



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 24, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Jones National Bank and Trust Company of Seward
Charter Number 3060**

**203 S. 6th Street
Seward, NE 68434**

**Office of the 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 Jones National Bank and Trust Company of Seward (JNB) has an adequate record of lending to 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 farms located in the assessment area (AA). Demographic information was obtained from the U.S. Census Bureau's 1997 Census of Agriculture.

Income information was not available on the vast majority of the 20 commercial borrowers sampled. Therefore, we used loan size as a proxy for income because the size of the loan often loosely correlates to the size of the business. Our analysis showed the majority of loans to commercial borrowers were in amounts of twenty five thousand dollars or less.

- An analysis of the geographic distribution of loans was not applicable as the AA did not have any low or moderate-income geographies.
- The bank originated a majority of its loans in the AA.

For agricultural and commercial loans sampled, JNB originated 88% by number and 75% by dollar amount within its AA.

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

JNB's average loan-to-deposit ratio over the past twenty quarters met the standard for satisfactory performance. The bank's average loan-to-deposit ratio of 73% reasonably compares to the quarterly average of twelve competing, similarly situated financial institutions chartered in the bank's AA. Those twelve banks had an average loan-to-deposit ratio of 78%, with a range of 65% to 89%.

- JNB has not received any consumer complaints regarding its Community Reinvestment Act (CRA) performance during the evaluation period.
- An analysis of the 2000, 2001 and 2002 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.

DESCRIPTION OF INSTITUTION

JNB is a \$162 million institution located in east central Nebraska. The bank's primary products by both number and dollar amount are agricultural and commercial loans. JNB's main bank, branch and three deposit taking automated teller machines are located in Seward, Nebraska. JNB received a "Satisfactory" rating at the last CRA examination dated November 24, 1997. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Refer to the bank's *CRA Public File* for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA encompasses all of Seward County and portions of Butler, Saline and York counties in Nebraska. The AA is comprised of one upper-income and seven middle-income block numbering areas. Refer to the bank's *CRA Public File* for more information.