



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

January 23, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Cattle National Bank and Trust Company
Charter Number 13431**

**104 S. 5th Street
Seward, NE 68434**

**Comptroller of the Currency
Omaha South Field Office
13710 FNB Parkway, Suite 110
Omaha, NE 68154**

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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

- The bank has a satisfactory record of lending to farms of different sizes.

The distribution of agricultural borrowers reflects reasonable penetration among farms of different sizes. Demographic data from the U.S. Census Bureau's 2002 Census of Agriculture reveals that most of the farms in the bank's Assessment Area (AA) are small, with 75% reporting revenues less than \$100 thousand and 15% reporting revenues between \$100 thousand and \$249 thousand. Based on 20 borrowers sampled, the bank does a satisfactory job of lending to these farms. The bank originated 5% of its loans to farms with revenues less than \$100 thousand and made 40% of its loans to farms with revenues between \$100 thousand and \$249 thousand.

- The bank has a satisfactory record of lending to small businesses.

The distribution of commercial borrowers reflects good penetration among businesses of different sizes. Business demographic 2004 data reveals that 66% of the businesses in the bank's AA are small, with revenues of less than \$1 million. Based on 20 borrowers sampled, the bank does a satisfactory job of lending to these small businesses, with 70% of the loans in the sample made to businesses with revenues of less than \$1 million.

- The bank originates a majority of its loans in the AA. Based on our commercial and agricultural loan sample, the bank originated a total of 85% by number and 82% by dollar amount in the AA. For agricultural loans sampled, the bank originated 75% by number and 67% by dollar amount within the AA. For commercial loans sampled, the bank originated 95% by number and 99% by dollar amount within the AA.
- The bank's average loan-to-deposit (LTD) ratio is reasonable. The average LTD of 77%, as measured over the last seventeen quarters, is comparable to the ratios of similarly situated banks in the AA. Competing banks' ratios ranged from 72% to 113%.
- The bank's geographic distribution of loans throughout the AA meets the standards for a satisfactory rating. For agricultural loans sampled, the bank originated all of its loans to farms in middle-income tracts. This is reasonable as the sample included just one loan in the county where all moderate- and low-income tracts in the AA are located. For commercial loans sampled, the bank originated 0% of its loans to businesses in low-, 15% in moderate-, 65% in middle-, and 20% in upper-income tracts. This compares to 2% of businesses located in low-, 27% in moderate-, 51% in middle-, and 20% in upper-income tracts.
- The bank did not receive any CRA-related complaints during the evaluation period.
- We found no evidence of illegal discrimination or other illegal credit practices.

DESCRIPTION OF INSTITUTION

The Cattle National Bank and Trust Company (CNB) is a \$127 million institution located in east-central Nebraska. The bank's primary products by dollar amount are commercial and agricultural loans. Cattle Crossing, Inc. owns 98.8 percent of the bank. CNB received a "Satisfactory" rating at the last CRA examination, dated December 17, 2001. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Community contacts indicated that start-up business loans were one of the primary credit needs within the community. Examiners contacted two members of the community who are involved with local economic development. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas. It consists of Seward, Lancaster, and York Counties and portions of Butler and Saline Counties. Refer to the bank's CRA Public File for more information.