



PUBLIC DISCLOSURE

November 15, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

**1331 Main Street
Jeanerette, LA 70544**

Comptroller of the Currency

**3838 N. Causeway Blvd.
Suite 2890
Metairie, Louisiana 70002-1767**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **the First National Bank of Jeanerette** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of November 15, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated “*Satisfactory.*”

Factors supporting First National Bank’s CRA rating are:

- o The loan-to-deposit ratio is reasonable given the bank’s size, financial condition, and credit needs of the assessment area.
- o A substantial majority of the loans are made within the bank’s assessment area which encompasses all of Iberia and St. Mary Parishes.
- o The geographic distribution of loans covers a majority of census tracts and reflects reasonable dispersion throughout the assessment area.
- o A reasonable penetration of loans are granted to low- and moderate-income individuals and businesses of different sizes.
- o 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 \$63 million institution located in Jeanerette, LA. The bank is wholly owned by Jeanerette First National Bancorp., a one bank holding company. The holding company has no other subsidiaries or affiliates.

The bank operates three offices. The main office and one branch are located in Jeanerette, while the other branch is located in New Iberia. The branch in New Iberia opened in January 1996. FNB of Jeanerette has two automated teller machines (ATMs) located at its branches.

The bank continues to meet the credit needs within its assessment area. The bank offers a variety of retail and commercial products and services that are commensurate with the bank's size and financial capacity. FNB has experienced moderate loan growth since 1996, increasing its loan portfolio by \$10 million, an increase in the portfolio of forty percent (40%). Loans represent fifty-eight percent (58%), and investment securities thirty-two percent (32%), of the bank's asset mix. The loan portfolio is diversified with approximately thirty percent (30%) in residential real estate, thirty percent (30%) in agriculture, twenty-six (26%) in consumer and other loans, and fourteen percent (14%) in commercial loans.

No legal impediments exist that should prevent the bank from continuing to meet the credit needs of its entire assessment area. The last CRA examination of FNB of Jeanerette was November 12, 1996, and the bank was assigned a *Satisfactory* rating.

DESCRIPTION OF ASSESSMENT AREA

FNB of Jeanerette has defined its assessment area to include all of Iberia and St. Mary Parishes. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The income characteristics of the Assessment Area are described using information from the 1990 U.S. Census and from updated information produced by the Department of Housing and Urban Development. The median family income for Iberia parish according the 1990 census data was \$24,354. The updated median family income for 1999 has increased to \$29,500. There are fourteen income tracts located in Iberia parish, three of which are defined as moderate income, five tracts are middle income, and six tracts are characterized as upper income.

The median family income for St. Mary Parish according to the 1990 census data was \$23,791. The updated median family income for 1999 has increased to \$29,500. There are sixteen populated income tracts located in St. Mary Parish, with the breakdown in tract characteristics as follows: one moderate, ten middle, and five upper income tracts.

The local economy of St. Mary Parish is driven by construction, fabrication, fishing, shrimping, agricultural and port activities. The parish has two port sites within its boundaries and has benefited from the reemergence of activity in the oil industry. The major private employers in St. Mary's parish are: McDermott, Inc. (shipbuilding/pipe fabrication/steel), Cypress Bayou Casino (Gaming), Service Marine Industries Inc. (Ship Construction/Repair), Marine Shale Processors (Aggregates), Swiftships, Inc (Boats/Yachts) and Twin Brothers Marine Corporation (Marine Fab/Oil Field). Other major employers in the area include the St. Mary Parish School System and Lakewood Hospital.

Iberia Parish's economy is also multi-faceted. Sugar cane production continues to be the financial backbone of the parish, especially in Jeanerette. The major employers in Iberia parish are: Universal Fabricators (Heavy Marine), Cardinal Services (Oilfield Services), Dauterive Hospital (Medical), Morton Salt Company (Salts), M.A. Patout & Sons (Sugar Cane Refinery), McIlhenny Company (Tabasco).

Competition from other banks in the assessment area is moderate. FNB of Jeanerette is the only bank based in Jeanerette with competition coming from branches of larger banks located outside of the assessment area. FNB's assessment area includes branches of the following banks: Iberia Bank, Midsouth National Bank, and Regions Bank. Although competition is moderate, FNB of Jeanerette has been able to maintain its market share in the Jeanerette and New Iberia communities.

Two community contacts were made in the assessment area, but neither identified any unmet credit needs of the community. They both mentioned that the New Iberia area is still growing while the Jeanerette community needs more business or industry to move in since the scaling down of operations of the Fruit of the Loom plant located in Jeanerette.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

FNB of Jeanerette (FNB) is performing in a satisfactory manner in meeting the credit needs of its assessment area consistent with its resources and capabilities.

Loan-to-Deposit Ratio

Since the last CRA evaluation on November 12, 1996, FNB of Jeanerette's loan-to-deposit ratio has averaged fifty-nine percent (59%). During the eleven quarters since the last CRA examination, the loan-to-deposit ratio has ranged from a low of fifty-two percent (52%) to a high of sixty-eight percent (68%) at September 30, 1997.

When compared to banks similarly situated to itself, FNB of Jeanerette's loan-to-deposit ratio is satisfactory.

Based on this information, FNB of Jeanerette's loan-to-deposit ratio meets the standards for satisfactory performance.

Lending in Assessment Area

A substantial majority of the bank's dollar volume and number of loans originated in its assessment area. FNB produces an internal report of loans that enumerates the number and dollar volume of loans originated to single borrowers owing \$10,000 or more inside and outside the bank's assessment area. The following chart depicts the results of the September 1999 report.

LOANS IN PORTFOLIO		LOANS MADE IN AREA	
#	\$	#	\$
678	30,896,415	94%	86%

This report also provides information on FNB's lending performance for various types of loans. The following chart depicts the results of the bank provided information.

LOAN TYPE	NUMBER OF LOANS	DOLLAR VOLUME (in thousands)	PERCENT OF BANK PORTFOLIO	PERCENT ALLOWABLE AS CONCENTRATION OF CREDIT
CONSUMER PURPOSE	1357	6,428	18%	60%
ALL REAL ESTATE	528	13,604	38%	100%
BUSINESS PURPOSE	158	4,859	14%	25%
FARM/AGRICULTURE	99	10,762	30%	50%
TOTALS	2,142			

Management prepares and reviews reports on a monthly basis which show the number and dollar volume of loans originated inside and outside its assessment area, and in various loan types, to ensure all segments of the community are served.

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

The distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes. The bank performs an annual sample of loan originations to review the distribution of loans to borrowers of different income levels. The latest report, dated May 1999, was reviewed. This analysis, prepared by the internal auditor, reviewed all unsecured consumer loan applications received in May 1999. The report revealed that fifty-five (55) applications were approved during the month. The report reflects that forty-nine (49) of the loans were originated to borrowers in the low- or moderate-income categories, which represents eighty-nine percent (89%) of the approvals for that month. The remaining approved consumer loans were to borrowers categorized as middle- and upper-income.

We also performed a sample to determine the geographic distribution of loans throughout the bank's assessment area. This sample included all types of loans originated by FNB and further verified that the bank is lending to borrowers of different income levels and businesses of different sizes throughout its assessment area.

A majority of FNB's commercial loans and farm loans are to small enterprises, defined as businesses with annual revenues less than \$1 million and farms with annual revenues less than \$500 thousand. The majority of FNB's farm loans are to small sugar cane farm operators. FNB's small business lending is to various small businesses located throughout the assessment area.

Overall, credit is adequately distributed to borrowers of different income levels and to businesses of different sizes.

Geographic Distribution of Loans

A geographic distribution analysis was performed to review the bank's lending patterns throughout the assessment area. The sample consisted of fifty loans of various types originated throughout the assessment area. The result of the sample indicated that the bank is originating loans to borrowers located in most of the census tracts within the bank's assessment area. This sample reveals that the bank has not arbitrarily excluded low- and moderate-income tracts in its lending practices. Overall, the geographic distribution of loans throughout the assessment area is considered reasonable.

Response to Complaints

The bank has not received any complaints regarding its CRA performance. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.