



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

June 3, 2002

Community Reinvestment Act Performance Evaluation

**Fremont National Bank And Trust Company
Charter Number: 2848**

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

Office of the Comptroller of the Currency

**Central District
One Financial Place
440 South LaSalle Street, Suite 2700
Chicago, Illinois 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.

Table of Contents

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS	3
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION	6
FAIR LENDING REVIEW	8
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	8
LENDING TEST	8
INVESTMENT TEST	13
SERVICE TEST	14
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

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

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

Performance Levels	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 levels reflected an excellent responsiveness by FNB&T to the credit needs of the bank’s assessment area (AA).
- The bank’s distribution of home purchase and home improvement loans by borrower income level was excellent.
- The bank achieved a good dispersion of loans among farms of different sizes and an adequate dispersion of loans among businesses of different sizes.
- FNB&T originated a high dollar volume of community development (CD) loans in the AA. Qualified CD loans totaled \$907,000.
- FNB&T was a leader in the community in originating flexible loans to help meet the needs of low- and moderate-income (LMI) individuals.
- The bank’s volume of qualified investments was good. Qualified investments totaled \$848,000.
- 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.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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: 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 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 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).

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

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 primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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

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

For purposes of CRA evaluation, FNB&T is an intrastate bank with offices located in Nebraska only. As of June 3, 2002, the bank's main office and three branches were located in Fremont, in east-central Nebraska. None of the offices were located in a Metropolitan Statistical Area (MSA). The bank had 13 automated teller machines (ATMs) disbursed throughout the assessment area. FNB&T had no subsidiaries and no merger or acquisition activities during the evaluation period.

The bank is a subsidiary of First National of Nebraska, Inc. (FNNI), a multi-bank holding company headquartered in Omaha, Nebraska. FNNI has consolidated assets of \$10 billion. In addition to FNB&T, FNNI owns nine national banks and two state-chartered banks located primarily in Nebraska and adjacent states in the Midwest.

As of December 31, 2001, FNB&T had \$343 million in total assets and Tier 1 capital of \$24 million. The bank's loan-to-deposit ratio on that date was 83 percent and net loans represented 71 percent of total assets. By dollar amount, the loan portfolio consisted of the following types of credit: 18 percent residential real estate; 11 percent commercial (including commercial real estate); 4 percent agricultural (including agricultural real estate); 4 percent consumer; 3 percent other real estate; and 3 percent other. Credit card participations purchased from an affiliate bank comprised the remaining 57 percent of the bank's portfolio. FNB&T sold a significant volume of its home purchase and refinance mortgage loans on the secondary market. The loan-to-deposit ratio and loan portfolio mix do not reflect these loans. During 2000 and 2001, the bank originated and sold 457 residential mortgage loans totaling \$44 million. There were no known legal, financial, or other impediments that hampered FNB&T's ability to help meet the credit needs of its AA.

The bank previously attained a "Satisfactory" rating at the last CRA examination dated May 24, 1999.

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, 1999 to December 31, 2001. The last CRA examination did not include any home mortgage, business, or farm loan data from 1999. The evaluation period for community development loans, the investment test, and the service test was from June 1, 1999 to June 3, 2002.

While credit card loan participations comprised the largest portion of the bank's loan portfolio, we did not include these loans in the analysis of borrower and geographic distribution of loans. The participations represented a loan product offered nationwide by an affiliate bank. As a result, the vast majority of credit card borrowers were outside FNB&T's AA. When analyzing lending activity, we took into consideration whether the bank purchased the credit card loan participations to the detriment of borrowers within the AA.

Data Integrity

We tested the accuracy of the bank's publicly filed information for small loans to businesses and farms as part of the CRA evaluation. We found errors regarding loan geocoding; however, we determined the level of errors did not prevent an accurate analysis of the bank's CRA performance. We did not require FNB&T to correct their business and farm loan data.

The bank was not required to collect and report data on home mortgage loans under the Home Mortgage Disclosure Act (HMDA). FNB&T did collect and maintain some data on home mortgage loans internally. We tested the accuracy of this data to determine whether we could use it for CRA analysis. For home purchase and home mortgage refinance loans sold on the secondary market, we found the level of accuracy of the collected data to be satisfactory. For home improvement loans, we found errors regarding loan purpose and geocoding. For this examination, we used a random sample of home improvement loans to evaluate the bank's lending performance.

We also reviewed CD loans, investments, and services submitted by FNB&T to ensure they met the regulatory definition for CD. We excluded from this evaluation a few items submitted for consideration because they did not meet the definition or purpose of CD.

Selection of Area 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

We based the bank's overall rating 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. We weighted all loan product types relatively equally as there was no significantly dominant loan product. During the evaluation period, small loans to businesses represented 42 percent of the total number of originated loans during the evaluation period, home mortgage loans were 34 percent, and small loans to farms were 24 percent.

The CRA regulation also gives consideration to a bank's multifamily mortgage lending. We did not include multifamily lending in our analysis as FNB&T's loan volume for this product was insignificant. As of December 31, 2001, multifamily mortgage loans represented less than 2 percent of the bank's total loans.

Other

We performed three community contacts during the examination and reviewed nine contacts completed in the AA since the last CRA examination. Organizations contacted included government officials, economic development organizations, housing organizations, and trade associations. The organizations focused on providing affordable housing for LMI individuals, community and economic development, and local business development and expansion.

The contacts stated primary needs in the AA related to affordable housing for LMI families and expanding opportunities for small business development. Contacts throughout the AA noted a limited supply of decent affordable housing for LMI persons. There was a continuing need for flexible mortgage loan programs targeted to LMI, including low down payment requirements and closing cost assistance. To promote business growth and development, contacts noted a need for incentive financing to encourage rehabilitation of older downtown buildings and equity or venture capital financing and technical assistance for small business start-ups. Several contacts noted a significant lack of sites available for small business development, especially in Fremont. For the rural areas of the AA, contacts noted a continuing need for traditional agricultural loans. Contacts stated local financial institutions offered a sufficient variety of residential real estate, commercial, and agricultural loan products to adequately meet AA needs. Finally, contacts noted the need for continued representation and expertise from financial institutions on the boards and committees of local organizations working to address community needs.

We considered these needs in our evaluation of the bank'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

An analysis of the most recent public comments, consumer complaint information, small business lending data and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1999.

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 "Outstanding." This is based on a 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. We removed "Other Products" from Table 1 in appendix C as the bank chose not to provide this optional data.

FNB&T's lending activity in the AA was excellent. The bank's volume of small loans to businesses, small loans to farms, and total mortgage loans were the primary factors supporting this conclusion.

To analyze FNB&T's lending activity, we compared the bank's deposit market share with its lending market share for small loans to businesses and farms. In comparing the market share percentages, we took into consideration that deposit market share information included only deposit-taking financial institutions that had one or more branches located in the AA. Lending market share information included lenders who did not have deposit-taking facilities in FNB&T's AA, but reported one or more business or farm loan in the area in 2000. Deposit market share data included all deposit-taking financial institutions regardless of their size. Lending market share data included primarily larger banks. CRA reporting requirements for business and farm loans are limited to banks with total assets exceeding \$250 million or more, or banks of any size that were part of a holding company with total assets of \$1 billion or more. Due to the different populations of financial institutions included in the data, we did not expect FNB&T's deposit market share and lending market share percentages to match in order for performance to be considered good.

Based on FDIC deposit market share data as of June 30, 2001, there were 27 deposit-taking financial institutions with one or more banking offices in the bank's AA. FNB&T was the largest of these institutions with a 24 percent deposit market share.

The bank's volume of small loans to businesses and farms was excellent. There were 32 lenders reporting one or more small business loan in the AA in 2000. FNB&T ranked first among these lenders with a 25 *percent* market share. There were 11 lenders reporting one or more small farm loans in the AA in 2000. FNB&T ranked first among these lenders with a 45 *percent* market share.

Similar comparisons were difficult to make for home mortgage loans because comprehensive market share data is not readily available in nonmetropolitan areas. Also, FNB&T was not required to collect and report data on home mortgage loans under the 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 2000.

Bank reports showed FNB&T originated a good volume of home purchase mortgage loans within its AA. For 2000, FNB&T originated 102 home purchase loans. In comparison, aggregate HMDA data for 2000 showed the highest volume of home purchase loans originated by a financial institution within FNB&T's AA was 156 loans. Competition was very strong as HMDA data noted over 90 lenders reporting one or more first purchase loan in 2000.

FNB&T's volume of home mortgage refinance loans was adequate. For 2000, the bank originated 22 home mortgage refinance loans. In comparison, aggregate HMDA data for 2000 showed the highest volume of home mortgage refinance loans originated by a financial institution within FNB&T's AA was 147 loans. Competition was high as HMDA data noted over 115 lenders reporting one or more home mortgage refinance loan in 2000.

The bank originated an excellent volume of home improvement loans within its AA. Bank reports showed FNB&T originated 59 home improvement or home equity loans in its AA in 2000. Bank reports did not separate home improvement loans from home equity loans. Examiners sampled the data and determined 78 percent of the sampled loans were for home improvement. For 2000, this equaled approximately 46 home improvement loans originated by FNB&T within its AA. The bank's estimated volume of home improvement loans compared favorably to aggregate HMDA data. For 2000, HMDA data showed the highest volume of home improvement loans originated by a financial institution within the FNB&T AA was 46 loans. Aggregate data showed there was significant competition as 40 lenders reported one or more home improvement loan in the AA in 2000.

Another indication of the bank's overall excellent responsiveness to community credit needs was the bank's total volume of mortgages filed. Bank personnel tracked the volume of all real estate mortgages filed with the Dodge County Register of Deeds. The information showed FNB&T recorded the most mortgages in Dodge County for each year from 1999 through 2001. For the three-year period, over 200 lenders recorded 6,961 mortgages totaling \$487 million. FNB&T recorded 1,894 mortgages totaling \$136 million. This represented 27 percent of the total number and 28 percent of the total dollar amount of mortgages filed in Dodge County. This was twice the volume of the lender with the second highest number of mortgages filed. The lender with the second highest volume recorded 955 mortgages totaling \$70 million.

FNB&T addressed local credit needs before purchasing credit card participations. During the evaluation period, FNNI policy required all affiliate banks to first help meet credit needs of their local AA. Then, FNNI made available credit card participations for affiliate banks 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 \$20 million (an increase of 24 percent). Meanwhile, the bank's volume of credit card participations remained steady at \$142 million (no change from the last CRA exam).

Distribution of Loans by Income Level of the Geography

A geographic 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 census tracts.

Lending Gap Analysis

We reviewed maps and 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. We did not identify any conspicuous gaps in lending. During the evaluation period, FNB&T originated one or more home mortgage, small business, or small farm loan in every census tract in the AA.

Inside/Outside Ratio

A substantial majority of FNB&T's reported loans were within its AA. By number of reported loans, the bank originated 92 percent of home purchase loans, 100 percent of home improvement loans, 91 percent of home mortgage refinance loans, 93 percent of small loans to businesses, and 90 percent of small loans to farms within the its AA. For all loan products combined, FNB&T originated 92 percent of the number of reported loans within the AA.

Distribution of Loans by Income Level of the Borrower

The bank's distribution of loans by borrower income level was good. The bank's good distribution of home mortgage loans and small loans to farms were the primary factors supporting this conclusion.

When evaluating the borrower distribution of the bank's home mortgage lending, we took into consideration the percentage of families throughout the AA living below the poverty level. According to the 1990 U.S. Census, 6 percent of families in FNB&T's AA were below the poverty level. These families would have had a more difficult time qualifying for residential mortgage loans due to their limited income. Also, the lack of moderately-priced housing throughout the AA limited the number of LMI families seeking home mortgage loans. Refer to the Market Profile in appendix B for more information on the lack of decent affordable housing for LMI families.

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 and home improvement loans by borrower income level was excellent. For both loan products, performance was especially strong for moderate-income borrowers. The bank's percentage of home purchase and home improvement loans to moderate-income borrowers exceeded the percentage of families in the AA that were moderate-income. FNB&T's percentage of home purchase and home improvement loans to low-income borrowers was below the portion of families in the AA that were low-income. Performance was strong given the number of families below poverty level and the limited supply of affordable housing in the AA.

FNB&T achieved an adequate distribution of home mortgage refinance loans to borrowers of different income levels. The percentage of the bank's refinance loans to LMI borrowers was below the percentage of families in the AA that were LMI. Performance was adequate given the mitigating factors noted above.

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 adequate. FNB&T's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was below the percentage of businesses in the AA with revenues of \$1 million or less. Performance was stronger when looking at market share data. FNB&T's market share of loans to businesses with revenues of \$1 million or less was 37 percent. This exceeded the bank's overall market share of small loans to businesses, which was 25 percent.

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, FNB&T originated 83 percent of its reported loans to businesses in amounts of \$100,000 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 and purchase of small loans to farms.

The bank's distribution of loans to farms of different sizes was good. 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 when looking at market share data. FNB&T's market share of loans to farms with revenues of \$1 million or less was 49 percent. This exceeded the bank's overall market share of small loans to farms, which was 44 percent.

Another indication of the bank's good performance was the percentage of loans originated in amounts of \$100,000 or less. During the evaluation period, FNB&T originated 85 percent of its reported loans to farms in amounts of \$100,000 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 lending test conclusions. This was based primarily on the bank's high volume of CD loans originated in the AA. FNB&T originated five CD loans totaling \$907,000 during the evaluation period. This dollar volume represented 4 percent of Tier 1 capital. The complexity of some of the loans also received positive consideration. The following highlights a few of the bank's qualified CD loans:

- Two loans totaling \$642,000 to a nonprofit to purchase and renovate a historic building located in the blighted area of downtown Fremont. The project was part of the MainStreet Fremont program. This program has been very successful in maintaining a viable downtown and retaining existing and attracting new businesses and jobs in the blighted area. The project encourages retention and attraction of small businesses that provide basic services. The loans were complex as FNB&T served as the lead bank in financing the project, with two other banks participating in the loans.
- A \$242,000 loan 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.

Product Innovation and Flexibility

During the evaluation period, FNB&T participated in several flexible loan programs to help meet the credit needs of LMI borrowers in the AA. Several community contacts noted FNB&T was a leader in originating flexible loans in the AA. The bank's participation in these programs received positive consideration in the analysis of lending test performance.

FNB&T actively participated in several loan programs sponsored by the federal government that primarily serve LMI home mortgage loan applicants. These loan programs generally had reduced down payment requirements, lower interest rates, and more liberal underwriting criteria than conventional loans. During 1999, 2000 and 2001, the bank originated 78 loans totaling \$7 million under the Federal Housing Authority (FHA) loan programs, 40 loans totaling \$4 million under Veteran's Administration (VA) loan programs, 10 loans totaling \$1 million under Farmer's Home Administration loan programs, and 3 loans totaling \$220,000 under the U.S. Department of Agriculture's Guaranteed Rural Housing Loan Program.

The bank also participated in loan programs offered through the Nebraska Investment Finance Authority (NIFA). NIFA's loan programs provided financing to qualified LMI borrowers throughout Nebraska. The programs included reduced interest rates and lower down payment requirements than traditional mortgage loan programs. During 1999, 2000, and 2001, FNB&T originated 39 NIFA loans totaling \$2 million. Of these borrowers, 25 qualified for NIFA grants totaling \$60,000 for down payment and closing cost assistance.

In 2001, FNB&T began participating in the Federal Home Loan Bank of Topeka's Rural First-time Homebuyer Program (RFHP). This program provided up to \$5,000 grant assistance to LMI first-time homebuyers for down payment and closing cost assistance. The bank originated 6 loans totaling \$387,000 under this program. Borrowers also received \$28,300 in grants under this program.

INVESTMENT TEST

Conclusions for Area Receiving Full-Scope Review

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

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

The bank's performance under the investment test was good. Qualified investments totaled \$848,000, which included \$348,000 in investments made during the evaluation period. The bank's investments were responsive to identified needs in the AA. None of the investments were considered innovative or complex.

The bank's volume of qualified investments was good given the low level of CD opportunities in the AA. Discussions with community contacts and a review of CRA performance evaluations of competing banks did not identify any CD investment securities directly benefiting FNB&T's AA that would have been available for purchase during the evaluation period. In addition, opportunities at the statewide or regional level were primarily limited to low-income housing tax credits, with no guarantee the investments would benefit the bank's AA. Refer to the Market Profile in appendix B for further information on the limited investment opportunities in the AA.

FNB&T's qualified investments included the following:

- Contributions of \$348,000 in to various organizations providing a variety of services to the community. These included nonprofit developers of affordable housing for LMI, organizations promoting economic development by assisting small businesses, organizations and projects focusing on revitalizing the blighted areas of Fremont, and entities providing various community services to LMI, including emergency shelter, food, education, job training, day care, and medical assistance.

- \$500,000 qualified investment made prior to the current evaluation period that was still on the bank's books as of the current examination. The investment was a bond purchased for the renovation of the historic Dodge County Courthouse located in the blighted area of Fremont. The courthouse renovation project was part of the MainStreet Fremont revitalization program. The renovation project has had a continuing economic impact on downtown Fremont as it has spurred considerable additional downtown renovation efforts. Bank data showed 63 buildings in the downtown Fremont area were renovated during the evaluation period with total investment in the area of \$1.9 million.

FNB&T demonstrated a good responsiveness to identified needs in the AA. Of the \$348,000 in qualified grants and contributions, \$174,000 went to organizations whose activities focused on addressing the credit and community development needs of the AA. The remaining \$174,000 went to an organization serving a regional area that included the bank's AA.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

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 its AA. All bank branch locations were within the Fremont city limits. The AA's population was concentrated in the Fremont area, which was located in the center of the AA. Outside Fremont, the AA was predominantly rural and consisted of small towns. There were no LMI geographies in the AA; however, the City of Fremont designated a blighted area. Two of the bank's four offices were located in the blighted area. FNB&T did not open or close any branches during the evaluation period.

The bank's hours and services offered throughout the AA were good. Hours and services did not vary in a way that inconvenienced the AA, in particular the blighted area or LMI individuals. FNB&T supplemented its banking hours and services offered Monday through Friday with Saturday hours at all locations. Office hours and services were comparable among all locations; however, the bank did not have lending personnel physically housed at all locations. The lack of lenders did not place undue hardships on potential credit applicants because of the close proximity of all the offices. All locations handed out and accepted credit applications.

The bank's ATM network offered a reasonably effective alternative system for delivering retail banking services in the blighted area and to LMI individuals. FNB&T operated 13 ATMs throughout the AA. By geography income level, 62 percent of the ATMs were in middle-income tracts and 38 percent were in upper-income tracts. Two of the ATMs were located in the blighted area of Fremont.

FNB&T offered other alternative delivery systems, including banking by telephone, Internet, and mail services. Telephone banking services were available 24 hours a day via a toll-free telephone number. This service allowed customers to access deposit and loan information, transfer funds, and obtain bank product information. Internet banking services were also available 24 hours a day. This service allowed customers to access account balances, download account transaction information, transfer funds, and pay bills. FNB&T also employed a full-time Spanish- and English-speaking teller to assist with transactions conducted in Spanish, including loan applications, closings, and new account openings. 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 bank representatives assumed with these organizations. Community contacts consistently noted the extensive leadership and guidance FNB&T directors, officers, and employees provided to numerous community development organizations serving the AA.

In total, bank personnel provided services to almost 20 organizations serving the AA. Services provided included participating in planning, budgeting, fundraising, loan review, and other managerial and administrative decisions. 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.

The following are examples of CD services FNB&T representatives provided during the evaluation period:

- FNB&T provided significant ongoing assistance to the local chapter of Habitat for Humanity (Habitat). The bank provided free loan servicing for all loans originated by Habitat. This included loan set-up, receiving and processing payments, managing and administering escrow accounts, answering ongoing questions from borrowers, and providing monthly loan status reports to Habitat. In 2001, bank personnel began providing the credit counseling classes that Habitat required all loan applicants to complete prior to loan closing. Bank personnel also chaired the organization's fundraising committee and served on the board of directors.
- The bank was instrumental in obtaining grant assistance for several CD organizations. FNB&T applied for and received an \$86,000 grant for a crisis center under the Federal Home Loan Bank of Topeka's Community Improvement Program, annual \$500 grants for Habitat, and a \$500 grant for a local homeless shelter. One contact noted FNB&T was a leader in helping community organizations obtain grant funding.
- Bank personnel provided significant support to MainStreet Fremont, an organization focused on revitalizing the downtown portion of the blighted area. Bank officers served on the board of directors, the finance committee and the Economic Restructuring Committee. This committee developed recruitment packets aimed at small businesses and conducted a study to determine what business has left the downtown area. A bank officer chaired a fund drive that raised \$25,000 for the organization. Three bank employees were instrumental in developing a loan program administered by MainStreet Fremont that provided low-interest loans to downtown small businesses for renovation.

- The bank sponsored major fund drives for a homeless shelter and a nonprofit organization providing community services to LMI. The bank prepared all marketing materials, handled all direct mailings, received and processed donations, and provided progress reports. The fund drives raised \$20,000 and \$90,000 for the two organizations, respectively.
- Two bank employees served on a loan selection committee for a home improvement loan program available to LMI persons living in targeted redevelopment areas of Fremont and Inglewood, NE. The loan program was established in 2001. As of April 2002, the program had granted \$16,000 in home improvement and rehabilitation loans.
- The bank sponsored and actively participated in several seminars and classes targeted to LMI persons throughout the AA. Topics covered included basic banking concepts, buying a home, understanding the loan application process, Internet banking, and planning for retirement. Bank involvement included preparing and conducting training sessions, coordinating presenters, and conducting marketing.

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 “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 1/1/99 to 12/31/01 Investment and Service Tests and CD Loans: 6/1/99 to 6/3/02	
Financial Institution	Products Reviewed	
First National Bank and Trust Company (FNB&T) Fremont, NE	Home mortgage loans, small loans to businesses, small loans to farms, 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
FNB&T AA	Full-Scope	NA

Appendix B: Market Profile for Full-Scope Area

FNB&T Assessment Area

Demographic Information for Full-Scope Area: FNB&T Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	19	0%	0%	84%	16%	0%
Population by Geography	79,651	0%	0%	86%	14%	0%
Owner-Occupied Housing by Geography	21,937	0%	0%	86%	14%	0%
Businesses by Geography	4,038	0%	0%	88%	12%	0%
Farms by Geography	1,156	0%	0%	91%	9%	0%
Family Distribution by Income Level	21,911	15%	18%	27%	40%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,229	0%	0%	91%	9%	0%
Median Family Income: Nonmetropolitan = \$27,623 MSA # 5920 = \$36,011 HUD Adjusted Median Family Income for 2001 Nonmetropolitan = \$45,000 MSA # 5920 = \$62,400 Households Below the Poverty Level = 9%				Median Housing Value = \$47,560 Unemployment Rate (2001) = 3.3%		

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

FNB&T designated the following contiguous geographies in eastern Nebraska as its AA: Dodge County, Saunders County, and five northwestern census tracts in Washington and Douglas Counties in the Omaha, NE-IA Metropolitan Statistical Area (MSA) #5920. The AA was legal and did not extend substantially beyond MSA boundaries. The AA contained FNB&T's main bank, three branches, twelve ATMs, and the surrounding areas in which the bank had originated a substantial portion of its loans during the evaluation period.

The bank's deposits in the AA totaled approximately \$299 million as of June 30, 2001. Based on FDIC deposit market share as of that date, this ranked FNB&T as the largest deposit taking financial institution in Dodge, Saunders, and Washington Counties with a 24 percent market share. FNB&T was considerably larger than the second largest deposit taking financial institution, which had \$131 million in deposits and an 11 percent market share. Only one other financial institution reported deposits in excess of \$100 million and had an 8 percent market share of total deposits.

FNB&T operated in a competitive environment. According to FDIC deposit market share data, there were 27 deposit taking financial institutions operating in Dodge, Saunders, and Washington Counties as of June 30, 2001 with a combined 43 banking offices. Primary financial institution competitors included the following banks in Fremont: First State Bank & Trust Company, American National Bank of Fremont, and U.S. Bank, N.A. Numerous locally chartered financial institutions provided significant competition in the smaller communities throughout the AA, including the towns of Ashland, Blair, Bennington, and Wahoo. 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 loan in FNB&T's AA in 2000. 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 dominated the AA; however, there was some employment diversification from manufacturing companies and commercial and retail businesses. Major employers in the Fremont area included Hormel, Valmont, 3M, and the local hospital and school district. Located immediately adjacent to the Omaha MSA, Fremont has benefited from the westward expansion of the Omaha metro area. Fremont noted a steady increase in population and retail sales growth. The 2001 average unemployment rate for the AA was 3.3 percent. This compared favorably to the national average of 4.8 percent.

Community development, residential real estate lending, and commercial lending opportunities were concentrated in the City of Fremont and the immediately surrounding area. Farm loan opportunities were spread throughout the bank's AA. Over 30 percent of the AA's total population, businesses, and housing units were located within the seven census tracts comprising the City of Fremont. The remaining population, businesses, and housing units were spread throughout the AA in smaller, rural communities. All of the bank's offices and ATMs were located in Fremont.

The City of Fremont outlined its CD needs and plans in The Fremont Plan. Developed in 1998, the Fremont Plan discussed city demographics, employment, current physical and economic conditions, the adequacy of residential and commercial properties, and risks to the city's economic future. The plan also included the city's goals for growth and development. The plan noted a blighted area designated by the city as the southern and southwestern portions of Fremont, including the downtown area. Within the blighted area, the plan identified 27 percent of the building stock as needing substantial rehabilitation. The plan identified poor or defective traffic patterns in the blighted area and a lack of adequate real estate available for new construction. Unemployment rates in the blighted area were twice as high as the rest of the AA.

The downtown area was designated a Historic Commercial District and is listed on the National Register of Historic Places. This designation provided access to federal funds for historic preservation and renovation; however, it also placed significant restrictions on the type and amount of rehabilitation throughout the district. Any preservation or restoration of historic buildings in the district must be consistent with the Secretary of the Interior's Standards for Historic Rehabilitation.

Community needs outlined in the Fremont Plan included:

- Preservation and restoration of buildings in the Historic Preservation District. About 27 percent of the district's buildings required substantial rehabilitation.
- Rehabilitation of substandard housing in the blighted area.
- Recruitment of new small businesses to increase diversification.
- Rehabilitation of upper stories in downtown commercial buildings for adaptive reuse, including residential and office potential.
- Improvement of poor and defective traffic patterns.
- A downtown streetscape renewal program, including new sidewalks, improved street lighting, landscaping, and improved signage.

The plans noted several barriers to recruiting new small businesses to Fremont. There was a significant shortage of accommodations for businesses new to town. First-floor vacancies in downtown Fremont was less than 5 percent. Vacant real estate for new construction was scarce and expensive. Real estate costs were comparable to nearby Omaha, which boasted a significantly larger market attractive to new small businesses. Fremont also lacked a small business incubator program, including retail incubator space, a retail enterprise assistance program, and a venture capital fund.

Community contacts noted similar needs. Contacts discussed the lack of sites available for small business development. They also noted a lack of decent affordable housing for LMI persons throughout the AA. Existing homes listed for sale were generally priced too high for LMI persons to afford or required significant rehabilitation. New home construction was generally not affordable for LMI in the Fremont area. Given its close proximity to Omaha, land costs in Fremont were comparable to Omaha. However, construction costs were significantly higher in Fremont because the area did not benefit from cost savings of large "tract housing developments," as seen in western Omaha. LMI housing in the Fremont area consisted primarily of two large mobile home parks and some rental housing. Contacts noted similar affordable housing concerns in other communities throughout the AA. Finally, contacts discussed the need for continued representation and expertise from financial institutions on the boards and committees of community and nonprofit groups working to address community needs.

Limited opportunities existed to facilitate activities to address unmet credit and community development needs in the AA. Due to the historic district and blighted area designations, the City of Fremont had access to financing sources and incentives such as historic tax credits, low-income housing tax credits, CD block grants, and tax incremental financing. Community contacts noted major redevelopment projects were financed primarily with federal funds, leaving few investment opportunities for local financial institutions. There were no CD financial institutions or small business investment companies directly serving the AA. Local investment opportunities consisted of general obligation municipal bonds that were not targeted for community development activities and contributions to organizations providing CD services. Regional or statewide investment opportunities included low-income housing tax credits and equity funds for affordable housing projects throughout Nebraska.

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 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/AA. 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 CFR §25.12(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, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/AA column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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/AA. 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 AA.
- 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 AA.
- 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/AA. 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 with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/AA column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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, 1999 to December 31, 2001				
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)	
Full Review:												
FNB&T AA	100%	519	\$42,044	629	\$46,715	370	18,934	5	\$907	1,523	\$10,860	100%

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is June 1, 1999 to June 3, 2002.

*** Deposit Data as of June, 30, 2001. 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, 1999 to December 31, 2001									
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	
Full Review:																
FNB&T AA	216	100%	NA	NA	NA	NA	86%	70%	14%	30%	NA	NA	NA	NA	NA	

* Based on NA Peer Mortgage Data: NA 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 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
Geography: Nebraska															
Evaluation Period: January 1, 1999 to December 31, 2001															
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
Full Review:															
FNB&T AA	60	100%	NA	NA	NA	NA	86%	65%	14%	35%	NA	NA	NA	NA	NA

* Based on NA Peer Mortgage Data: NA 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 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Nebraska Evaluation Period: January 1, 1999 to December 31, 2001												
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
Full Review:															
FNB&T AA	202	100%	NA	NA	NA	NA	86%	58%	14%	42%	NA	NA	NA	NA	NA

* Based on NA Peer Mortgage Data: NA 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 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: Nebraska		Evaluation Period: January 1, 1999 to December 31, 2001			
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		
Full Review:																	
FNB&T AA	629	100%	NA	NA	NA	NA	88%	65%	12%	35%	25%	NA	NA	23%	45%		

* Based on 2000 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 (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: Nebraska		Evaluation Period: January 1, 1999 to December 31, 2001		
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	Overall	Low	Mod	Mid	Upp				
Full Review:																			
FNB&T AA	370	100%	NA	NA	NA	NA	91%	84%	9%	16%	44%	NA	NA	43%	56%				

* Based on 2000 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 (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Nebraska				Evaluation Period: January 1, 1999 to December 31, 2001									
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
Full Review:															
FNB&T AA	216	100%	15%	7%	18%	28%	27%	29%	40%	36%	NA	NA	NA	NA	NA

^{*} Based on 2000 Peer Mortgage Data: Midwest Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 6% of loans originated and purchased by Bank.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} 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, 1999 to December 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
FNB&T AA	60	100%	15%	10%	18%	19%	27%	26%	40%	45%	NA	NA	NA	NA	NA

* Based on 2000 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available. No information was available for 3% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

**** 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, 1999 to December 31, 2001											
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																
Full Review:																															
FNB&T AA	202	100%	15%	5%	18%	14%	27%	29%	40%	52%	NA	NA	NA	NA	NA																

* Based on 2000 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available. No information was available for 14% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

**** 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, 1999 to December 31, 2001					
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
Full Review:									
FNB&T AA	629	100%	88%	69%	83%	10%	7%	25%	37%

^{*} Based on 2000 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 - 2001).

^{****} 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 13% 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, 1999 to December 31, 2001					
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
Full Review:									
FNB&T AA	370	100%	97%	88%	85%	13%	2%	44%	49%

* Based on 2000 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 - 2001).

**** 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 9% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
				Geography: Nebraska		Evaluation Period: June 1, 1999 to June 3, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
FNB&T AA	1	\$500	17	\$348	18	\$848	100%	0	\$0

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

** '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 1, 1999 to June 3, 2002																	
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
Full Review:																	
FNB&T AA	100%	4	4	NA	NA	75%	25%	0	0	NA	NA	NA	NA	NA	NA	84%	16%