



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

January 8, 2007

# **Community Reinvestment Act Performance Evaluation**

**The Fremont National Bank and Trust Company  
Charter Number: 2848**

**152 East Sixth Street  
Fremont, Nebraska 68025**

**Office of the Comptroller of the Currency**

**Midsized Bank Supervision  
440 South LaSalle Street, Suite 2700  
Chicago, IL 60605-1073**

**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, and should not 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.

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## Overall CRA Rating

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

The following table indicates the performance level of **The Fremont National Bank and Trust Company** (FNB&T) with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Fremont National Bank and Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending activity reflected excellent responsiveness by FNB&T to address the credit needs of the bank's assessment area (AA).
- FNB&T had excellent distribution of loans to borrowers of different income levels during the evaluation period.
- The bank originated a high dollar volume of community development (CD) loans in the AA.
- FNB&T was a leader in the community in originating flexible loans to help meet the needs of low- and moderate-income (LMI) individuals.
- FNB&T extended a good level of qualified investments in the AA during the evaluation period.
- The bank's service delivery systems were reasonably accessible to individuals of different income levels throughout the AA.
- FNB&T was a leader in providing CD services in the AA.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

The Fremont National Bank and Trust Company (FNB&T) is a full-service financial institution headquartered in Fremont, Nebraska. The bank offers a full range of credit products within its assessment area (AA) including agricultural, commercial, residential real estate, and consumer loans.

For purposes of the CRA evaluation, FNB&T is an intrastate bank with offices in Nebraska only. The bank is an intermediate small bank that opted to be examined as a large bank for CRA. As of December 31, 2005 the bank had four office locations and 15 automated teller machines (ATMs) in the Fremont AA. None of the offices were located in a Metropolitan Statistical Area (MSA). FNB&T had no merger or acquisition activities during the evaluation period.

As of December 31, 2005, FNB&T had \$331 million in total assets and Tier 1 capital of \$23 million. The bank's loan-to-deposit ratio was 83 percent and net loans represented 72 percent of total assets. By dollar amount, the loan portfolio consisted of 28 percent commercial and commercial real estate loans, 23 percent residential real estate loans, 5 percent agricultural and agricultural real estate loans, 5 percent other real estate loans, 3 percent consumer loans, and 3 percent other loans. The remaining 34 percent of the bank's portfolio was comprised of credit card participations from an affiliate bank. FNB&T sold a significant volume of its home purchase and refinance mortgage loans on the secondary market. During the evaluation period, the bank originated and sold 1,148 residential mortgage loans totaling \$131 million. The loan-to-deposit and loan portfolio mix do not reflect these loans. There were no known legal, financial, or other impediments that hampered FNB&T's ability to help meet the credit needs of its AA.

FNB&T is a subsidiary of First National of Nebraska, Inc. (FNNI). FNNI is a \$13 billion multibank holding company headquartered in Omaha, Nebraska. In addition to FNB&T, FNNI owns nine other national banks and two state-chartered banks located in Nebraska and adjacent Midwestern states.

The bank received an "Outstanding" rating at the last CRA examination dated June 3, 2002.



# **Scope of the Evaluation**

## **Evaluation Period/Products Evaluated**

The evaluation period for home mortgage, small loans to businesses, and small loans to farms was from January 1, 2002 to December 31, 2005. We conducted three separate analyses to assess the geographic and borrower distribution for these loan products. Loans originated from January 1, 2002 to December 31, 2002 were compared against 1990 Census demographics, while loans originated from January 1, 2003 to December 31, 2005 were compared against 2000 Census demographics. Due to the change in the Omaha MSA, we also performed a separate analysis for January 1, 2003 to December 31, 2003 and January 1, 2004 to December 31, 2005. We based market comparisons on 2005 peer data.

The evaluation period for community development loans, the investment test, and the service test was from June 4, 2002 to December 31, 2005.

We did not include multifamily lending in our analysis as FNB&T's loan volume for this product was insignificant. As of December 31, 2005, multifamily mortgage loans represented less than 1 percent of the bank's total loans.

Credit card participations comprise a large portion of the bank's loan portfolio; however, we did not include these loans in the borrower and geographic loan distribution analysis. The participations represent a loan product offered nationwide by an affiliate bank. As a result, the vast majority of the credit card borrowers were located outside FNB&T's AA. When analyzing lending activity, we considered whether the bank adequately met the needs of the borrowers in the AA prior to acquiring the credit card participations.

## **Data Integrity**

As part of the CRA evaluation, we tested the accuracy of the bank's publicly filed information for small loans to business and farms. We found the level of accuracy to be satisfactory for purposes of our CRA analysis. The bank was not required to collect and report data on home mortgage loans under HMDA; however, the bank voluntarily collected home mortgage information. We used only owner-occupied mortgage loans for the CRA analysis.

We reviewed information on all CD activities, including loans, investments, and services. Only those activities that met the regulatory definition for CD are presented and considered in this evaluation.

## **Selection of Areas for Full-Scope Review**

FNB&T has only one AA. We performed a full-scope review of this area. Refer to the table in Appendix A for more information.

## **Ratings**

The bank's overall rating is based on the area that received a full-scope review.

In determining conclusions for the lending test, we weighted loan products to be reflective of FNB&T's loan volume by product type during the evaluation period. Home mortgage refinance loans, home purchase loans, and small loans to businesses were weighted more heavily than other reported loan products. Home mortgage refinance and home purchase loans represented 35 percent and 23 percent (58 percent combined) of the total number of originated loans during the evaluation period and small loans to businesses totaled 25 percent. Small loans to farms and home improvement loans only represented 15 percent and 2 percent of the total volume of loans, respectively.

## **Other**

We interviewed representatives from two organizations during the examination; one from an affordable housing entity and one from an economic development organization. These organizations primarily focus on providing low-cost housing in the area, attracting new businesses to the AA, and on growth of existing businesses. The contacts were knowledgeable about the AA's economic conditions, demographic characteristics, and the AA's general banking and credit needs. The affordable housing contact indicated that there is a shortage of affordable housing units in the Fremont area. The individual from the economic development organization cited a need for entrepreneurial training and more funding for economic development. The representative also recommended the area banks form a Community Development Corporation (CDC). Both community contacts indicated FNB&T overall has provided good support to CD activities in the AA.

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

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

# Conclusions with Respect to Performance Tests

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated Outstanding. This is based on the full-scope review of the bank's AA.

### Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect excellent responsiveness to the bank's AA credit needs. The bank's volume of small loans to businesses, small loans to farms, and home purchase loans was excellent; the volume of home mortgage refinance loans was good; and the volume of home improvement loans was adequate.

To analyze the lending activity of FNB&T, we compared the bank's deposit market share with its lending market share for each loan product, where information was available. In comparing the market share percentages, we considered the fact that the deposit market share analysis only included deposit-taking financial institutions with one or more offices in the AA. However, the lending market share calculations included lenders who did not have deposit-taking facilities in the AA, as well as some non-bank lenders. We did not expect FNB&T's deposit market share and lending market share percentages to be equal in order for performance to be considered good.

Based on FDIC deposit market share data as of June 30, 2006, there were 11 deposit-taking financial institutions with 24 offices in Dodge county. FNB&T was the largest institution with a 37 percent deposit market share.

The bank's volume of small loans to business and farms was excellent. There were 11 lenders reporting one or more small farm loans in the AA in 2005. FNB&T ranked first among these lenders with a 41 percent market share. There were 19 lenders reporting one or more small business loans in the AA in 2005. FNB&T ranked first among these lenders with an 18 percent market share.

Similar comparisons were difficult to make for home mortgage loans because comprehensive market share data is not readily available in non-metropolitan areas. Also, FNB&T was not required to collect and report data on home loans under HMDA. To analyze home mortgage lending volume, we compared bank-generated reports on home mortgage loan volume to aggregate HMDA data from the bank's AA for 2005.

FNB&T's volume of home purchase mortgage loans was excellent. For 2005, the bank originated 132 home purchase loans within its AA. In comparison, aggregate HMDA data for 2005 showed the highest volume of home purchase loans originated by a financial institution within FNB&T's AA was 125 loans. HMDA data showed there was significant competition as over 115 lenders reported one or more first home purchase loans in 2005.

FNB&T's volume of home improvements loans was adequate. The bank originated five home improvement loans in its AA in 2005. HMDA data showed the highest volume of home improvement loans originated by financial institutions within FNB&T's AA was 12. There were five institutions with more than five originated home improvement loans. Aggregate data showed 43 lenders reporting one or more home improvement loan in the FNB&T AA in 2005.

Internal reports showed FNB&T originated a good volume of home mortgage refinance loans. FNB&T originated 81 home mortgage refinance loans in 2005. In comparison, aggregate HMDA data for 2005 showed the highest volume of home mortgage refinance loans originated by a financial institution within the AA was 107 loans. Competition was very strong as HMDA data noted 150 lenders reporting one or more home mortgage refinance loans in 2005.

FNB&T addressed local credit needs before purchasing credit card participations. It is FNNI policy for all affiliate banks to first help meet credit needs of their local AA. Then, FNNI will make available credit card loans to purchase with their excess liquidity. During the CRA evaluation period, FNB&T demonstrated their commitment to AA lending needs as loan volume other than credit cards grew \$60 million. At the same time, the volume of credit card participations declined by the same amount.

### **Distribution of Loans by Income Level of the Geography**

A geographical analysis of FNB&T's home mortgage loans, small loans to businesses, and small loans to farms was not meaningful as the bank's AA did not include any low- or moderate-income CTs.

#### ***Lending Gap Analysis***

We reviewed reports of FNB&T's home mortgage loans, small loans to businesses, and small loans to farms in the AA to identify gaps in the geographic distribution of these loans. There were no conspicuous gaps or under-served geographies in the FNB&T AA.

#### ***Inside/Outside Ratio***

A high percentage of FNB&T's reported loans were within its AA. For all loan products combined, FNB&T originated 76 percent of the number of reported loans within the AA. By specific loan type, the bank originated 78, 82, 79, 76 and 67 percent home purchase, home improvement, home mortgage refinance, small loans to businesses, small loans to farms, respectively within its AA. Please refer to Appendix B for further details on the bank's AA.

### **Distribution of Loans by Income Level of the Borrower**

The bank's distribution of loans by borrower income level was excellent. Performance was considered excellent for home purchase loans, home improvement loans, and small loans to businesses; good for home mortgage refinance loans; and adequate for small loans to farms.

When evaluating the borrower distribution of the bank's home mortgage lending throughout the AA, we took into consideration the significant percentage of families throughout the AA living below the poverty level. According to 2000 U.S. Census data, 8 percent of families in the AA were below poverty levels and would have difficulty qualifying for a residential mortgage loan. Additionally, rising housing costs made it difficult for low-income families to afford a home. The 2000 median housing value for the AA was \$88 thousand compared with \$48 thousand in 1990. Please refer to the Market Profile in Appendix B for further information.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of FNB&T's home purchase loans by borrower income level was excellent. Performance was especially strong for moderate-income borrowers. For all three evaluation periods, the bank's percentage of home purchase loans to moderate-income borrowers exceeded the percentage of families in the AA that were moderate-income. While the bank's percentages of home purchase loans to low-income borrowers trail that of the percentage of low-income families in the AA, this is mitigated by the high number of families below poverty level and the rising cost of housing.

The bank's distribution of home improvement loans to borrowers of different income levels was excellent. The percentage of the bank's loans to moderate-income borrowers was generally higher than the percentage of families in the AA that were moderate-income. However, the bank's percentage of home improvement loans to low-income borrowers was below the number of low-income families in the AA. Performance was good given the mitigating factors noted above.

FNB&T achieved a good distribution of home mortgage refinance loans to borrowers of different income levels. For the 2004-2005 evaluation period, the bank's percent of home mortgage refinance loans to moderate-income borrowers surpasses the percentage of moderate-income families in the AA. However, during the 2002 and 2003 evaluation periods, the bank's refinance loans to moderate-income borrowers slightly trailed the percentage of moderate-income families. The percentage of the bank's refinance loans to low-income borrowers was below the percentage of families in the AA that were low-income. Performance was good given that home mortgage refinances amongst low-income individuals would be lower as many of these individuals used flexible loan programs on the original home purchase to provide them with a low interest rate and for closing cost and down payment. Thus, it would not be beneficial for some of these individuals to refinance their home mortgage.

### ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's distribution of loans to businesses of different sizes was excellent. For both the 2003 and the 2004-2005 evaluation periods, FNB&T's percentage of reported loans to businesses with gross annual revenues of \$1 million or less exceeded the percentage of businesses in the AA with revenues of \$1 million or less. During the 2002 evaluation period, the bank originated 71% of its reported loans to businesses in the AA to entities with gross annual revenues of \$1 million or less. This trails AA demographics for this evaluation period, in which 80 percent of business with known revenues have gross annual revenues of \$1 million or less. In this analysis, more weight was given to the 2003 and 2004-2005 evaluation period, as it accounted for 75 percent of the originations of small loans to business over the total evaluation period.

FNB&T's market share of small loans to businesses with revenues of \$1 million or less was 26 percent. This exceeded the bank's overall market share of small loans to businesses, which was 18 percent. Additionally, FNB&T originated approximately 75 percent of its reported loans to businesses in the amount of \$100 thousand or less, regardless of the size of the business.

### ***Small Loans to Farms***

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

FNB&T's distribution of small loans to farms with different revenues was adequate. For all evaluation periods, FNB&T's percentage of reported loans to farms with gross annual revenues of \$1 million or less was below the percentage of farms in the AA with revenues of \$1 million or less. Performance was stronger looking at market share data. FNB&T's market share of loans to farms with revenues of \$1 million or less was 43 percent. This exceeded the bank's overall market share of small loans to farms, which was 41 percent. Additionally, the bank made a majority of its reported loans to farms in the amounts of \$100 thousand or less, regardless of the size of the farm.

### **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

CD lending had a positive impact on the lending test conclusions. This was based primarily on the bank's high volume of CD loans originated throughout the AA. FNB&T originated six CD loans totaling over \$37 million during the evaluation period. The complexity of some of the loans also received positive consideration. The following summarizes some of the bank's qualified CD loans:

- Approximately \$37 million to finance the construction and permanent financing of a manufacturing plant and business equipment. This plant supported the creation of jobs targeted to LMI area residents. FNB&T served as the lead bank in financing the project and worked extensively with the State of Nebraska, the City of Fremont, and the Fremont Economic Development Corporation in structuring the package of loans, grants, and equity to bring the company to Fremont.

- Two loans totaling \$167,240 to a nonprofit providing preschool education and health care services targeted to LMI families. Loan proceeds were to refinance the purchase and renovation of the preschool building and to purchase a van to transport LMI children to the daily classroom programs.

## **Product Innovation and Flexibility**

FNB&T has participated in several flexible lending programs during the evaluation period to meet the credit needs of LMI borrowers in the AA. The bank's participation in these programs received positive consideration in the analysis of lending test performance.

The following summarizes FNB&T's participation in the flexible loan programs during the evaluation period.

- Federal Housing Administration – From 2002 through 2005, the bank originated 92 loans under this program totaling \$7.8 million. This housing program primarily serves LMI applicants and offers reduced down payment requirements, lower interest rates, and more liberal underwriting criteria than conventional loans.
- Veterans Administration – FNB&T originated 56 loans from 2002 through 2005 under this program totaling approximately \$6.2 million. This is a loan program sponsored by the federal government that offers 100 percent financing and low closing costs.
- Nebraska Investment Finance Authority (NIFA) – FNB&T made 61 loans totaling \$3.4 million under the NIFA program in 2002, 2003, 2004, and 2005. Thirteen qualified for additional grant funding. NIFA's loan programs provide financing to qualified LMI borrowers throughout Nebraska. NIFA loans typically have lower interest rates and down payment requirements than traditional loan programs.
- Federal Home Loan Bank Rural First Time Home-Buyer Affordable Housing Program – This program provides up to \$4,000 in assistance for first-time homebuyers, to be used for down payment and closing costs. The bank made 50 loans from 2002 through 2005 under this program providing \$172 thousand in assistance.
- Farmer's Home Administration loan programs – The bank made 11 Farm Service Agency loans for \$318 thousand from 2002 through 2005 under this program. This is a government insured loan program for small farmers and others who are unable to obtain financing elsewhere. Loan programs include lower down payments and reduced interest rates.



## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test is rated High Satisfactory. This is based on the full-scope review of the bank's AA.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

FNB&T extended a good level of qualified investments in the AA. During the evaluation period, FNB&T made \$602 thousand in qualified investments. The bank's volume of qualified investments was good given the low level of CD opportunities in the AA. The bank exhibited good responsiveness to identified needs in the AA.

Investments include a \$250 thousand investment in an equity fund that promotes affordable housing and economic development on a regional basis that includes the bank's AA and a \$100 thousand investment in an organization that provides consumer credit counseling services primarily to LMI individuals in the state of Nebraska. Additionally, the bank made \$251 thousand in contributions to 19 organizations that provide affordable housing, promote economic development, or provide community services throughout the AA. None of the bank's investments were considered innovative or complex. FNB&T did not have any qualified investments from the prior period still outstanding.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated High Satisfactory. This is based on a full-scope review of the bank's assessment area.

#### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The bank's service delivery systems were reasonably accessible to geographies and individuals of different income levels throughout the AA. Three of the bank's branches were located in middle-income CTs and the fourth was located in an upper-income CT. There were no low- or moderate-income CTs located in the AA. All bank branches were located within Fremont city limits. The AA's population was concentrated in the Fremont area, which is located in the center of the AA. FNB&T did not open or close any branches during the evaluation period.

FNB&T provided reasonable hours and services at all office locations. Hours and services did not vary in a way that inconvenienced LMI individuals in the AA. FNB&T supplemented its

banking hours and services with Saturday hours at all locations. They also had extended drive-up hours at three of their locations. The bank did not have all types of lending personnel physically housed at all locations. This did not place undue hardship on potential credit applications because of the close proximity of branches offering that particular product. All locations handed out and accepted credit applications.

The bank's ATM network offered an effective alternative system for delivering retail banking services to LMI individuals. FNB&T had 15 ATM locations throughout the city of Fremont. In comparison, the next highest volume of ATM locations by a financial institution located in the AA was six. FNB&T ATM users can also use any of FNNI ATMs free-of-charge.

FNB&T offered several other alternative delivery systems, including a telephone banking service, Internet banking, and banking by mail. Telephone and Internet services are available 24 hours a day and allow customers to access account and loan balances, transfer funds, obtain bank product information, and pay bills. The bank also employs a bilingual teller to assist with transactions conducted in Spanish. No information was available on the effectiveness of these services in reaching LMI individuals. We did not place significant weight on these systems when drawing conclusions under the service test.

## **Community Development Services**

FNB&T was a leader in providing CD services. This was based on the number of organizations to which FNB&T provided CD services, the responsiveness of the services to the needs of the community, and the leadership roles assumed with these organizations. In total, bank personnel provided services to approximately 20 organizations serving the AA and sponsored several seminars targeted for LMI individuals. Service activities involved organizations that promoted affordable housing, supported economic development activities targeted to small businesses, or provided community services to LMI individuals. Community contacts noted the extensive leadership and guidance that FNB&T personnel provided to numerous CD organizations serving the AA.

Examples of CD services provided by FNB&T representatives include the following:

- Several bank employees served in leadership roles for the local chapter of Habitat for Humanity (Habitat). The bank also provided free loan servicing for all loans originated by Habitat, including loan set-up, receiving and processing payments, managing and administering escrow accounts, answering, and providing monthly loan status reports to Habitat. Bank personnel also provided credit counseling classes. FNB&T also applied for and received \$500 per year in grants from the Federal Home Loan Bank (FHLB) of Topeka on behalf of Habitat in 2002 and 2003.
- FNB&T provided assistance to a local homeless shelter. A bank employee initiated, developed, and taught a monthly budgeting and personal finance class, which is a requirement for all of the residents. Additionally, three bank employees served on the board of directors for this entity during the evaluation period. FNB&T applied for and received \$500 per year in grants from the FHLB of Topeka on behalf of the shelter in 2002 and 2003.

- The bank sponsored a major fund drive for a nonprofit organization providing community services to LMI individuals. FNB&T prepared all marketing materials, handled all direct mailings, collected and recorded donations, provided progress reports, and sent thank you notes to all sponsors and contributors. From 2002-2005, the fund drive raised approximately \$144 thousand for the organization.
- During the evaluation period, two FNB&T employees and one Director served on the board of a nonprofit government entity that runs the low-income housing program in Fremont. The bank also has two employees that are members of a housing rehabilitation board. This program provides funds for home improvement in which applicants must live in Inglewood or targeted areas of Fremont and meet LMI guidelines. From January 1, 2003 to September 30, 2005, this program granted \$270 thousand in rehabilitation loans.
- Several bank associates provided significant leadership to entities primarily involved in the economic development of the AA. Activities include memberships on councils and committees and serving as a board member for these organizations.
- Numerous bank employees provide financial expertise to ten entities providing community services targeted to LMI individuals and families. During the evaluation period, bank personnel served in the roles of board members, executive officers, and members of various committees for these organizations.
- FNB&T sponsored and participated in several seminars and classes targeted to LMI individuals during the evaluation period. Topics covered included the following: basic banking concepts, buying a home, understanding the loan application process, long term care, and estate planning. Bank involvement included preparing and conducting the training sessions, coordinating presenters, and handling the marketing of the seminar or class.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/02 to 12/31/05) Investment and Service Tests and CD Loans: (06/04/02 to 12/31/05)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Fremont National Bank & Trust Company (FNB&T) Fremont, NE	Home Mortgage Loans, Small Loans to Businesses, Small Loans to Farms, and Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
First National Bank of Omaha (FNBO)	Affiliate Bank	Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
FNB&T AA	Full Scope	None

## Appendix B: Market Profiles for Full-Scope Areas

### Fremont NB Assessment Area

Demographic Information for Full-Scope Area: Fremont NB AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	14	0%	0%	86%	14%	0%
Population by Geography	51,135	0%	0%	85%	15%	0%
Owner-Occupied Housing by Geography	14,428	0%	0%	83%	17%	0%
Businesses by Geography	3,218	0%	0%	89%	11%	0%
Farms by Geography	589	0%	0%	96%	4%	0%
Family Distribution by Income Level	13,944	14%	19%	26%	41%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,564	0%	0%	88%	12%	0%
Median Family Income: Nonmetropolitan                   = \$41,596 MSA # 36540                       = \$53,955 HUD Adjusted Median Family Income for 2005: Nonmetropolitan                   = \$49,750 MSA # 36540                       = \$64,550 Households Below the Poverty Level       = 8%			Median Housing Value       = \$88,387  Unemployment Rate**       = 4.1%			

(\*) The NA category consists of geographies that have not been assigned an income classification.

(\*\*) Nebraska Department of Labor – Dodge county unemployment rate as of December 2005.

Source: 2000 U.S. Census and 2005 HUD updated MFI.

In 2002, 2003, and 2004, FNB&T designated all of Dodge county and three CTs in Douglas county as its AA. The three CTs in Douglas county make up a very small portion 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, FNB&T limited their AA to three CTs in the northwest portion of the MSA. This is appropriate as using the entire county or MSA boundary would have resulted in an area too large for FNB&T to reasonably serve. In 2005, FNB&T added two CTs in Saunders county to its AA. The analysis and graphs included in this Public Evaluation did not include the Saunders county CTs. Inclusion of these CTs would not have substantially impacted the conclusions.

FNB&T's head office, three branches, and 15 ATMs were located within the AA. The AA used in the evaluation consisted of 12 middle-income CTs and two upper-income CTs. There were no low- or moderate-income CTs designated in the AA during the evaluation period. The AA contained the area in which the bank had originated a substantial portion of its loans.

The bank's deposits in the Dodge county totaled approximately \$297 million as of June 30, 2006. Based on FDIC deposit market share as of that date, this ranked FNB&T as the largest deposit taking financing institution in Dodge county with a 37 percent market share. FNB&T

was considerably larger than the second largest deposit taking financial institution, which had \$140 million in deposits a 17 percent market share. Only one other financial institution reported deposits in excess of \$100 million and had a 14 percent market share.

Competition remained strong among the financial institutions in the market area. There were 11 deposit taking financial institutions operating in Dodge county as of June 30, 2006 with a combined 24 banking offices. Major competitors include First State Bank & Trust Company and American National Bank of Fremont. Several mortgage companies competed with FNB&T throughout the AA for home mortgage loans. Aggregate HMDA data noted over 150 lenders reporting one or more mortgage loans in FNB&T's AA in 2005. The actual number of lenders making mortgage loans in the AA was considerably higher because rural banks (including FNB&T) were not required to collect mortgage loan data and were not included in the HMDA data.

The economy was stable during the evaluation period. Agriculture and related industries were a dominant influence on the economy. Major employers in the Fremont area included Hormel, Wal-Mart, and the local hospital and school district. The December 2005 unemployment rate for Dodge county was 4.1 percent. This was comparable to the Nebraska unemployment rate of 3.6 percent.

Limited opportunities existed to facilitate activities to address unmet credit and community development needs in the AA. Community contacts did not identify any specific investment securities directly benefiting FNB&T's AA that were available during the evaluation period. Responses from community contacts indicate that FNB&T has offered good support, in both time and money, in CD projects within the AA.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.



**Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: Nebraska						Evaluation Period: January 1, 2002 to December 31, 2005				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Fremont NB AA	100%	1,419	130,724	585	63,313	300	22,382	6	37,347	2,310	253,766	100%

\* Loan Data as of 2002 - 2005. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is June 4, 2002 to December 31, 2005.

\*\*\* Deposit Data as of June 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: Nebraska								Evaluation Period: January 1, 2002 to December 31, 2005					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	283	100%	NA	NA	NA	NA	83%	66%	17%	34%	NA	NA	NA	NA	NA
2003 Fremont NB AA	119		NA	NA	NA	NA	80%	63%	20%	37%	NA	NA	NA	NA	NA
2002 Fremont NB AA	138		NA	NA	NA	NA	82%	70%	18%	30%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 or 2000 Census information, as appropriate.

**Table 3: Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: Nebraska						Evaluation Period: January 1, 2002 to December 31, 2005						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	10	100%	NA	NA	NA	NA	83%	90%	17%	10%	NA	NA	NA	NA	NA
2003 Fremont NB AA	17		NA	NA	NA	NA	80%	76%	20%	24%	NA	NA	NA	NA	NA
2002 Fremont NB AA	22		NA	NA	NA	NA	82%	68%	18%	32%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 or 2000 Census information, as appropriate.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Nebraska								Evaluation Period: January 1, 2002 to December 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	225	100%	NA	NA	NA	NA	83%	66%	17%	34%	NA	NA	NA	NA	NA
2003 Fremont NB AA	287		NA	NA	NA	NA	80%	56%	20%	44%	NA	NA	NA	NA	NA
2002 Fremont NB AA	318		NA	NA	NA	NA	82%	59%	18%	41%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 or 2000 Census information, as appropriate.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Nebraska								Evaluation Period: January 1, 2002 to December 31, 2005				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	304	100%	NA	NA	NA	NA	89%	88%	11%	12%	18%	NA	NA	20%	9%
2003 Fremont NB AA	132		NA	NA	NA	NA	88%	76%	12%	24%	NA	NA	NA	NA	NA
2002 Fremont NB AA	149		NA	NA	NA	NA	82%	60%	18%	40%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2005 for 2004-2005 assessment area, 2003 for 2003 assessment area, and 2002 for 2002 assessment area).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Nebraska								Evaluation Period: January 1, 2002 to December 31, 2005					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	157	100%	NA	NA	NA	NA	96%	93%	4%	7%	41%	NA	NA	40%	56%
2003 Fremont NB AA	75		NA	NA	NA	NA	94%	95%	6%	5%	NA	NA	NA	NA	NA
2002 Fremont NB AA	68		NA	NA	NA	NA	90%	78%	10%	22%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2005 for 2004-2005 assessment area, 2003 for 2003 assessment area, and 2002 for 2002 assessment area).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE			Geography: Nebraska						Evaluation Period: January 1, 2002 to December 31, 2005						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	283	100%	14%	10%	19%	28%	26%	31%	41%	31%	NA	NA	NA	NA	NA
2003 Fremont NB AA	119		13%	12%	19%	23%	26%	34%	42%	31%	NA	NA	NA	NA	NA
2002 Fremont NB AA	138		15%	2%	17%	24%	26%	41%	42%	33%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 or 2000 Census information, as appropriate.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.



**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: Nebraska						Evaluation Period: January 1, 2002 to December 31, 2005						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	10	100%	14%	0%	19%	20%	26%	40%	41%	40%	NA	NA	NA	NA	NA
2003 Fremont NB AA	17		13%	12%	19%	25%	26%	19%	42%	44%	NA	NA	NA	NA	NA
2002 Fremont NB AA	22		15%	10%	17%	14%	26%	24%	42%	52%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 or 2000 Census information, as appropriate.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Nebraska						Evaluation Period: January 1, 2002 to December 31, 2005							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2004-2005 Fremont NB AA	225	100%	14%	8%	19%	22%	26%	29%	41%	41%	NA	NA	NA	NA	NA
2003 Fremont NB AA	287		13%	7%	19%	14%	26%	27%	42%	52%	NA	NA	NA	NA	NA
2002 Fremont NB AA	318		15%	7%	17%	16%	26%	29%	42%	48%	NA	NA	NA	NA	NA

\* Based on 2005 Peer Mortgage Data: Western Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 9% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 or 2000 Census information, as appropriate.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Nebraska		Evaluation Period: January 1, 2002 to December 31, 2005					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 Million or Less		Loans by Original Amount Regardless of Business Size			Market Share *	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$1 Million or Less
<b>Full Review:</b>									
2004-2005 Fremont NB AA	304	100%	62%	71%	75%	14%	11%	18%	26%
2003 Fremont NB AA	132		66%	67%	74%	13%	13%	NA	NA
2002 Fremont NB AA	149		80%	71%	75%	15%	10%	NA	NA

\* Based on 2005 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2005 for 2004-2005 assessment area, 2003 for 2003 assessment area, and 2002 for 2002 assessment area).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7% of small loans to businesses originated and purchased by the Bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Nebraska			Evaluation Period: January 1, 2002 to December 31, 2005				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 Million or Less		Loans by Original Amount Regardless of Farm Size			Market Share *	
	#	% of Total **	% of Farms ***	% BANK Loans ****	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Revenues \$1 Million or Less
<b>Full Review:</b>									
2004-2005 Fremont NB AA	157	100%	95%	82%	78%	17%	5%	41%	43%
2003 Fremont NB AA	75		94%	83%	67%	28%	5%	NA	NA
2002 Fremont NB AA	68		96%	85%	77%	19%	4%	NA	NA

\* Based on 2005 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B – 2005 for 2004-2005 assessment area, 2003 for 2003 assessment area, and 2002 for 2002 assessment area).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 13% of small loans to farms originated and purchased by Bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: Nebraska				Evaluation Period: June 4, 2002 to December 31, 2005			
MA/Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Fremont AA	0	0	19	251	19	251	42%	0	0
Statewide/Regional	0	0	2	350	2	350	58%	0	0
Outside of AA	0	0	1	1	1	1	0%	0	0

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: Nebraska																	
Evaluation Period: June 4, 2002 to December 31, 2005																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population Within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Fremont NB AA	100%	4	100%	NA	NA	75%	25%	0	0	NA	NA	0	0	NA	NA	85%	15%