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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**February 12, 1998**

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

**American National Bank  
Charter Number 22274**

**10th and Central Streets  
Nebraska City, Nebraska 68410**

**Office of the Comptroller of the Currency  
Omaha Field Office  
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 American National Bank prepared by The Office of the Comptroller of the Currency, as of February 12, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

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

The American National Bank (ANB) in Nebraska City, Nebraska is reasonably meeting the credit needs of its community. A majority of the bank's loans are made within the bank's assessment area. The bank's lending efforts reflect reasonable penetration to individuals of different income levels and to farms of various sizes.

### **Description of Institution**

ANB is a \$110 million bank located in Southeast Nebraska. The bank is 100% owned by American National Corporation, a multi-bank holding company located in Omaha, Nebraska. The bank's main office is located in Nebraska City, Nebraska with branch offices located in Dawson, Elk Creek, Falls City, Humboldt, and Tecumseh. The bank has two automated teller machines (ATM), one in Nebraska City at the Country Mart on 2410 South 11th Street and one in Tecumseh at the Gas-N-Shop on 120 North 12th Street. The bank's primary business focus is agricultural and commercial lending. There are no factors, including the bank's financial condition, which restrict the bank's ability to comply with the Community Reinvestment Act.

### **Description of ANB's Multiple Assessment Areas**

ANB's three assessment areas (AAs) contain five block numbering areas (BNAs) in which the bank's branches are located. Their AAs are located in Otoe, Richardson and Johnson counties. In addition to the main bank in Nebraska City, the bank has branches in Falls City, Humboldt, Dawson, Tecumseh and Elk Creek. None of the AAs are located in a Metropolitan Statistical Area (MSA).

All five BNAs were designated middle income in the 1990 census. The statewide nonmetropolitan updated median family income is \$37,100, while the AAs median family income is \$26,118. The 1990 census information indicated 18% of the families in the assessment area are

low income, 22% moderate income, 25% middle income, and 35% upper income. Eight percent of the families are below the poverty level. The median housing value is \$30,860 and 63% of the homes are owner-occupied. Agriculture is the primary industry in the area.

The primary needs identified by the bank are small farm and business, residential real estate and consumer loans. Our community contacts confirmed these as the communities' main credit needs. Competition results from ten other financial institutions within the bank's assessment areas.

**Conclusions with Respect to Performance Criteria**

ANB's seven quarter average loan-to-deposit ratio is good and significantly above average in comparison to ratios of other competitors in the community. As of September 30, 1997, the bank's seven quarter average loan-to-deposit ratio was 71% which ranks second highest in comparison to the other ten banks in their AAs. The seven quarter, ten bank average was 58% ranging from 36% to 79%.

A majority of the bank's loans are made to borrowers who live within the AAs. We verified the bank's list of originations for 1996 and 1997. Their system is able to track all loans made by borrower location and income. The tables below summarize our findings.

<b>All Loans Made in 1997</b>				
(\$ x 1,000)	Number	% Number	\$ Volume	% \$ Volume
Inside assessment area	794	64%	\$13,000	42%
Outside assessment area	440	36%	\$18,273	58%
Total	1,234	100%	\$31,273	100%

<b>All Loans Made in 1996</b>				
(\$ x 1,000)	Number	% Number	\$ Volume	% \$ Volume
Inside assessment area	883	66%	\$15,109	52%
Outside assessment area	449	34%	\$13,799	48%
Total	1,332	100%	\$28,908	100%

The bank has a reasonable penetration of loans to agricultural borrowers of different sizes and to borrowers of different incomes. We used the agricultural and residential real estate loan categories to determine the bank's level of lending to farms of different sizes and individuals with different incomes. The tables on the following page summarize our findings.

<b>Agricultural Loans</b>								
Gross Revenues	Number of loans originated		Percent of loans originated		\$ Volume (x 1,000)		\$ Volume (%)	
	1997	1996	1997	1996	1997	1996	1997	1996
\$0 - \$50,000	53	46	40%	41%	\$1,498	\$1,477	11%	11%
\$50,001-\$100,000	32	25	24%	22%	\$2,566	\$1,861	18%	14%
\$100,001-\$250,000	31	28	24%	25%	\$4,636	\$4,730	33%	36%
\$250,001-\$450,000	15	14	12%	12%	\$5,311	\$5,206	38%	39%
Total	131	113	100%	100%	\$14,011	\$13,274	100%	100%

In addition to the above agricultural loans, the bank participates in the Farm Service Agency (FSA) and Small Business Administration (SBA) programs.

<b>Residential Real Estate Loans</b>									
Income Levels	Number of loans originated		Percent of loans originated		Percent of families in the bank's Assessment Areas	\$ Volume (x 1,000)		\$ Volume (%)	
	1997	1996	1997	1996		1997	1996	1997	1996
Low	10	11	11%	16%	10%*	\$93	\$158	2%	5%
Moderate	11	15	12%	21%	22%	\$256	\$331	6%	10%
Middle	26	13	29%	19%	25%	\$852	\$405	21%	12%
Upper	43	31	48%	44%	35%	\$2,888	\$2,400	71%	73%
Total	90	70	100%	100%	92%**	\$4,089	\$3,294	100%	100%

\* 370 families in the American National Bank assessment areas are below the poverty level. We adjusted the percentage of families who are low-income (18%) to exclude the families who are below the poverty level because it is highly unlikely they could afford to borrow. This resulted in approximately 10% of the low-income families (with incomes between 30%-50% of the median) who could potentially become borrowers.

\*\* This column does not total to 100% due to the exclusion of the eight percent of families who are below the poverty level.

ANB shows a distribution among borrowers of different income levels when compared to the percentage of families at each income level within the bank's assessment areas. For consumer loans, the bank greatly exceeded the percentage of loans within the assessment areas made to low- and moderate-income borrowers.

Consumer Loans					
Income Levels	Number of loans originated		Percent of loans originated		Percent of families in the bank's Assessment Areas
	1997	1996	1997	1996	
Low	80	77	20%	22%	10%*
Moderate	103	93	26%	27%	22%
Middle	103	86	26%	25%	25%
Upper	109	89	28%	26%	35%
Total	395	345	100%	100%	92%**

\* 370 families in the American National Bank assessment areas are below the poverty level. We adjusted the percentage of families who are low-income (18%) to exclude the families who are below the poverty level because it is highly unlikely they could afford to borrow. This resulted in approximately 10% of the low-income families (with incomes between 30%-50% of the median) who could potentially become borrowers.

\*\* This column does not total to 100% due to the exclusion of the eight percent of families who are below the poverty level.

In addition to the above, ANB participates in the Veteran's Administration (VA), Federal Housing Authority (FHA), Freddie Mac (FHLMC), and Fannie Mae (FNMA) government guaranteed loan programs. The bank also assisted one qualified low-income couple with a \$34,000 loan for the purchase of their home through the Rural Economic and Community Development Program. The program requires no minimum down payment, no private mortgage insurance, and low income guidelines must be met.

ANB is in compliance with antidiscrimination laws and regulations. There is no evidence of discrimination or other illegal credit practices.