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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

June 16, 1997

### **Community Reinvestment Act Performance Evaluation**

**The American National Bank  
Charter Number 13591  
606 Main Street  
Creighton, Nebraska 68729**

**Comptroller of the Currency  
Omaha Duty Station  
11606 Nicholas Street, Suite 201  
Omaha, Nebraska 68154**

**Note: 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.**

## General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **The American National Bank** prepared by **The Office of the Comptroller of the Currency**, as of July 21, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. § 25.

**Institution's CRA Rating:** This institution is rated "Satisfactory."

The American National Bank satisfactorily meets the credit needs of its assessment area. The distribution of loans to businesses of different revenue sizes and to borrowers of different income levels and is reasonable. The geographic distribution of loans within the bank's assessment area is appropriate. The bank's loan-to-deposit (LTD) ratio is reasonable. The American National Bank originates a majority of its loans within its assessment area.

## **DESCRIPTION OF INSTITUTION**

The American National Bank of Creighton (ANB) is a \$57 million financial institution located in Northeast Nebraska. In addition to its main office, ANB has one drive-up facility and operates an automated teller machine. The automated teller machine is located at Saffer's Mini Mart in Creighton, Nebraska. The community is primarily agricultural. ANB is a wholly owned subsidiary of American National Creighton Company, a one bank holding company.

ANB offers traditional loan and deposit services. The bank also participates in the Small Business Administration loan program. The loan portfolio consists of 70% agriculture, 20% commercial, 5% residential real estate, and 5% consumer loans. Both the consumer and residential real estate loan portfolios represent 10% of the total loan portfolio.

The bank has no legal or financial impediment which precludes it from fulfilling its obligation under the CRA. The bank received a "satisfactory" rating for the CRA examination dated June 28, 1993.

## **DESCRIPTION OF ASSESSMENT AREAS**

The bank's assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The assessment area includes one moderate-income and one middle-income block numbering area (BNA) in Knox County. All BNAs are contiguous. The bank is not located in a Metropolitan Statistical Area (MSA).

The total population of the assessment area is 6,411 according to the 1990 Census. The 1996 weighted average median family income of the assessment area is \$35,100. The 1990 Census categorizes the distribution of families by income level of the bank's assessment area as 25% low-, 23% moderate-, 27% middle-, and 25% upper- income.

Agriculture and agriculture-related businesses are the dominate industries in the assessment area. Construction, services, and manufacturing jobs contribute to the economic viability of the area. The bank and members of the community identified the primary credit needs of the community as agriculture, small business, residential real estate and consumer loans. ANB, along with eight other financial institutions operates in a competitive lending and deposit environment within the assessment area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

### **Lending to Businesses of Different Sizes & to Borrowers of Different Incomes:**

Lending to agricultural borrowers of different revenue sizes is reasonable based on an analysis of revenues. The bank extends credit to a wide variety of agriculture borrowers. The annual revenues of 20 agriculture borrowers, who obtained loans in 1996 and 1997, ranged from \$20,128 to \$1,237,174. The agricultural loans were distributed over the entire range of revenue sizes. The dollar amount of the loans ranged from \$5,500 to \$175,000 with an average of \$62,083. Our sample revealed that 75% of these loans were to borrowers with annual revenues less than \$150,000.

Further, lending to businesses of different revenue sizes is reasonable. Based on an analysis of annual revenues, the bank extends credit to a wide variety of business borrowers. The annual revenues of 10 businesses obtaining loans in 1996 and 1997 ranged from \$18,000 to \$1,044,034. The business loans were distributed over the entire range of revenue sizes. Sixty percent of the loans were originated to borrowers reporting revenues less than \$500,000 and an additional 30% were to borrowers with revenues between \$500,000 and \$1,000,000. The dollar amount of the loans ranged from \$2,500 to \$89,000 with an average of \$38,321.

Lending to borrowers of different income is reasonable. Normally, the bank does not obtain income information on consumer loans. However, those consumer loan files reviewed, which contained income information, demonstrated the bank's willingness to make consumer loans to individuals at all income levels. In addition, ANB made numerous consumer loans less than \$2,000 to help meet the short-term credit needs of low- and moderate-income borrowers in 1996 and 1997.

### **Geographic Distribution of Loans:**

The geographic distribution of loans is appropriate. ANB's assessment area includes one moderate-income and one middle-income BNA. During 1996, the bank originated 192 loans totaling \$8,678,866 in the moderate income BNA. This equates to 95% of the number and 90% of the dollar amount of the loans originated in the bank's assessment area. In addition, the bank's loans are distributed in proportion to the population of each BNA within the bank's assessment area.

**Loan to Deposit Ratio:**

ANB's average quarterly loan-to-deposit (LTD) ratio of 52% since the last examination is reasonable and slightly below the average for the nine financial institutions located within the bank's assessment area. The average quarterly LTD ratios for the banks chartered within ANB's assessment area range from 27% to 76% with an average of 58%.

**Lending in the Assessment Area:**

ANB originates the majority of its loans within its assessment area. Based on the bank's internal report of all loans originated in 1996, 73% by dollar and 75% by number of loans were originated within ANB's assessment area. The accuracy of the bank's geographic analysis was verified by sampling 20 loans.

**Response to Complaints:**

ANB complies with the substantive provisions of anti-discrimination laws and regulations. There have been no fair lending complaints filed with the bank or The Office of the Comptroller of the Currency since the last CRA examination.