lending Review

An analysis of the preceding two calendar years' 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.