



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

July 26, 1999

Community Reinvestment Act Performance Evaluation

**First National Bank of Omaha
Charter Number: 209**

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Office of the Comptroller of the Currency

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NOTE: 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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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 **First National Bank of Omaha (FNBO), Omaha, Nebraska** prepared by the **Office of the Comptroller of the Currency (OCC)** the institution's supervisory agency, as of **July 26, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) Affordable 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.

Full-Scope Review Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography- A census tract or a block numbering area 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, or withdrawn).

Home Mortgage Loans Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope 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, branch distribution).

Low-Income- Income levels that are less than 50% of the median family income.

Median Family Income (MFI) The median income determined by the United States 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 Statistical Area (MSA)Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income -Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income -Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 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- Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

The following table indicates the performance level of **First National Bank of Omaha (FNBO)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank of Omaha 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:

- y Lending levels reflected an adequate responsiveness by FNBO to the credit needs of the Omaha assessment area (AA).
- y FNBO achieved a good dispersion of loans among borrowers of different income levels and businesses of different sizes.
- y The geographic distribution of FNBO's home mortgage loans and small loans to businesses reflected adequate penetration throughout the Omaha AA geographies.
- y Community development (CD) lending had an overall positive impact on the Lending Test conclusion. FNBO was a leader in providing CD loans during the evaluation period. The bank originated \$27 million in CD loans, which was a significant level.
- y Investments reflected an excellent responsiveness by FNBO to the needs of the Omaha AA. The bank had \$24 million in qualified investments.
- y FNBO's offices reflected good accessibility to geographies and individuals of different income levels.
- y The bank achieved a good performance in providing CD services.

The bank previously attained an Outstanding rating at the last CRA examination dated February 19, 1997. The rating assigned in the current evaluation does not reflect a negative change in the bank's CRA performance. Rather, it reflects performance under the revised CRA regulation requirements.

Description of Institution

First National Bank of Omaha (FNBO) is a full-service financial institution headquartered in Omaha, Nebraska. The bank offers a full range of credit products within its AAs including consumer, commercial, and real estate loan products. National and regional credit products are very significant. Credit card lending and merchant processing are the primary business activities of the bank. FNBO presently manages the 22nd largest credit card portfolio and ranks 6th nationally in terms of merchant processing volume. The bank's credit card and merchant customer bases are nationwide. Other significant national or regional loan products include the Correspondent Banking Department that provides agricultural and commercial lending throughout the Midwest, and the Leasing Department that provides agricultural loans on a nationwide basis. In 1997 and 1998, loans originated under national lending programs comprised 74% by number and 35% by dollar volume of the bank's total reported small business and small farm loans.

FNBO has five subsidiaries, including the First National of Nebraska Community Development Corporation (CDC). The remaining subsidiaries provide merchant processing, equipment leasing, and data processing services. We considered the bank's activities with the CDC when evaluating community development loans and qualified investments. The remaining subsidiaries did not have an influence on the bank's capacity to lend or invest in its communities.

For purposes of CRA evaluation, FNBO is an intrastate bank with offices located in Nebraska only. The bank has 15 office locations and 55 automated teller machines (ATMs) in the Omaha market, two offices and three ATMs in Beatrice, Nebraska, and one office and one ATM in David City, Nebraska.

First National of Nebraska, Inc. (FNNI) owns 99.6% of the bank. FNNI is a multi-bank holding company headquartered in Omaha, Nebraska. The holding company has consolidated assets of \$8.4 billion. FNNI owns five banks in Nebraska, three banks in Colorado, one bank in South Dakota, one bank in Kansas, and two trust companies.

As of December 31, 1999, FNBO had \$4.4 billion in total assets and Tier 1 capital of \$246 million. The bank's loan-to-deposit ratio on that date was 89% and net loans represented 68% of total assets. By dollar amount, the loan portfolio consisted of the following types of credit: 33% commercial and commercial real estate; 12% agricultural and agricultural real estate; 6% one- to four-family residential real estate; 8% other real estate; 4% consumer; and 4% other loans. Credit card receivables comprised the remaining 33% of the bank's loan portfolio. The loan-to-deposit ratio and loan portfolio mix do not reflect the volume of home purchase and refinance mortgage loans originated by FNBO and sold on the secondary market. In 1997 and 1998, there were 1,429 such loans totaling \$137 million.

There are no known legal, financial, or other impediments that would hamper FNBO's ability to help meet the credit needs of its AAs. There were no merger or acquisition activities during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

With the exception of community development (CD) loans, the evaluation period for the Lending Test was January 1, 1997 through December 31, 1998. For CD loans, the Investment Test, and the Service Test, the evaluation period was February 19, 1997 through June 30, 1999.

For the Lending Test, we evaluated FNBO's origination of home mortgage loans, small loans to businesses, and CD loans. We evaluated FNBO's origination of small loans to farms in the non-metropolitan assessment areas. We did not evaluate these loans in the Omaha assessment area, as the volume was not significant enough to perform a meaningful analysis (less than 1% of the number of loan originations in the assessment area over the evaluation period).

While credit card loan receivables comprised a large portion of the bank's loan portfolio, we did not include these loans in the analysis of borrower and geographic distribution of loans. The receivables represent a loan product offered nationwide. As a result, the vast majority of credit card borrowers are outside FNBO's assessment areas. When analyzing lending activity, we took into consideration whether credit card loan receivables were held to the detriment of borrowers within the assessment areas.

Data Integrity

As part of the CRA evaluation, we tested the accuracy of FNBO's publicly filed information on home mortgage loans, small loans to businesses, and small loans to farms. We found no significant errors in any of the publicly filed data we tested.

We reviewed CD loans, investments, and services submitted by FNBO management to ensure they met the regulatory definition for community development. We excluded from this evaluation some items submitted by FNBO for consideration because they did not meet the definition or purpose of community development.

Selection of Area for Full-Scope Review

The bank has three assessment areas. We performed a full-scope review for the Omaha assessment area. This AA represents FNBO's major market and accounts for approximately 95% of the bank's deposit activity and 86% of the bank's local lending activity over the evaluation period.

For purposes of analyzing performance and presenting data in this evaluation, we combined the non-metropolitan Beatrice, NE and David City, NE AAs. These AAs are geographically proximate and have similar performance contexts. Refer to Appendix A for additional information regarding which areas received full-scope and limited-scope reviews.

Ratings

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

When determining conclusions for the Lending Test, we weighted loan products to be reflective of FNBO's loan volume by product type over the evaluation period within the AAs. In the Omaha AA, we weighted home mortgage products more heavily than small loans to businesses. As previously mentioned, we did not evaluate small loans to farms. In the non-metropolitan assessment areas, we weighted small loans to farms more heavily than small loans to businesses and mortgage loan products. Within home mortgage lending for all assessment areas, home mortgage refinance products carried more weight than home mortgage purchase or home improvement loan products because of the higher volume of home mortgage refinance loans. Refer to "Lending Activity" under Lending Test conclusions for further details.

The data in the tables in Appendix C include all reportable loans within the bank's assessment areas. This includes originations from national or regional business and farm loan products, as well as originations from loan products targeted to local businesses and farms. When evaluating the geographic and borrower distribution of small loans to businesses within the Omaha assessment area, we focused on the distribution of loan originations from products targeted to the local assessment areas. The bank primarily uses these products to help meet community credit needs.

Other

We performed one community contact during the examination and reviewed 14 contacts completed in the Omaha AA since the bank's last CRA examination. Organizations contacted included a mixture of government officials, economic development organizations, housing organizations, and trade associations. The organizations focused on affordable housing and homeowner counseling for low- and moderate-income (LMI) individuals, economic development by attracting and financing small businesses, revitalization and stabilization of LMI neighborhoods, and real estate services within the Omaha MSA.

In the Omaha MSA, the contacts stated the primary needs relate to affordable housing and financing for small businesses. The need for affordable housing is significant as the majority of contacts noted a limited supply of housing units in the Omaha MSA that are affordable to LMI persons. To promote business growth and development, especially in LMI areas of the MSA, many contacts noted a need for equity or venture capital financing for small business start-ups. We considered the needs for affordable housing and small business financing throughout the AA in our evaluation of FNB's performance under the Lending, Investment, and Service Tests. Refer to the Market Profile in Appendix B of this evaluation for more information.

Fair Lending Review

We performed a comparative analysis of home purchase mortgage loans to determine compliance with anti-discrimination laws. The analysis consisted of comparing all home purchase mortgage loans originated within the Omaha MSA during 1998. Examiners compared loans originated to white applicants with loans originated to black applicants. In a separate analysis, we compared loans originated to white applicants with loans originated to Hispanic applicants. In both analyses, we compared interest rates, terms, and other credit features to determine whether applicants were treated similarly regardless of race or ethnic background. We did not identify any violations of the substantive provisions of anti-discrimination laws and regulations. The rates and terms granted to black and Hispanic borrowers were comparable to those granted to white borrowers.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Lending Test is rated "High Satisfactory." This is based primarily on FNBO's good performance in the Omaha assessment area, which received a full-scope review.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity. Small business loans listed in the table include 2,119 loans totaling \$321 million originated under loan programs targeted to local markets and 893 loans totaling \$14 million originated under national or regional loan programs offered by FNBO.

In the Omaha AA, approximately 54% of the loans originated by the bank during the evaluation period were home mortgage loans, with small business loans comprising the majority of the remainder. When excluding business loans originated under national or regional loan programs, home mortgage loans comprised 63% of all reported loans during the evaluation period, with small business loans comprising the remainder. The volume of FNBO's small farm loan originations within the Omaha AA, at less than 1%, was not material. Among HMDA-reportable loans, approximately 49% were for home mortgage refinance, 33% were for home improvement, and 18% were for home purchase.

Competition for home mortgage and small business loans was significant within the Omaha AA. Over 240 lenders reported one or more HMDA loans and over 70 lenders reported one or more small business loans in the Omaha assessment area in 1998. These reporters included many non-bank lenders. To analyze FNBO's lending activity; we determined the bank's market share of deposits and loan originations among depository financial institutions and their mortgage company affiliates that have banking offices within the AA.

FNBO's lending activity was adequate in the Omaha AA. Based on FDIC deposit market share data as of June 30, 1999, FNBO was the largest deposit taking financial institution in the AA with a 37% market share. The next largest financial institution had a deposit market share of 15%. Based on 1998 aggregate HMDA data, FNBO ranked fourth among financial institution reporters for home purchase loans, with a 10% market share. This was considerably behind the two largest reporters of home purchase loans, who had market shares of 26% and 23%, respectively. Less than one percentage point separated the third ranked reporter from FNBO. For home improvement loans, FNBO ranked first with a 23% market share. The next largest reporter had a 17% market share. For home mortgage refinance loans, FNBO ranked third with a 16% market share among financial institutions. FNBO was considerably behind the two largest reporters of home mortgage refinance loans, who had market shares of 32% and 27%, respectively.

Based on 1999 aggregate CRA data, FNBO dominated the market of financial institutions reporting small loans to businesses. FNBO ranked first with a 30% market share. The next largest reporter had an 18% market share.

FNBO did not hold credit card receivables to the detriment of borrowers within the assessment area. During the evaluation period, the bank's total loan volume other than credit card receivables increased 57%. During the same time period, credit card loans as a percent of average gross loans decreased from 54% to 42%.

Distribution of Loans by Income Level of the Geography

The geographic distribution of FNBO's home mortgage loans and small loans to businesses reflected adequate penetration throughout the Omaha AA geographies. Performance for home purchase and home mortgage refinance loans was adequate, while performance for home improvement loans and small loans to businesses was stronger. We did not identify any conspicuous gaps in the geographic distribution of loans. The percentage of loans originated within the bank's AA was adequate.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans was adequate in the Omaha AA.

FNBO's geographic distribution of home purchase and home mortgage refinance loans was adequate. For both loan products, the bank's portion of these loans made in LMI geographies was below the portion of owner-occupied housing units that are within those geographies. Similarly, the bank's market share of such loans made in LMI census tracts was below the bank's overall market share for home purchase and home mortgage refinance loans in the Omaha AA.

Home improvement loan geographic distribution was good. The percentage of FNBO's home improvement loans in low-income geographies met the percentage of owner-occupied housing units that are within those geographies. Also, the portion of the bank's home improvement loans in moderate-income census tracts was near to the portion of owner-occupied housing units located in those tracts. For both LMI geographies, the bank's market share of home improvement loans made in these geographies was below the bank's overall market share for home improvement loans in the Omaha AA.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

FNBO's geographic distribution of small loans to businesses was good in the Omaha AA. The percentage of small loans to businesses made in low-income geographies slightly exceeded the percentage of businesses within those geographies. The portion of these loans in moderate-income geographies was near to the percentage of businesses located within those geographies. The market share for small loans to businesses in both LMI geographies exceeded the bank's overall market share for small business loans in the AA.

Performance declined slightly when eliminating loans originated under the bank's national or regional loan programs. For loans originated under local business lending programs only, the bank originated 5% in low-, 10% in moderate-, 40% in middle-, and 45% in upper-income geographies. The portion of loans made in low-income tracts met the percentage of businesses within those geographies. The portion of these loans in moderate-income geographies was somewhat below the portion of businesses located in those tracts.

Small Loans to Farms

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to farms. We did not analyze small loans to farms in the Omaha AA due to the small volume.

Lending Gap Analysis

We reviewed maps and reports of FNBO's home mortgage loans and small loans to businesses in the Omaha AA to identify gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps.

Inside/Outside Ratio

An adequate percentage of the bank's home mortgage loans, small loans to businesses and farms, and CD loans were within its AAs. For all reported loans during the evaluation period, FNBO originated 47% by number within its AAs. While this was less than the majority of the bank's reported loans, it did not have a negative impact on the overall analysis of geographic distribution of lending. The large volume of loans originated under national and regional lending programs significantly impacted this percentage. When excluding these loans, the percentage of reported loans originated within the bank's AAs increased significantly to 92%. We performed this analysis at the bank level instead of the AA level.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of FNBO's home mortgage loans and small loans to businesses reflected a good dispersion among borrowers of different income levels throughout the Omaha AA. Performance was stronger for home mortgage loans than for small loans to businesses, as detailed below.

When evaluating the borrower distribution of FNBO's home mortgage loans in the Omaha AA, we considered the difficulty in originating home mortgage loans to LMI borrowers due to the limited supply of homes in the market that were affordable to them. As a result, expectations were lower, particularly for lending to low-income borrowers. Refer to Appendix B for details on the availability of housing affordable to LMI borrowers in the Omaha AA.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

FNBO achieved a good borrower distribution of home mortgage loans. While performance was stronger for home purchase and home improvement loans, the bank's distribution of refinance loans carried more weight in the overall conclusion for home mortgage loans because of the higher volume of these originations.

The bank's borrower distribution of home purchase and home improvement loans was excellent in the Omaha AA. For both loan products, FNBO's percentage of loans to moderate-income borrowers exceeded the percentage of families in the AA that were moderate-income. The bank's portion of each loan product to low-income borrowers was below the portion of families in the assessment area that were low-income. Performance was still considered strong given the limited availability of affordable housing for low-income persons.

Performance was also strong when looking at market share data. The bank's market share of home purchase loans to low-income borrowers (3.7%) and moderate-income borrowers (3.3%) met or substantially met the bank's overall market share for home purchase loans (3.6%). For home improvement loans, the bank's market share of loans to moderate-income borrowers slightly exceeded the bank's overall market share. FNBO's market share of home improvement loans to low-income borrowers was somewhat below the bank's overall market share.

Borrower distribution of home mortgage refinance loans was good. FNBO's percentage of refinance loans to moderate-income borrowers was near to the portion of families in the Omaha AA area that were moderate-income. The bank's portion of refinance loans to low-income borrowers was below the percentage of families in the AA area that were low-income. Performance was still considered good given the housing shortage for low-income persons. Market share data also showed good performance. FNBO's market share of refinance loans to both LMI borrowers was close to the bank's overall market share for home mortgage refinance loans.

Small Loans to Businesses

Refer to Table 10 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 borrower distribution of small loans to businesses was adequate in the Omaha AA. The bank's portion of loans to businesses with gross annual revenues of \$1 million or less was significantly below the percentage of businesses in the AA with revenues of \$1 million or less. It was also below the percentage of loans to businesses with revenues of \$1 million or less for all lenders in the AA. In addition, the bank's market share of loans to businesses with revenues of \$1 million or less was below its overall market share of small loans to businesses.

When eliminating loans originated under FNBO's national or regional loan programs, performance ratios improved considerably. For loans originated under local business lending programs only, the bank originated 47% to businesses with revenues of \$1 million or less. This was close to the percentage for aggregate lenders in the AA.

Analysis of business lending by revenue size was hampered by the method FNBO used when evaluating creditworthiness of small business borrowers. Because FNBO relied heavily on other analytical tools in the credit evaluation process, it did not gather or report revenues for many loans. Overall, FNBO did not gather or report revenue data on 43% of all small loans to businesses it reported in the Omaha AA during the evaluation period. This practice was concentrated in the national or regional lending programs, where the bank did not collect or report revenue data for 98% of the small business loans extended under national or regional programs. In comparison, the bank did not collect or report revenue data for 19% of loans extended under local lending programs. When looking at the distribution of only loans with reported revenues, we noted the percentage of loans with revenues of \$1 million or less increased to 58% for all loans in the AA and for just those originated under local lending programs.

Another indication of the bank's adequate performance was the percentage of loans originated in amounts of \$100,000 or less. Loan size often loosely correlates to the size of the business. During the evaluation period, FNBO originated 74% of its reported loans to businesses in amounts of \$100,000 or less, regardless of the revenue size of the business. This was below the portion for all lenders reporting loans in the Omaha AA, which was 80%. When looking at reported business loans originated under local lending programs only, the bank's percentage of loans in amounts of \$100,000 or less decreased to 64%.

Small Loans to Farms

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to farms. We did not analyze small loans to farms in the Omaha AA due to the small volume.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive impact on Lending Test conclusions. FNBO was a leader in making CD loans in the Omaha AA. The bank originated 128 loans totaling \$27 million in the Omaha AA. We considered several of the loans complex, primarily due to the involvement of various funding sources and partnerships with government entities, private developers, and other financial institutions. Also, the bank was innovative in creating a community development corporation to help address credit needs of the Omaha AA.

The following page summarizes a sample of the most significant loans.

- FNBO was the largest participant and provider of funds to a nonprofit community development intermediary serving the Omaha MSA. The intermediary provides nonprofit developers of affordable housing for LMI with access to capital and technical assistance. A consortium of financial institutions work with the organization to provide a pool of loan funds for home mortgages for LMI applicants. The number of financial institutions participating in the consortium and each bank's proportionate share changes each year. For example, seven financial institutions participated in the consortium in 1999, and FNBO's proportionate share was 36%.

During the evaluation period, the intermediary originated 108 home mortgage loans to LMI individuals in the Omaha MSA. FNBO's proportionate share of these loans was \$1.8 million. Separately from the consortium, FNBO provided a \$350,000 revolving line of credit to the organization to fund project loans on a temporary basis. Also, the bank originated three construction loans totaling \$191,000 to the organization. FNBO provided the largest subsidy payment to the intermediary and served as custodian for the loan pool. We included these activities in our analysis of the Investment and Service Tests.

- In November 1998, FNBO established the First National of Nebraska Community Development Corporation (CDC), a wholly-owned subsidiary of the bank. The CDC's current focus is on projects that will provide affordable housing, job creation and retention, and assistance to new and existing small businesses in LMI areas in the Omaha AA. FNBO provided a \$7 million revolving line of credit to the CDC. To date, the line of credit has only been used to purchase FNBO's share of the consortium loans mentioned above.
- FNBO maintained good working relationships with several affordable housing developers. During the evaluation period, the bank originated nine loans totaling \$3.8 million for the construction or renovation of 92 units of affordable housing. This included 40 multi-family rental units and 52 single-family owner-occupied homes in the Omaha AA. The majority of these loans involved complex financing arrangements with tax incremental financing or low-income housing tax credits.
- The bank provided five loans totaling \$11.9 million for various projects to stabilize or revitalize low- or moderate-income areas in the Omaha AA. Most of the projects involved tax incremental financing and were located in a Federal Housing and Urban Development (HUD) Enterprise Community and a State of Nebraska Enterprise Zone.

Product Innovation and Flexibility

During the evaluation period, FNBO participated in several flexible lending programs to help meet the credit needs of borrowers in the Omaha AA. The bank was particularly active in several government-sponsored, subsidized home loan programs that benefit LMI borrowers. These loan programs generally have reduced down payment requirements and more liberal underwriting criteria than conventional loans. The bank's participation in these programs received positive consideration in our analysis of Lending Test performance. We included the loan originations discussed below in the data on HMDA loans and small loans to businesses contained in the tables in Appendix C.

FNBO actively participated in several housing loan programs sponsored by the federal government. During the evaluation period, the bank originated 117 loans totaling \$8.7 million under Federal Housing Authority (FHA) loan programs and 57 loans totaling \$4.9 million under Veteran's Administration (VA) loan programs. FNBO was approved as a construction lender for both Fannie Mae's and Freddie Mac's Low Income Housing Tax Credit programs. The bank was also approved for Fannie Mae's Community Lending Program and participated in the Fannie 97 program. This program requires only a 3% down payment for qualified homebuyers. No information was available on the volume of loans originated under these programs.

The bank participated in the Nebraska Investment Finance Authority (NIFA) loan program. NIFA's Homebuyer Assistance program provides financing to qualified LMI borrowers throughout Nebraska. The program offers reduced interests rates and lower down payment requirements than traditional mortgage loan programs. During the evaluation period, the bank originated 83 NIFA loans totaling \$4.9 million.

FNBO originated 21 loans totaling \$188,000 under the City of Omaha's Reinvestment Area Program (RAP). RAP is a subsidized loan program designed to help LMI borrowers obtain funds for home improvement and rehabilitation of their residences. The program is targeted to specific LMI geographies of Omaha. The City of Omaha provides up to 40% of project costs from community development block grant funds. During the evaluation period, the City of Omaha budgeted \$150,000 for the program annually.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the non-metropolitan areas (Beatrice and David City AAs) was not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Investment Test is rated "Outstanding." This is based primarily on FNBO's excellent performance in the Omaha AA, which received a full-scope review.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, FNBO made \$24.2 million in qualified investments. Of this amount, \$23.9 million directly benefited the Omaha AA, and \$265,000 benefited statewide or regional areas that included all three of the bank's AAs. The volume of investments benefiting the Omaha AA was excellent, given the moderate community development opportunities in the AA (refer to the market profile in Appendix B).

FNBO took the initiative to develop new investment opportunities by creating a subsidiary community development corporation and by playing a key role in the City of Omaha's Downtown Northeast Redevelopment Plan. Both of these projects were considered complex investments. The impact of the bank's qualified investments on the community was high. All of the investments addressed identified needs for affordable housing, financial assistance for small businesses, and revitalization of LMI areas.

The following highlights FNBO's qualified investments:

- \$15.3 million partial cost to build an operations center in downtown Omaha. The operations center is part of the City of Omaha's Downtown Northeast Redevelopment Plan. This plan is a city-sponsored project to revitalize a low-income area that the city declared blighted. The area is also part of a HUD Enterprise Community, is a State of Nebraska Enterprise Zone, and is recognized as a Distressed Community under the U.S. Treasury Department's Community Development Financial Institution Fund. The operations center provided permanent jobs to over 400 persons, the majority of whom were low- to moderate-income. The center, which is not a bank branch facility, houses the bank's mainframe computers, check processing, coin and currency processing, incoming mail, printing, cash management, and credit card embossing activities.

According to bank data, the total cost of the building was \$64.1 million. FNBO financed the building via a five-year lease, with options to renew the lease for four one-year extensions. At this time, the bank expects to pay for the building over an approximate seven-year period. The \$15.3 million qualified investment represents the portion of the total cost allocated to the evaluation period.

- \$6.9 million in City of Omaha Tax Increment Revenue Bonds. The bonds were for the acquisition and preparation of land in downtown Omaha as part of the Downtown Northeast Redevelopment Plan.
- \$100,000 equity investment in the First National of Nebraska Community Development Corporation. Refer to "Community Development Lending" under Lending Test conclusions for details on this newly-created CDC.
- \$1.9 million in contributions and grants to 80 organizations that have CD activities as their primary purposes. This included \$1.6 million to 77 organizations serving the Omaha AA and \$265,000 to three organizations serving statewide or regional areas that include all three of FNBO's AAs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the non-metropolitan assessment areas is weaker than the bank's overall "Outstanding" performance under the Investment Test. Refer to Table 12 in Appendix C for the facts and data that support these conclusions.

The weaker performance in the non-metropolitan assessment areas was due to the considerably lower volume of investments. This did not negatively impact the overall conclusion for the Investment Test. We took into consideration the limited opportunities for investment in these rural areas. We also considered the indirect impact of the \$265,000 FNBO contributed to organizations serving statewide or regional areas that included these markets.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Service Test is rated "High Satisfactory". This is based primarily on FNBO's good performance in the Omaha AA, which received a full-scope review.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery systems.

The bank's service delivery systems were accessible to geographies and individuals of different income levels in the Omaha AA. The percentage of the bank's branches located in low-income census tracts significantly exceeded the portion of the population located in those tracts. FNBO had a considerably lower representation in moderate-income geographies compared to the percentage of the population that resided in those areas. This was mitigated by one branch located in a middle-income geography that provided reasonable access for residents of several nearby LMI census tracts. The vast majority of all LMI geographies in the AA were within two miles of an FNBO bank branch.

FNBO's record of opening and closing branches did not adversely affect the accessibility of its delivery systems. During the evaluation period, the bank closed two branches in upper-income census tracts, opened one branch in a middle-income geography, and opened one branch in an upper-income tract.

The bank's hours and services offered throughout the Omaha AA were good. Hours and services did not vary in a way that inconvenienced the AA, in particular LMI geographies or individuals. FNBO supplements its banking hours and services provided Monday through Friday with Saturday hours at the majority of branches, including those located in LMI census tracts, and Sunday hours at two locations, including one branch located adjacent to several LMI geographies. Office hours and services, including the availability of loan officers for all loan products, were comparable among locations regardless of the income level of the geography.

FNBO offered a no minimum balance checking account that allowed customers, including those who were LMI, to maintain accounts without fees. The bank also offered a no-fee checking account tailored to senior citizens.

The bank's ATM network offered a reasonably effective alternative system for delivering retail banking services in LMI geographies and to LMI individuals. The percentage of ATMs located in low-income geographies significantly exceeded the portion of the population located in these areas. Similar to the branch distribution, the portion of ATMs located in moderate-income tracts was considerably below the percentage of the population residing in these areas. Six ATMs located in middle-income geographies were located near numerous LMI census tracts and provided reasonable access for residents of these areas.

FNBO also had five deposit-taking ATMs located in buildings with controlled access. The ATMs were for the use of employees located in these buildings and were not open to the general public. The location of these ATMs included three in low-income geographies, one in a middle-income tract, and one in an upper-income area. We did not include these ATMs in the data in Table 13 in Appendix C.

Other alternative delivery systems included telephone and Internet banking. Telephone banking provided 24-hour access to personal bankers. Both systems allowed customers to apply for deposit accounts and loans, check account balances, transfer funds, and make payments on accounts. Internet banking services became available during 1999. No information was available on the effectiveness of the telephone banking and Internet banking services in reaching LMI geographies or individuals. We did not place significant weight on these alternative delivery systems when drawing conclusions under the Service Test.

Community Development Services

FNBO provided a relatively high level of CD services to many organizations throughout the Omaha AA. Bank representatives often served in leadership roles, including executive officers, Board members, chairs of finance and executive committees, and overseers of budget and fund-raising activities. Organizations assisted were involved in a variety of CD activities, including affordable housing, community services targeted to LMI individuals, and economic development activities targeted to small businesses.

In total, almost 50 FNBO representatives used their financial expertise to provide services to over 30 CD organizations serving the Omaha AA or regional or statewide areas that included Omaha. Services provided were responsive to community needs, including the needs for affordable housing and assistance to small businesses. None of the activities were particularly innovative.

The following are examples of CD services FNBO representatives provided in the Omaha AA during the evaluation period:

- FNBO served as the custodian for a pool of loan funds provided by a consortium of financial institutions to a nonprofit community development intermediary. Refer to "Community Development Lending" under Lending Test conclusions for details on the intermediary and consortium. As custodian, FNBO maintained the loan pool and the loan loss reserve accounts. The bank handled funding of individual project loans and coordinated collecting proportionate shares from loan pool participants.

In addition to serving as custodian of the loan pool account, one bank officer served as a vice president and Board member of the intermediary. In these roles, she served on the organization's executive, finance, and loan committees and helped underwriter residential loans to LMI borrowers. Another bank officer served as a Board member and on the loan committee. Combined, the officers spent about 300 hours per year on these activities.

- A bank representative served as Board chairman of a statewide intermediary that supplies operational grants and evergreen loan pools to local micro-enterprise councils for economic development of small businesses. As Board chairman, the bank representative approved all grants and worked to develop new lending products for micro-enterprise.
- A bank representative served as an Advisory Board member and was involved in grant writing for a nonprofit organization working to stop deterioration of LMI neighborhoods and

to provide affordable housing for LMI families. The organization purchases and rehabilitates substandard housing and builds houses on vacant inner city lots, selling these homes to LMI families.

- Two bank officers provided advice on credit counseling to the Board of a regional consumer credit counseling service. One officer also served on the Board of Directors and on marketing and advertising committees.
- Almost 30 FNBO representatives assisted over 20 organizations that provide community services targeted to LMI individuals. Bank representatives served as officers, directors, and committee members of these organizations, providing financial expertise in fund raising, budgeting for programs, strategic planning, marketing, and investment strategies. Community services provided by the organizations included temporary housing, job counseling, food assistance, child care, education, health care, drug and alcohol prevention programs, and family counseling.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the non-metropolitan assessment areas was stronger than the bank's overall "High Satisfactory" performance under the Service Test. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

The stronger performance was centered in the excellent accessibility of FNBO's offices in the non-metropolitan assessment areas. The portion of FNBO's offices in moderate-income geographies (there were no low-income geographies) exceeded the percentage of the population living in such geographies. This stronger performance did not raise the level of the bank's overall performance under the Service Test.

Appendix A: Scope of Examination

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 Δ Full-Scope Δ) and those that received a less comprehensive review (designated by the term Δ Limited-Scope Δ).

Time Period Reviewed	Lending Test: January 1, 1997 to December 31, 1998 Investment Test: February 19, 1997 to June 30, 1999 Service Test: February 19, 1997 to June 30, 1999	
Financial Institution	Products Reviewed	
First National Bank of Omaha (FNB) Omaha, Nebraska	Home mortgage loans, small loans to businesses and farms, and community development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA - No affiliate products reviewed.		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Omaha, NE MSA #5920	Full-Scope	Metropolitan AA consisting of Douglas and Sarpy Counties
Beatrice, NE	Limited-Scope	Non-metropolitan AA consisting of Gage County, Johnson County, and a portion of Jefferson County
David City, NE	Limited-Scope	Non-metropolitan AA consisting of Butler County

Appendix B: Market Profile for Full-Scope Area

Omaha, NE MSA # 5920 Assessment Area

Demographic Information for Full-Scope Area: Omaha, NE MSA # 5920						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	131	11%	27%	37%	24%	1%
Population by Geography	519,027	6%	20%	42%	32%	0%
Owner-Occupied Housing by Geography	122,395	3%	17%	46%	34%	0%
Businesses by Geography	17,926	5%	14%	42%	39%	0%
Farms by Geography	440	1%	9%	53%	37%	0%
Family Distribution by Income Level	135,014	17%	18%	25%	40%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	46,688	11%	33%	41%	15%	0%
Median Family Income	\$36,011	Median Housing Value				\$60,386
HUD Adjusted Median Family Income for 1999	\$53,600	Unemployment Rate				2.76%
Households Below the Poverty Level	9.90%					

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

Source: 1990 U.S. Census and 1999 HUD updated MFI.

FNBO designated Douglas and Sarpy Counties as their AA within the Omaha, NE-IA MSA #5920. The MSA consists of five counties, including one county in Iowa; however, FNBO limited their AA to the two counties that contain the metropolitan Omaha area. The bank had its head office, 14 branches, and 55 ATMs within this AA. As of June 30, 1999, 95% of FNBO's deposits were attributed to this area. Over the evaluation period, the bank derived 93% of its reported home mortgage loans and 91% of its reported small loans to businesses from the Omaha AA.

The bank's deposits in the Omaha AA area total approximately \$3.2 billion. Based on FDIC deposit market share data as of June 30, 1999, this equated to a 37% deposit market share and ranked FNB as the largest deposit taking financial institution in the AA. FNBO dominated the market, as the second largest deposit taking institution had a 15% market share.

Competition among financial institutions is strong. Twenty-nine financial institutions operated 182 banking offices in FNBO's AA as of June 30, 1999. Primary competitors include Wells Fargo, U.S. Bank, N.A., Commercial Federal Bank, Great Western Bank, and American National Bank.

The economy is strong. While Omaha serves as a regional service and trade center, diversification exists through agriculture and related processing, industries, communications, telemarketing, medical, data processing, and insurance related businesses. The well-diversified economy has kept the area's annual unemployment rate well under the national rate throughout the past decade. The 1998 average unemployment rate for the metro Omaha area was 2.0%, compared to the U.S. unemployment rate of 4.5%. The low unemployment often makes it difficult for businesses to attract and retain skilled labor. Major employers include Offutt Air Force Base, Alegent Health, First Data Card Services Group, Omaha Public Schools, and the University of Nebraska Medical Center.

We performed one community contact during the examination and reviewed 14 contacts completed in the Omaha assessment area since the bank's last CRA examination. Refer to "Scope of the Evaluation" for details on the types of organizations contacted and their primary focus. In the Omaha MSA, the contacts stated primary needs relate to affordable housing and financing for small businesses.

The need for affordable housing is significant as the majority of contacts noted a shortage of homes in the Omaha MSA that are affordable to LMI persons. Contact estimates on the maximum home value low-income families could afford in the Omaha MSA ranged from \$55,000 to \$80,000. The estimates were based on current interest rates, the updated HUD median family income, and traditional lending standards. Data from a local realtor association indicated only about 15% of area homes sold for \$80,000 or less in 1998. Only 9% of area homes sold for \$55,000 or less.

The average selling price of homes in the Omaha metro area has been steadily creeping up. Between 1993 and 1999, the average selling price has climbed almost 48%. In 1999, the average selling price of homes was over \$118,000.

The most significant business-related credit needs are for equity or venture capital financing for small businesses. Contacts stressed attracting, retaining, and expanding small businesses are vital to promote business growth and development, especially in LMI geographies.

Contacts also stated a need for revitalization in the downtown area. This included a mix of large business, small business, and housing in all price ranges, but especially for LMI persons. One contact stated unemployment in the inner city was four times the metro average and there was a shortage of affordable, safe homes (both owner-occupied and rental) for working poor of the inner city.

A moderate level of resources and opportunities exist to facilitate activities to address the unmet credit and community development needs of the AA. Various LMI portions of North and South Omaha have been designated as Enterprise Communities by HUD, an Enterprise Zone by the State of Nebraska, a Distressed Community under the U.S. Treasury Department's Community Development Financial Institution Fund, or blighted areas by the City of Omaha. These designations provide incentives to lend or invest in these targeted areas and encourage partnerships with community development organizations. However, actual partnerships to date have been somewhat limited. For example, there is only one community development financial institution in the MSA. Several contacts noted there are no small business investment companies, community development corporations, or shared loan pools for small business lending serving the Omaha MSA. In general, CD donation and service opportunities are much more abundant than qualified investment securities. The most abundant example of qualified investments available during the evaluation period was \$2.8 million in low-income housing tax credits available from the Nebraska Investment Finance Authority. Competition for CD loans, investments, and services in the AA is high and consists primarily of financial institutions.

Appendix C: Tables of Performance Data

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: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.
- 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 rank and 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 Refinance Loans** See Table 2.
- Table 5. 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. 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 rank and market share information based on the most recent aggregate market data available.
- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 8. Borrower Distribution of Home Improvement Loans** See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** See Table 7.
- Table 10. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 11. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 12. Qualified Investments** Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** Compares the percentage distribution of the number of the bank's branches and ATMs in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME													
State: Nebraska													
Evaluation Period: January 1, 1997 to December 31, 1998													
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*		Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full-Scope:													
Omaha, NE MSA # 5920	95%	3,592	230,688	3,012	334,726	53	7,994	128	26,953	6,785	600,361	86%	
Limited-Scope:													
Non-MSA Assessment Areas	5%	284	9,153	285	6,737	568	22,137	4	401	1,141	38,428	14%	

* Deposit data as of June 30, 1998.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															
State: Nebraska															
Evaluation Period: January 1, 1997 to December 31, 1998															
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*			Market Share by Geography*		Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	Overall	Market Rank*	Low	Mod	Upp	#	% of Total**
Full-Scope:															
Omaha, NE MSA # 5920	3%	1%	17%	10%	46%	38%	34%	51%	9	4%	2%	3%	4%	635	90%
Limited-Scope:															
NonMSA Assessment Areas	NA	NA	4%	4%	96%	96%	NA	NA	1	23%	NA	20%	NA	70	10%

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home purchase loans originated in the MSA/AA as a percentage of all home purchase loans originated in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Improvement Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Omaha, NE MSA # 5920	3%	3%	17%	14%	46%	44%	34%	39%	1	18%	10%	14%	18%	20%	1,173	92%
Limited-Scope:																
NonMSA Assessment Areas	NA	NA	4%	6%	96%	94%	NA	NA	1	57%	NA	60%	56%	NA	99	8%

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home improvement loans originated in the MSA/AA as a percentage of all home improvement loans originated in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Omaha, NE MSA # 5920	3%	1%	17%	7%	46%	39%	34%	53%	3	8%	5%	6%	7%	8%	1,768	94%
Limited-Scope:																
NonMSA Assessment Areas	NA	NA	4%	8%	96%	92%	NA	NA	2	18%	NA	30%	17%	NA	113	6%

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*			Total Small Business Loans				
	% of Businesses	% of Businesses	% of Businesses	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Omaha, NE MSA # 5920	5%	14%	11%	39%	44%	1	23%	35%	26%	25%	20%	3,102	91%	
Full-Scope:														
Limited-Scope:														
NonMSA Assessment Areas	NA	17%	19%	83%	81%	1	37%	NA	59%	37%	NA	285	9%	

(*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*			Total Small Farm Loans				
	% of Farms	% of Farms	% of Farms	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Omaha, NE MSA # 5920	1%	9%	24%	53%	53%	2	14%	0%	100%	9%	19%	53	8%	
Full-Scope:														
Limited-Scope:														
NonMSA Assessment Areas	NA	4%	1%	96%	99%	1	43%	NA	100%	44%	NA	568	92%	

(*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE State: Nebraska Evaluation Period: January 1, 1997 to December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**			Market Share by Borrower Income**			Total Home Purchase Loans	
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full-Scope:																
Omaha, NE MSA # 5920	17%	10%	18%	21%	25%	29%	40%	40%	9	4%	4%	3%	4%	635	90%	
Limited-Scope:																
NonMSA Assessment Areas	17%	3%	19%	34%	27%	37%	37%	26%	1	23%	20%	35%	18%	70	10%	

(*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by the bank in the Omaha, NE AA and 3% in the NonMSA AAs.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated in the MSA/AA as a percentage of all home purchase loans originated in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT State: Nebraska Evaluation Period: January 1, 1997 to December 31, 1998																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**			Market Share by Borrower Income**			Total Home Improvement Loans	
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full-Scope:																
Omaha, NE MSA # 5920	17%	10%	18%	20%	25%	30%	40%	40%	1	18%	15%	19%	17%	1,173	92%	
Limited-Scope:																
NonMSA Assessment Areas	17%	6%	19%	24%	27%	37%	37%	33%	1	57%	0%	58%	72%	99	8%	

(*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by the bank in the Omaha, NE AA and 1% in the nonMSA AAs.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated in the MSA/AA as a percentage of all home improvement loans in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998		Total Home Mortgage Refinance Loans									
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share by Borrower Income**			Overall Market Rank**	Total #	% of Total***	
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	Overall	Low	Mod				Upp
Omaha, NE MSA # 5920	17%	7%	18%	15%	25%	30%	40%	48%	3	8%	7%	8%	8%	1,768	94%
Limited-Scope:															
NonMSA Assessment Areas	17%	13%	19%	15%	27%	38%	37%	34%	2	18%	17%	14%	23%	113	6%

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated by the bank in the Omaha, NE AA and 3% in the NonMSA AAs.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: Small Loans to Businesses		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998							
MSA/Assessment Area:	Businesses with Revenues of \$1 Million or Less		Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Businesses				
	% of Businesses*	% Bank Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	Revenues \$1 Million or Less				
Omaha, NE MSA # 5920	69%	33%	50%	74%	13%	13%	23%	16%	3,012	91%	
Full-Scope:											
NonMSA Assessment Areas	75%	95%	82%	99%	0%	1%	37%	41%	285	9%	
Limited-Scope:											

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) 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 43% of small loans to businesses originated and purchased by the bank in the Omaha, NE AA and 2% in the nonMSA AAs.

(***) The market consists of all Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.

(****) Based on 1998 Aggregate Small Business Data only.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: Small Loans to Farms		State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998						
MSA/Assessment Area:	Farms with Revenues of \$1 Million or Less			Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Farms		
	% of Farms*	% Bank Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Revenues \$1 Million or Less	#	\$ of Total *****
Omaha, NE MSA # 5920	91%	45%	83%	51%	30%	19%	14%	6%	53	8%
Full-Scope:										
NonMSA Assessment Areas	98%	100%	96%	91%	7%	2%	43%	45%	568	92%

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) 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 32% of small loans to farms originated and purchased by the bank in the Omaha, NE AA and 0% in the nonMSA AAs.

(***) The market consists of all Small Farms reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.

(****) Based on 1998 Aggregate Small Farm Data only.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
		State: Nebraska		Evaluation Period: February 19, 1997 to June 30, 1999					
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000)	% **	#	\$ (000)	% **	#	\$ (000)	% of Total \$
Full-Scope:									
Omaha, NE MSA # 5920	0	\$0	0%	84	\$24,210	100%	84	\$24,210	> 99%
Limited-Scope:									
NonMSA Assessment Areas	0	\$0	NA	3	\$4	100%	3	\$4	< 1%

(*) "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.
 (**) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

Table 13. Distribution of Branch and ATM Delivery Systems

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEMS																	
		State: Nebraska		Evaluation Period: February 19, 1997 to June 30, 1999													
MSA/Assessment Area:	Deposits	Branches			ATMs			Population									
		# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies	# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies	% of the Population Within Each Geography									
		Low	Mid	Upp	Low	Mid	Upp	Low	Mid	Upp							
Omaha, NE MSA # 5920	95%	15	83%	13%	7%	60%	20%	50	93%	12%	8%	46%	34%	6%	20%	42%	32%
Full-Scope:																	
NonMSA Assessment Areas	5%	3	17%	NA	33%	67%	NA	4	7%	NA	0%	100%	NA	NA	5%	95%	NA

Source: Bank Records.