



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 17, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Cattle National Bank of Seward
Charter Number 13431**

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

**Comptroller of the Currency
Omaha South Field Office
13710 FNB Parkway, Suite 110
Omaha, Nebraska 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**.

- Cattle National Bank (CNB) has a satisfactory record of lending to both farms and businesses of different sizes.

The distribution of agricultural borrowers reflects reasonable penetration among farms of different sizes. Based on 20 borrowers sampled, the bank's distribution of loans to farms with different revenues was comparable to demographic information on the assessment area. Information was obtained from the U.S. Census Bureau's 1997 Census of Agriculture.

The distribution of commercial borrowers reflects adequate penetration among businesses of different sizes. Based on 20 borrowers sampled, the bank's distribution of loans to businesses of different revenues was comparable to demographic data.

The distribution of consumer borrowers could not be analyzed due to the bank's practice of not regularly collecting consumer income information.

- The bank originated a majority of its loans in the assessment area.

For agricultural, commercial, and consumer loans sampled, the bank originated 77% by number and 65% by dollar amount within the assessment area.

- The bank's average loan-to-deposit ratio since the last examination is reasonable.

CNB's average loan-to-deposit ratio over the past sixteen quarters met the standard for satisfactory performance. The bank's average ratio of 65% satisfactorily compares to ratios of similarly situated banks in the assessment area. Ratios for similarly situated banks ranged from 70-89%.

- An analysis of the geographic distribution of loans was not applicable, as the assessment area did not have any low- or moderate-income geographies.
- CNB did not receive any complaints about its performance in helping to meet assessment area credit needs during the evaluation period.
- CNB committed \$428M in funds for a community development loan. This loan is for construction of a housing unit in Seward that will provide housing for low-income individuals. CNB is a supporter of the Seward County Habitat for Humanity donating \$2,750 since 1997. In addition, CNB participates in loan programs that assist low- and moderate-income first time homebuyers. The bank has originated eight loans through these programs.

- An analysis of the 1999 and 2000 public comments and consumer complaint information 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 with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1997.

DESCRIPTION OF INSTITUTION

CNB is a \$106 million institution located in east-central Nebraska. CNB received a "Satisfactory" rating at the last CRA examination, dated October 20, 1997. The bank's primary loan products are agricultural, consumer, and commercial loans. CNB has one full service facility, one deposit service facility, and six automated teller machines. There were no legal or financial factors that impede the bank's ability to help meet the credit needs of the assessment area.

Refer to CNB's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area encompasses all of Seward and York Counties, and portions of Saline, Butler, and Lancaster Counties. This assessment area is comprised of one upper- and eleven middle-income block numbering areas.

Refer to CNB's CRA public file for more information.