

SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

September 12, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Enterprise Bank, National Association
Charter Number 22233**

**12800 West Center Road
Omaha, Nebraska 68144**

**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.

INSTITUTION'S CRA RATING

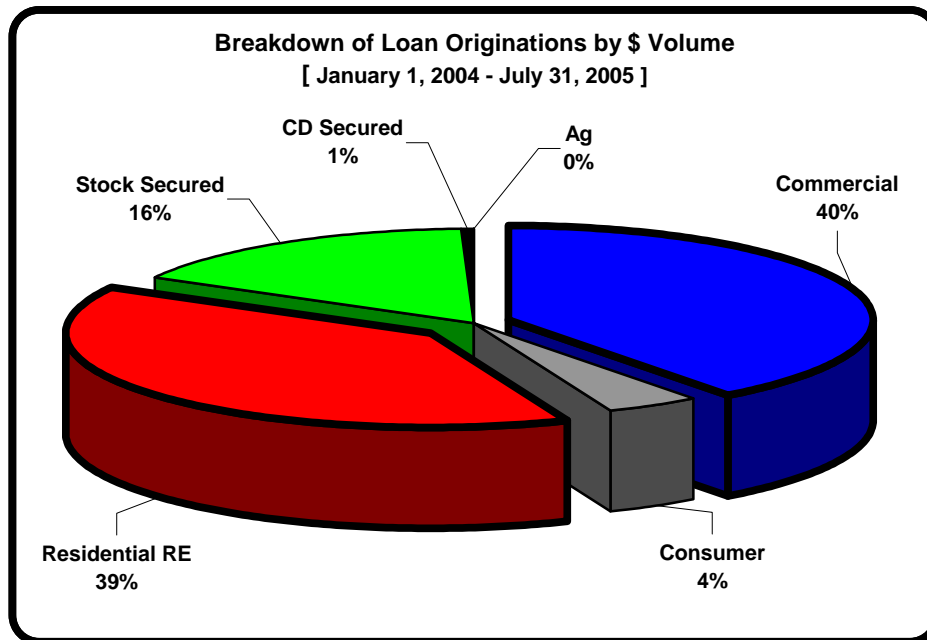
This institution's performance under the Community Reinvestment Act (CRA) is rated **Satisfactory**.

Enterprise Bank, National Association (Enterprise) meets the credit needs of its assessment area (AA).

- The average quarterly loan-to-deposit ratio is more than reasonable.
- The bank originates a significant majority of its loans from within the AA.
- The bank's record of lending to individual borrowers of different income levels and businesses of different sizes is reasonable.
- The bank's geographic distribution of loans is reasonable.
- The bank did not receive any complaints about its performance in helping to meet the credit needs of the AA during the evaluation period.

DESCRIPTION OF INSTITUTION

Enterprise is a \$141 million institution located in Omaha, Nebraska. Enterprise has a main office located at 12800 West Center Road and a branch located at 210 Regency Parkway in Omaha. The two locations are located in the western half of the AA. The bank offers a full range of credit products within its AA including consumer, commercial, and real estate loan products. As shown below, Enterprise's primary loan products are residential real estate loans and



commercial loans.

There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Enterprise received a "Needs to Improve" rating at the prior CRA examination dated November 25, 2003. Please refer to the bank's CRA public file for more information about the institution.

DESCRIPTION OF DOUGLAS COUNTY

The AA includes all of Douglas County, Nebraska, which is located within the Omaha Metropolitan Statistical Area (MSA). The AA includes seven low-income tracts, 43 moderate-income tracts, 59 middle-income tracts, and 37 upper-income tracts according to 2000 US Census data. The majority of the low- and moderate-income tracts are located in the eastern portion of the city of Omaha. The bank's main office and branch are generally located in the western section of the city.

Douglas County has 33 FDIC-insured financial institutions that operate 173 offices according to the FDIC deposit market share report dated June 30, 2004. Enterprise maintained a 0.96% share of the total deposits from the AA. The top four financial institutions by AA deposit volume were First National Bank of Omaha; US Bank, N.A.; Wells Fargo Bank, N.A.; and Commercial Federal Bank. These four financial institutions operate a total of 80 offices within the AA and had 73% of the total deposits from the AA. The loan-to-deposit ratio analysis below compared Enterprise to eight similarly situated banks in the AA that had total assets ranging from \$62 million to \$461 million.

Examiners reviewed previous contacts with community representatives. In addition, two new community contacts were made as part of this examination. These contacts revealed that primary credit needs in the community include affordable housing and small business lending.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is outstanding. Enterprise's average loan-to-deposit ratio over the last seven quarters was 99.5%. The average loan-to-deposit ratio for eight similarly situated institutions in Douglas County was 87.6%. The range of loan-to-deposit ratios contained a high

average of 106.6% and a low average of 53.7%. Enterprise's average loan-to-deposit ratio was at least 10% higher than six of the eight similarly situated banks.

Lending in Assessment Area

Enterprise's record of lending in the assessment area is strong. Loan origination information from January 1, 2004 through July 31, 2005 was utilized for the assessment of lending in Douglas County, and is summarized in the following table. Enterprise originated 89% of the number, and 82% of the dollar volume of its loans to borrowers in the AA.

Lending in Douglas County										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate ¹	260	82.8	54	17.20	314	42,044	75.4	13,686	24.6	55,730
Commercial ²	381	93.8	25	6.2	406	73,208	86.3	11,628	13.7	84,836
Totals	641	89.0	79	11.0	720	115,252	82.0	25,314	18.0	140,566

Source: ¹ Data reported under HMDA

² Origination information maintained by bank

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

A comparison of the two primary loan types reveals Enterprise's loan distribution by borrower income and business size meets the standards for a satisfactory rating. Enterprise reasonably meets the demographic standards given factors present in the AA.

Lending to Residential Real Estate Borrowers of Different Income Levels

The following table displays the bank's lending practices based on origination of residential real estate loans.

Borrower Distribution of Residential Real Estate Loans in Douglas County								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	18.5	7.6	18.7	16.3	22.9	14.1	39.9	62.0
Home Improvement	18.5	0.0	18.7	27.3	22.9	36.4	39.9	36.3
Refinance	18.5	3.1	18.7	13.6	22.9	15.6	39.9	67.7

Source: Data reported under HMDA and 2000 U.S. Census data

Enterprise has a reasonable record of lending to borrowers of different income levels. The bank's record of lending to moderate-income borrowers reasonably meets the demographic information. The bank's record of lending to low-income borrowers for residential real estate, although below the demographic, is also reasonable. Even though Home Improvement loans represent only 4% of total loans originated, the distribution of those loans exceeds AA

demographics for the moderate-income families. The average home sale price over the last 15 months in Douglas County was \$171,000. The high cost of the average home in the county makes it very difficult for a low-income individual, or even a moderate-income individual, to qualify for financing given normal underwriting standards. In addition, 7% of the families in Douglas County are below the poverty level. Given the additional information for housing costs in the AA, the bank is reasonably meeting the demographics in aggregate.

Lending to Businesses of Different Sizes

The following table displays the bank’s lending practices based on a sample of business loans.

Borrower Distribution of Loans to Businesses in Douglas County		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses ¹	63.7	8.7
% of Bank Loans in AA by # ²	55.0	40.0
% of Bank Loans in AA by \$ ²	20.3	78.2

Source: Loan sample; 2004 Dunn and Bradstreet data

¹ 27.6% of AA businesses did not report revenue data

² 5.0% of the loan sample by number and 1.5% by dollar did not report revenue data

Enterprise has a reasonable record of lending to businesses of different sizes. The bank reasonably meets the AA demographics for lending to small businesses. Small businesses are generally defined as those with annual revenues of less than \$1 million. Greater emphasis is placed on the data by number as opposed to dollar volume due to the fact that larger businesses tend to have larger loans. The random loan sample included 20 borrowers with originated loans from January 1, 2004 through July 31, 2005.

Geographic Distribution of Loans

A comparison of the two primary loan types reveals Enterprise’s geographic distribution of loans throughout the AA meets the standards for a satisfactory rating. Enterprise reasonably meets the demographic standards given factors present in the AA.

Geographic Distribution of Residential Real Estate Loans

The following table displays the geographic distribution of the bank’s lending practices based on origination of residential real estate loans.

Geographic Distribution of Residential Real Estate Loans in Douglas County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	1.7	19.2	22.4	15.7	44.6	28.8	31.3	36.3

Home Improvement	1.7	0.0	22.4	0.0	44.6	36.4	31.3	63.6
Refinance	1.7	0.0	22.4	4.9	44.6	26.2	31.3	68.9

Source: Data reported under HMDA and 2000 U.S. Census data.

Enterprise has a reasonable record of lending to individuals in different geographies. The bank's record of lending in moderate-income census tracts is reasonable for purchase loans but lags

behind the demographics for refinance loans. The bank's record of lending in low-income census tracts is very good for purchase loans. Enterprise has established relationships with two primary borrowers that provide affordable housing to individuals in low- and moderate-income census tracts. The two primary borrowers work with their tenants to assist them in establishing a satisfactory repayment history to allow them to eventually qualify for normal financing. The ultimate goal of the primary borrowers is to promote home ownership in the low- and moderate-income census tracts.

Demographic information for the AA provides some additional insight into residential real estate lending opportunities. In the low-income census tracts, 53% of the housing units are renter occupied and 10% are vacant, leaving only 37% of the housing units owner occupied. Moderate-income tracts are comprised of 47% renter occupied units and 8% vacant units. Within the low-income tracts, 35% of the households are below the poverty level and 18% of the households in moderate-income tracts are below the poverty level. Thus, the volume of households below the poverty level in the low- and moderate-income tracts is high, which reduces home ownership opportunities. Enterprise is working to meet the AA credit need for affordable housing through its arrangements with the borrowers noted above.

Geographic Distribution of Business Loans

The following table displays the geographic distribution of the bank's lending practices based on a sample of business loans.

Geographic Distribution of Loans to Businesses in Douglas County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	3.1	0.0	23.4	20.0	47.5	50.0	26.0	30.0

Source: Loan sample; 2004 Dunn and Bradstreet data

Enterprise has a reasonable record of lending to businesses in different geographies. The bank's record of lending to businesses in moderate-income tracts reasonably meets the demographics. The loan sample did not include any businesses in low-income tracts; however, bank origination data indicates 10% of the number of loans were made to businesses in low- and moderate-income tracts from January 1, 2004 through July 31, 2005. In addition, the bank has six businesses headquartered in middle- or upper-income census tracts that operate a total of nine

branches/locations located within the Enterprise Zone as defined by the City of Omaha. The Enterprise Zone encompasses nearly all of the low- and moderate-income census tracts.

The bank has made 7 loans for \$1.4 million to 4 businesses that have a community development purpose. While these loans do not technically qualify as Community Development loans per the regulation, the loans do have underlying community development purposes.

Responses to Complaints

The bank has not received any complaints regarding its CRA performance since the prior CRA examination.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.