



**SMALL BANK**

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

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## **PUBLIC DISCLOSURE**

**May 03, 2004**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Jeanerette  
Charter Number 7768**

**1331 East Main Street  
Jeanerette, LA 70544**

**Comptroller of the Currency  
New Orleans Field Office  
3838 North Causeway Boulevard Suite 2890  
Metairie, LA 70002**

**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.**

Factors supporting this rating are:

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and credit needs of the assessment area.
- A substantial majority of the loans are made within the bank's assessment area which encompasses all of Iberia and St. Mary Parishes.
- The geographic distribution of loans covers a majority of census tracts and reflects reasonable dispersion throughout the assessment area.
- A reasonable penetration of loans are granted to low- and moderate-income individuals and businesses of different sizes.
- No complaints have been filed concerning the bank's CRA performance during the current evaluation period.

## **DESCRIPTION OF INSTITUTION**

The First National Bank of Jeanerette (FNB) is a wholly owned subsidiary of Jeanerette First National Bancorp, a one-bank holding company headquartered in Jeanerette, Louisiana. FNB is an \$84 million intrastate financial institution with branch locations in Iberia and St. Mary parishes. The bank, from its main office, operates four branches and four Automated Teller Machines located in Jeanerette, New Iberia, Baldwin, and Franklin. Two branches have been opened since the last Community Reinvestment Act (CRA) examination, dated November 15, 1999. The Franklin branch opened in March 2004. The Baldwin branch opened in April 2004.

The bank offers a full range of lending products with 54% of its total assets centered in the loan portfolio as of March 31, 2004. This is comparable to 58% at the prior CRA examination. The bank's primary lending products are residential real estate, commercial, agriculture, and consumer loans.

As of March 31, 2004 the bank's loan portfolio mix is as follows:

<b>Loan Type</b>	<b>Dollar Amount (000's)</b>	<b>% of Total Loans</b>
Residential Real Estate Loans (1-4 Family)	19,753	43.4%
Commercial Loans	9,605	21.1%
Consumer Loans	8,803	19.4%
Agriculture	6,464	14.2%
Other	875	1.9%
<b>Total</b>	<b>45,500</b>	<b>100.0%</b>

The last CRA examination of FNB of Jeanerette was November 15, 1999 and the bank was assigned a *Satisfactory* rating. The bank's financial condition does not adversely impact its ability to meet the credit needs of the assessment area and no known legal impediments exist that would prevent the bank from continuing to meet those needs. The bank offers a variety of retail and commercial products that are commensurate with the bank's size and financial capacity.

## **DESCRIPTION OF ASSESSMENT AREA**

The bank's assessment area meets the requirements of the regulation. It consists of contiguous parishes and does not arbitrarily exclude low- and moderate-income geographies. The assessment area is defined as Iberia and St. Mary parishes, which are not located in a Metropolitan Statistical Area (MSA). The assessment area is comprised of thirty block numbering areas (BNA) and includes two low-income, eight moderate-income, eleven middle-income, and nine upper-income tracts.

Major employers in the assessment area include the parish school boards, marine transportation, and casino gaming. The service and retail trade industries also provide a large number of jobs in the assessment area.

The area is highly competitive in financial services with numerous financial institutions located within the two-parish area. Major competitors include branches of regional and national banks along with two community banks headquartered in the assessment area.

The family income level for the assessment area is characterized as follows: 24.5% low income, 14.0% moderate income, 17.3% middle income, and 44.2% upper income. The following table summarizes demographic data for the bank's assessment area based on 1990 Census data and 2003 Department of Housing and Urban Development (HUD) information.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	33,213
Number of Households	44,590
<i>Geographies</i>	
Number of Census Tracts/BNA	30
% Low-Income Census Tracts/BNA	6.45%
% Moderate-Income Census Tracts/BNA	25.81%
% Middle-Income Census Tracts/BNA	35.48%
% Upper-Income Census Tracts/BNA	29.03%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$24,576
1990 MSA/non-MSA MFI	\$21,177
Updated MSA/non-MSA MFI	\$31,600
<i>Economic Indicators</i>	
Unemployment Rate	4.0%
2000 Median Housing Value	\$62,410
% of Households Below Poverty Level	22%

One community contact was made in conjunction with this examination. The contact is familiar with the economics of the assessment area and spoke highly of the banks operating in Jeanerette. It is her perception that the local financial institutions participate in the community through meeting perceived credit needs and employee involvement in community activities.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

The bank's performance reflects satisfactory responsiveness in meeting the credit needs of its assessment area consistent with its resources and capabilities. This conclusion was developed after a review of bank records of loan originations made since the last evaluation of the bank's CRA performance, 1990 and 2000 census tract information, financial information from the quarterly Call Report, and discussion with the community contact. The basis of this conclusion is detailed as follows.

### Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio meets the standard for satisfactory performance. The bank's average loan-to-deposit ratio is based on the prior ten quarters and is 59% as of March 31, 2004. This is virtually identical to the average loan-to-deposit ratio at the last CRA examination. It is also reasonably comparable to the other similarly situated bank in the assessment area. Below is a chart depicting comparative data as of March 31, 2004.

Institution	Assets as of 03/31/04 (000's)	Average LTD Ratio
Community First Bank (New Iberia)	82,634	67.4%
<i>First National Bank of Jeanerette (Jeanerette)</i>	<b>83,929</b>	<b>59.3%</b>

### Lending in Assessment Area

A substantial majority of the bank's loans are made to borrowers located within its assessment area. We sampled 20 loans from each of the bank's primary product lines: residential real estate, consumer, and commercial loans. Our analysis determined that 95% of the number of loans and 95.6% of the dollar amount of loans were made within the assessment area. The following details our findings by loan category.

TOTAL LOANS REVIEWED								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
RE Residential	20	100.0	570	100.0	0	0	0	0.0
Consumer	19	95.0	204	91.9	1	5.0	18	8.1
Commercial	18	90.0	842	93.4	2	10.0	60	6.6
Total Reviewed	57	95.0	1,616	95.6	3	5.0	75	4.4

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects a reasonable penetration among retail customers of different income levels and business customers of different size. Our sample included 20 residential real estate loans totaling \$537 thousand; 22 consumer loans totaling \$251 thousand; and 20 commercial loans totaling \$849 thousand. The following tables reflect the income distribution by loan category.

RESIDENTIAL REAL ESTATE LOANS								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	24.5		14.0		50.5		44.2	
	% of Number	% of Amount						
	10.0	2.4	20.0	16.8	30.0	21.1	40.0	55.4

CONSUMER LOANS								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	25.2		13.5		15.0		46.3	
	% of Number	% of Amount						
	31.8	23.1	27.3	29.7	27.3	32.7	13.6	28.5

The distribution of commercial loans reflects a favorable penetration among businesses of different sizes. Based on 2000 U. S. census data, there are 5,429 businesses with revenues less than \$1 million located within the bank's assessment area. This number represents approximately 91% of all businesses within the assessment area.

Our commercial loan sample included 20 loans for a total of \$849 thousand. Our analysis determined that 100% of the number and 100% of the dollar amount of commercial loans sampled were made to businesses with gross revenues less than \$1 million.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses	91.1	8.9
% of Bank Loans in AA #	100.0	0.0
% of Bank Loans in AA \$	100.0	0.0

### Geographic Distribution of Loans

The distribution of borrowers reflects a reasonable geographic distribution among retail customers in low- and moderate-income (LMI) census tracts when compared to 2000 U. S. census data. The census data provided that 22.2% of the owner occupied housing in the assessment area is located in LMI census tracts. Similarly, the census data also indicated that 24.9% of the households in the assessment area are located in LMI census tracts. Our sample included 20 residential real estate loans totaling \$570 thousand; 20 consumer loans totaling \$222 thousand; and 20 commercial loans totaling \$902 thousand originated since the last CRA evaluation. The tables below provide the results of our review.

RESIDENTIAL REAL ESTATE LOANS								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied	3.2		19.0		39.0		38.8	
	% of Number	% of Amount						
	0.0	0.0	35.0	32.0	55.0	50.7	10.0	17.3

<b>CONSUMER LOANS</b>								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	4.1		20.8		40.1		35.0	
	% of Number	% of Amount						
	5.0	8.0	15.0	8.4	50.0	37.5	30.0	46.1

The following table displays the bank’s geographic lending practices based on our sample of business borrowers.

The table reflects that 35% of FNB’s commercial borrowers were located in LMI tracts. This reasonably compares to 2000 U. S. census data that shows 22.3% of businesses in the assessment area were located in LMI tracts.

<b>COMMERCIAL LOANS</b>								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	3.5		18.8		42.6		35.2	
	% of Number	% of Amount						
	0.0	0.0	35.0	61.8	45.0	10.9	20.0	27.3

### **Responses to Complaints**

FNB received no complaints or public comments regarding its performance in helping to meet the assessment area needs during this evaluation period.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discrimination or other illegal credit practices.