



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

January 12, 2004

**Community Reinvestment Act
Performance Evaluation**

**Hibernia National Bank
Charter Number: 13688**

**313 Carondelet Street
New Orleans, Louisiana 70161**

Office of the Comptroller of the Currency

**Large Bank Supervision
Washington, DC 20219**

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, and should not 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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**

The following table indicates the performance level of **Hibernia National Bank** with respect to the lending, investment, and service tests:

Performance Levels	Hibernia National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Hibernia's lending volume is excellent given the size and competition in its primary markets.
- A majority of the home mortgage loans and a substantial majority of the small loans to businesses are inside the bank's assessment areas.
- Hibernia's overall geographic distribution of lending is good. The distribution of loans to borrowers of different income levels is good.
- A significant number and dollar volume of community development loans were originated during the review period that enhance the overall good level of lending and have a positive impact on the Lending Test rating.
- The use of innovative and flexible loan products significantly enhance the bank's performance under the lending test.
- Hibernia has a good level of qualified community development investments given its resources and capacity.
- Service delivery systems are accessible to all geographies and individuals of different income levels in the State of Louisiana and readily accessible in the State of Texas.

- Community development services are excellent and heavily support the bank's community development efforts and address identified needs in the community. These services have a significant impact on the Service Test rating.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan statistical area (PMSA), metropolitan statistical area (MSA), or consolidated metropolitan area (CMSA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

Hibernia National Bank (Hibernia) is an interstate bank headquartered in New Orleans, Louisiana. Hibernia is a wholly owned subsidiary of Hibernia Corporation, a one-bank holding company also headquartered in New Orleans. Hibernia is the largest commercial bank in Louisiana. As of December 31, 2003, Hibernia reported total assets of \$18.5 billion and tier one capital of \$1.6 million. The loan to deposit ratio was 90%. The percentage of total assets represented by net loans was 70%.

Hibernia Corporation operates two subsidiaries, Hibernia Community Development Corporation (Hibernia CDC) and Hibernia Capital Corporation (HCC). Hibernia CDC was established in 1999, to promote and provide affordable housing in the bank's AAs. The non-profit CDC remains operational and its activities are considered throughout the evaluation report. HCC is an operating small business investment company established to encourage and assist in the creation, development, and expansion of small businesses. HCC and Louisiana Seed Capital Fund, L.P., (an operating affiliate of the bank) are considered in evaluating the bank's performance under the investment test. Louisiana Seed Capital Fund is a statewide loan fund that provides financing for small businesses.

Hibernia operates 252 full-service branches and 301 ATMs within Louisiana and Texas. During this evaluation period, 11 branches were opened and 18 were closed. Hibernia also established commercial financial centers in both Dallas and Houston, Texas in the fourth quarter of 2003.

Banking competition is aggressive in all of Hibernia's markets, particularly in the New Orleans AA and the Baton Rouge AA, and includes dominant affiliates of large national banking companies, large regional financial institutions, and numerous small community banks, credit unions, and non-bank financial service providers. Hibernia consistently ranks 1st or 2nd in deposit market share in the AAs receiving full-scope reviews.

Hibernia offers a full range of financial and credit services, in conformance with its strategy to develop into a broad-spectrum financial services company. Services include, but are not limited to, commercial, real estate, and consumer loan products. In 2000, Hibernia broadened its range of financial products and services through the purchase of Southcoast Capital, L.L.C., a full-service investment banking firm and Rosenthal Agency, Inc., Louisiana's largest independent insurance broker. Hibernia enhanced its expertise in life insurance and financial planning on April 1, 2003, through the acquisition of Friedler/LaRocca Financial Partners, L.L.C.

Loans represent approximately 70% of total assets. The loan portfolio is comprised of 54% real estate, 19% commercial loans and 27% loans to individuals. Farm and agricultural loans comprise less than 1% of the total loan portfolio. The real estate loan portfolio consists of 63% 1-4 family residential loans, 24% commercial real estate loans, 11% construction development loans, and 2% multifamily loans.

Hibernia demonstrates a strong commitment to and is very active in affordable housing efforts in its AAs. Projects and activities flowing from the operation of Hibernia CDC are the strongest example of the bank's commitment to its AAs. Hibernia CDC demonstrates impressive performance in the area of affordable housing, by financing projects that provide new and rehabilitates existing housing, providing homebuyer education, and technical expertise. Hibernia CDC has built significant relationships with non-profit, governmental and economic development organizations, leveraging those relationships to enhance the capacity of these entities and effectively promote home ownership and financial independence. Hibernia CDC takes a leadership position and is involved in many complex community development projects that involve numerous partners throughout its AAs. These efforts are detailed in the Community Development Lending and Community Development Services sections of this Performance Evaluation.

Hibernia's CRA performance was last evaluated on October 18, 1999, at which time the bank was rated "Satisfactory." A review of OCC records and the bank's CRA Public File did not reveal any complaints relating to the bank's CRA performance. No legal, financial or other factors impede the bank's ability to help meet the credit needs in its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed Hibernia's residential mortgage loans and small business loans. Farm and multifamily real estate loans comprise less than 2% of the number of all CRA reportable loans during the evaluation period. A geographic analysis of small loans to farms and multifamily loans was not meaningful therefore, with the exception of loans with a community development purpose, multifamily loans and small loans to farms are not considered in the evaluation of the bank's performance. The bank did not elect to have us include consumer loans, which represent approximately 14% of gross loans and leases. The evaluation period under the Lending Test is January 1, 2000 through December 31, 2002.

For community development (CD) loans and the Investment and Service tests, the evaluation period is October 18, 1999 through January 12, 2004. The Investment Test conclusions are based on an evaluation of investments, grants and donations made in the bank's AAs that meet the definition of community development. The Service Test evaluation is based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial deposit and loan products and services, and community development services.

Data Integrity

Prior to this CRA examination, OCC personnel verified the accuracy of data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses and farms. In addition, non-public data that was submitted by bank management for CD loans, services and investments were reviewed to ensure they qualified as community development. Based on verification work performed, publicly reported lending data is considered accurate. All the data reported in the above categories are used in this evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, a sample of assessment areas (AAs) within that state was selected for full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were selected and why they are representative.

Ratings

The bank's overall rating is a blend of the state ratings. The state ratings are based primarily on those areas that received full-scope reviews. The State of Louisiana receives the greatest weight in our determination of the overall rating. This state accounts for 84% of the branch network, 88% of total deposits, and 88% of the CRA reportable loans during the evaluation period. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

Fair Lending Review

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

State Rating

State of Louisiana

CRA Rating for Louisiana: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The Service Test is rated: Outstanding

The major factors that support this rating:

- Hibernia demonstrates excellent responsiveness to credit needs particularly in the New Orleans AA. CRA reportable loan volume in Louisiana is strong, particularly for home improvement and small business loans.
- A majority of the home mortgage loans and a substantial majority of small loans to businesses are inside the bank's Louisiana AAs.
- The geographic distribution of reportable loans originated in Louisiana is adequate. The distribution of loans to borrowers of different income levels is good.
- A significant number and dollar volume of community development loans were originated in Louisiana during the review period that have a positive impact on the Lending Test rating.
- The use of innovative and flexible loan products significantly enhance the bank's performance under the Lending Test, particularly in the New Orleans AA.
- Hibernia has a good level of qualified community development investments in Louisiana given its resources and capacity.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AAs.
- An excellent level of community development services significantly support the bank's other community development efforts and address identified needs in the community. These services have a positive impact on the Service Test rating.

Description of Institution's Operations in Louisiana

Hibernia has defined 10 assessment areas (AAs) in Louisiana. Assessment areas are delineated by the political boundaries of the parishes where the bank has its branch locations. The AAs consist of the following metropolitan areas (MAs): Alexandria, Baton Rouge, Houma, Louisiana non-metropolitan, Lafayette, Lake Charles, Monroe, Northeast Louisiana non-metropolitan, New Orleans and Shreveport AAs. The AAs that receive a full-scope review are described in detail in the market profile section of this evaluation (Appendix C). All consist of whole geographies, do not reflect illegal discrimination, and do not arbitrarily exclude low- or moderate-income census tracts and overall meet the requirements of the CRA regulation.

Hibernia operates 212 branches within the state with deposits totaling \$12 billion. Based on the June 30, 2003, FDIC Summary of Deposits, Hibernia ranks 1st in the state with a 22% deposit market share.

Refer to the Market Profiles for the State of Louisiana in Appendix C for detailed demographics and other performance context information for AAs that receive full-scope reviews.

Scope of Evaluation in Louisiana

Hibernia's overall rating is based primarily on those areas that receive full-scope reviews. We selected the Baton Rouge, New Orleans and Shreveport AAs for full-scope reviews. These 3 areas contain 19%, 43%, and 9%, respectively, of Hibernia's \$12 billion in deposits within the state. Also, approximately 19%, 42% and 9%, respectively, of total loan originations and purchases are in these 3 areas. Additionally, 57% (121) of the total branches in the state are located within these 3 combined areas. All other AAs receive limited-scope reviews. The New Orleans AA receives greater weight than the Baton Rouge or Shreveport AAs. Refer to the Market Profiles in Appendix C and Table 1 Lending Volume in appendix D for more information.

Home mortgage lending performance is given the greatest weight under the lending test since it is the bank's primary business line, followed by small business loans. We gave equal weight to the bank's performance under each home mortgage-lending product. Although the bank originated a slightly higher proportion of refinance loans, home improvement and home purchase loans are significant credit needs within the bank's AAs.

The geographic distribution of multifamily loans and the geographic and borrower distribution of small loans to farms are not relevant due to the small volume of loans originated or purchased during the evaluation period. Therefore, an analysis of the geographic distribution of multifamily loans and the geographic and borrower distribution of small loans to farms has been eliminated from the Public Evaluation.

We noted during the conducting and review of 6 community contacts made in the AAs that many opportunities exist in the bank's market to participate in community development lending, investment, and service activities. The Baton Rouge and New Orleans AAs have very high levels of opportunities and capacity for community development. The primary needs identified by the community contacts are affordable housing, small business loans, and technical assistance (financial education).

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Louisiana is rated "High Satisfactory". Based on full-scope reviews, Hibernia's performance in the New Orleans and Baton Rouge AAs is good and performance in the Shreveport AA is adequate.

Hibernia's rating is based primarily on overall adequate performance in HMDA lending along with excellent performance in small business loan products. HMDA lending has the most impact on the lending test conclusions and is adequate. Small business lending also contributes significantly to lending test performance and is excellent. Community development lending and innovative/flexible loan products targeted towards affordable housing significantly enhance performance.

Lending Activity

Hibernia's lending activity demonstrates excellent responsiveness to the credit needs of its AAs. Refer to Table 1, Lending Volume in the State of Louisiana section of Appendix D for the facts and data used to evaluate the bank's lending activity.

New Orleans AA

Hibernia's lending activity demonstrates excellent responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Home mortgage and small business lending is essential to the local economy. Hibernia's deposit market share of 26% (\$5 billion) ranks first among 119 financial institutions with offices in the New Orleans AA.

In the New Orleans AA, approximately 76% of the number and 80% of the dollar amount of Hibernia's CRA reportable loans were home mortgage loans. Among the home mortgage loans originated in the New Orleans AA, approximately 45% were for refinance, 29% for home improvement, and 25% for home purchase. Approximately 24% of the total number and 20% of the dollar amount of Hibernia's CRA reportable loans were small loans to businesses.

Home mortgage lending activity is strong. Hibernia reported 19,342 home mortgage loans totaling \$2 billion over the evaluation period. Home improvement lending volume is particularly strong. Hibernia ranks first in home improvement lending originations with a dominant 46% market share out of 85 lenders. Hibernia also ranks first with a 10% market share and third with an 8% market share in both refinance and home purchase originations, respectively. Small business lending activity is strong as well. Hibernia reported 6,017 small business loans totaling \$490 million over the evaluation period. Further, Hibernia ranks sixth among 87 financial institutions operating in the New Orleans AA with a 6% market share. Overall, loan volume is considered strong given the large number of non-bank financial providers and credit card companies making home mortgages and small loans to businesses in the New Orleans AA.

Baton Rouge AA

Hibernia's lending activity demonstrates excellent responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Home mortgage and small business lending is essential to the local economy. Hibernia's deposit market share of 21% (\$2 billion) ranks second among 75 financial institutions with offices in the Baton Rouge AA.

In the Baton Rouge AA, approximately 79% of the number and 82% of the dollar amount of Hibernia's CRA reportable loans were home mortgage loans. Among the home mortgage loans originated in the Baton Rouge AA, approximately 46% were for refinance, 31% for home purchase, and 22% for home improvement. Approximately 21% of the number and 18% of the dollar amount of Hibernia's CRA reportable loans were small loans to businesses.

Home mortgage lending activity is strong. Hibernia reported 9,582 home mortgage loans totaling \$855 million over the evaluation period. Home improvement lending volume is particularly strong. Hibernia ranks first in home improvement lending originations with a dominant 48% market share out of 34 lenders. Hibernia also ranks first with a 12% market and second with a 9% market share in both refinance and home purchase originations, respectively. Small business lending activity is strong as well. Hibernia reported 2,510 small business loans totaling \$186 million over the evaluation period. Further, Hibernia ranks eighth among 74 financial institutions operating in the Baton Rouge AA with a 5% market share. Overall, loan volume is considered strong given the large number of non-bank financial providers and credit card institutions making home mortgages and small loans to businesses in the Baton Rouge AA.

Shreveport AA

Hibernia's lending activity demonstrates excellent responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Home mortgage and small business lending is essential to the local economy. Hibernia's deposit market share of 23% (\$1 billion) ranks first among 50 financial institutions with offices in the Shreveport AA.

In the Shreveport AA, approximately 70% of the number and 68% of the dollar amount of Hibernia's reported loans were home mortgage loans. Among the home mortgage loans originated in the Shreveport AA, approximately 43% were for refinance, 31% for home improvement, and 26% for home purchase. Approximately 30% of the number and 32% of the dollar amount of Hibernia's CRA reportable loans were small loans to businesses.

Home mortgage lending activity is strong. Hibernia reported 5,483 home mortgage loans totaling \$366 million over the evaluation period. Home improvement lending volume is particularly strong. Hibernia ranks first in home improvement lending originations with a dominant 53% market share out of 46 lenders. Hibernia also ranks first with a 13% market share and fourth with a 7% market share in both refinance and home purchase originations, respectively. Small business lending activity is strong as well. Hibernia reported 2,339 small business loans totaling \$173 million over the evaluation period. Further, Hibernia ranks fifth among 62 financial institutions operating in the Shreveport AA with a 7% market share. Overall, loan volume is considered strong given the large number of non-bank financial providers and credit card institutions making home mortgages and small loans to businesses in the Shreveport AA.

Distribution of Loans by Income Level of the Geography

The geographic distribution of Hibernia's CRA reportable loans is adequate. HMDA loan performance is weighted the heaviest in the analysis of the distribution of loans by income level of the geography. Overall, the geographic distribution of HMDA loans is adequate with adequate performance in all three full-scope AAs. Overall, the geographic distribution of small loans to businesses is good with excellent performance in the New Orleans AA and good performance in the Baton Rouge and Shreveport AAs.

Refer to Tables 2-6 in the State of Louisiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage and small business loan originations/purchases.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate. Performance in the New Orleans AA, especially in home improvement loans, has the greatest impact in the performance conclusion since Hibernia extends a large volume of home improvement loans in the New Orleans AA. Good geographic distribution of home improvement loans offsets adequate performance for home purchase and refinance loans.

New Orleans AA

The geographic distribution of home purchase loans is adequate. The percentage of loans made in low-income and moderate-income geographies is near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies is below its overall market share. In moderate-income geographies the bank's market share is near to its overall market share.

The geographic distribution of home improvement loans is good. The percentage of loans made in low- and moderate-income geographies meets the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies meets its overall market share. Hibernia's market share in moderate-income geographies exceeds its overall market share.

The geographic distribution of refinance loans is adequate. The percentage of loans made in low-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies is near to its overall market share. The percentage of loans made in moderate-income geographies is near to the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income geographies is near to its overall market share.

Baton Rouge AA

The geographic distribution of home purchase loans is poor. The percentage of loans made in low-income and moderate-income geographies is well below the percentage of owner-occupied units in these geographies. Market share analysis indicates that the bank's market share in both low- and moderate-income geographies is near to its overall market share.

The geographic distribution of home improvement loans is good. The analysis indicates that the percentage of loans made in low-income geographies is near to the percentage of owner-occupied units in these geographies, but the bank's market share in low-income geographies meets its overall market share. The percentage of loans made in moderate-income geographies meets the percentage of owner-occupied units in these geographies. However, market share analysis reflects that Hibernia's performance in moderate-income geographies exceeds its overall market share demonstrating strong performance in home improvement lending.

The geographic distribution of refinance loans is poor. Demographic and market share comparisons indicate weak performance. The percentage of loans made in low-income geographies is well below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies is near to its overall market share. The percentage of loans made in moderate-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income geographies is near to its overall market share.

Shreveport AA

The geographic distribution of home purchase loans is adequate. The percentage of loans made in low-income and moderate-income geographies is well below the percentage of owner-occupied units in these geographies. However, market share data reflects strong performance with low-income geographies substantially meeting and moderate-income geographies exceeding overall market share.

The geographic distribution of home improvement loans is good. The percentage of loans made in low-income geographies is near to the percentage of owner-occupied units in these geographies. The percentage of loans made in moderate-income geographies meets the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies exceeds its overall market share. Hibernia's market share in moderate-income geographies is near to its overall market share.

The geographic distribution of refinance loans is poor. The percentage of loans made in low-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies is near to its overall market share. The percentage of loans made in moderate-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income geographies is near to its overall market share.

Small Loans to Businesses

New Orleans AA

The geographic distribution of small loans to businesses is excellent. The percentage of loans made in low-income geographies meets the percentage of businesses located in these geographies. The bank's market share in low-income geographies exceeds its overall market share. The percentage of loans made in moderate-income geographies exceeds the percentage of businesses located in these geographies. The bank's market share in moderate-income geographies exceeds its overall market share.

Baton Rouge AA

The geographic distribution of small loans to businesses is good. The percentage of loans made in low-income geographies is near to the percentage of businesses located in these geographies. The bank's market share is near to its overall market share. The percentage of loans made in moderate-income geographies meets the percentage of businesses located in these geographies. The bank's market share in moderate-income geographies exceeds its overall market share.

Shreveport AA

The geographic distribution of small loans to businesses is good. The percentage of loans made in low-income geographies meets the percentage of businesses located in these geographies. The bank's market share in low-income geographies exceeds its overall market share. The percentage of loans made in moderate-income geographies meets the percentage of businesses located in these geographies. The bank's market share in moderate-income geographies exceeds its overall market share.

Small Loans to Farms

A geographic analysis of small loans to farms was not meaningful therefore small farm loans are not considered in the evaluation of the bank's performance.

Lending Gap Analysis

Reports and maps detailing Hibernia's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified.

Inside/Outside Ratio

On a bank level, Hibernia has a satisfactory record of lending inside of its assessment areas. We performed an analysis of the bank’s record of making home mortgage, small loans to businesses, and small loans to farms in its full-scope AAs. The information we reviewed included bank originations and purchases only and did not include extensions of credit by affiliates that are being considered under the other performance criteria. A majority of home mortgage loans and a substantial majority of small loans to businesses were originated/purchased within the bank’s AAs. By product, the bank originated the following percentages of loans inside its AAs:

Loan Type	% Inside
Home Purchase	31
Refinance	49
Home Improvement	90
Small Loans to Businesses	91
Overall	58

As can be seen above, a majority of home purchase and refinance loans were made outside of the bank’s assessment areas. This is primarily related to Hibernia having numerous mortgage banking correspondent relationships, which transact business outside of the bank’s assessment areas. Also, the bank has a number of loan production offices that originate home purchase and refinance loans outside of the bank’s assessment areas. The bank’s lending performance inside of its assessment areas was evaluated considering this performance context information. Hibernia’s lending performance inside of its assessment areas was positively factored into the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

The distribution of Hibernia’s CRA reportable loans to borrowers of different incomes is good. Several factors make it difficult for low- and moderate-income persons in the AAs to purchase a home and limits their opportunities for home improvement and home refinance loans but overall, Hibernia’s distribution of home mortgage loans to borrowers of different income levels is good. HMDA loan performance in the New Orleans AA is adequate while performance in the Baton Rouge and Shreveport AAs is good. The distribution of loans to businesses of different sizes is excellent for all full-scope AAs. The bank achieved good penetration to low- and moderate-income borrowers with its home mortgage lending. Penetration to businesses with revenues of \$1 million or less is excellent.

Refer to Tables 8-11 in the State of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank home mortgage and small business loan originations and purchases.

Home Mortgage Loans

New Orleans AA

The distribution of home purchase loans to borrowers of different income levels is adequate. The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families in the AA. Market share analysis indicates that the bank's performance to low-income families is near its overall market share. The percentage of home purchase loans to moderate-income borrowers meets the percentage of moderate-income families in the AA. Market share data reflects shows that the bank's market share to moderate-income families is near its overall market share.

These levels of performance are mitigated by barriers to homeownership due to high home prices compared with incomes for low- and moderate-income families. The median home price in the New Orleans AA was \$122,600 at year-end 2002, compared to \$73,180 in 1990. Based on the updated HUD median family income, low- and moderate-income borrowers earn less than \$22,000 and \$35,200, respectively. Further, approximately 20% of the households live below the poverty level. Using standard underwriting formulas it is difficult for individuals with incomes at those levels to accumulate the monthly payments for principal, interest, taxes, and insurance. We considered this as a potential barrier for low- and moderate-income borrowers in our analysis of home loan products.

The distribution of home improvement loans to borrowers of different income levels is good. The percentage of home improvement loans to low-income borrowers is well below the percentage of low-income families in the AA. The bank's market share to low-income families substantially meets its overall market share. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is near to its overall market share.

The distribution of refinance loans to borrowers of different income levels is adequate. The level of performance is mitigated by the same barriers to homeownership previously discussed in the geographic distribution of home purchase loans. The percentage of refinance loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income borrowers is also below its overall market share. The percentage of refinance loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is also near its overall market share.

Baton Rouge AA

The distribution of home purchase loans to borrowers of different income levels is good. The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income families is near to its overall market share. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share to moderate-income families meets its overall market share.

These levels of performance are mitigated by barriers to homeownership due to high home prices compared with incomes for low- and moderate-income families. The median home price in the Baton Rouge AA was \$118,600 at year-end 2002, compared to \$65,715 in 1990. Based on the updated HUD median family income, low- and moderate-income borrowers earn less than \$24,600 and 39,360, respectively. Further, approximately 18% of the households live below the poverty level. Using standard underwriting formulas it is difficult for individuals with incomes at those levels to accumulate the monthly payments for principal, interest, taxes, and insurance. We considered this as a potential barrier for low- and moderate-income borrowers in our analysis of home loan products.

The distribution of home improvement loans to borrowers of different income levels is good. The percentage of home improvement loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income families meets its overall market share. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share to moderate-income families exceeds its overall market share.

The distribution of refinance loans to borrowers of different income levels is adequate. The percentage of refinance loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income borrowers is near its overall market share. The percentage of refinance loans to moderate-income borrowers meets the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is near its overall market share. The same affordability issues previously discussed in the geographic distribution of home purchase loans mitigate these levels of performance. The disparity between low- and moderate-incomes and high housing cost explain why it is virtually impossible for Hibernia to meet the demographic and market share comparables.

Shreveport AA

The distribution of home purchase loans to borrowers of different income levels is good. The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income families is near its overall market share. The percentage of home purchase loans to moderate-income borrowers meets the percentage of moderate-income families in the AA and Hibernia's market share to moderate-income families is near to its overall market share.

These levels of performance are mitigated by barriers to homeownership due to high home prices compared with incomes for low- and moderate-income families. The median home price in the Shreveport AA was \$89,000 at year-end 2002, compared to \$54,443 in 1990. Based on the updated HUD median family income, low- and moderate-income borrowers earn less than \$20,050 and 32,080, respectively. Further approximately 21% of the households live below the poverty level. Using standard underwriting formulas it is difficult for individuals with incomes at those levels to accumulate the monthly payments for principal, interest, taxes, and insurance. We considered this as a potential barrier for low- and moderate-income borrowers in our analysis of home loan products.

The distribution of home improvement loans to borrowers of different income levels is good. The percentage of home improvement loans to low-income borrowers is near the percentage of low-income families in the AA. However, Hibernia's market share to low-income families meets its overall market share. The percentage of home improvement loans to moderate-income borrowers meets to the percentage of moderate-income families in the AA. The bank's market share to moderate-income families meets its overall market share. The bank's performance is strong after considering the performance context issues previously discussed for the Shreveport AA.

The distribution of refinance loans to borrowers of different income levels is adequate. The percentage of refinance loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's overall market share to low-income borrowers is near to its overall market share. The percentage of refinance loans to moderate-income borrowers is near the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is near to its overall market share. Hibernia's performance is satisfactory given the affordability issues previously discussed in the geographic distribution of home purchase loans.

Small Loans to Businesses

New Orleans AA

The distribution of small loans to businesses is excellent. The percentage of small loans made to small businesses exceeds the percentage of small businesses with annual revenues \$1 million or less in the New Orleans AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less exceeds its overall market share.

Baton Rouge AA

The distribution of small loans to businesses is excellent. The percentage of small loans made to small businesses exceeds the percentage of small businesses with annual revenues \$1 million or less in the Baton Rouge AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less exceeds its overall market share.

Shreveport AA

The distribution of small loans to businesses is excellent. The percentage of small loans made to small businesses exceeds the percentage of small businesses with annual revenues \$1 million or less in the Shreveport AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less exceeds its overall market share.

Community Development Lending

Hibernia's level of CD lending is significant and enhances its overall good level of lending in the State of Louisiana. CD lending has a positive impact on the Lending Test conclusions. During the evaluation period, Hibernia originated 82 loans totaling \$135 million in the areas receiving a full-scope review.

Refer to Table 1 Lending Volume in the state of Louisiana section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

New Orleans AA

Hibernia's level of CD lending volume is excellent and enhances the overall good level of lending in the New Orleans AA. CD lending has a positive impact on the Lending Test rating. During the evaluation period, Hibernia made a total of 57 CD loans totaling \$75 million.

Bank management and community contacts identified affordable housing and technical assistance as persistent needs in the New Orleans AA. Hibernia demonstrated an excellent level of responsiveness to the need for affordable housing. Most of the CD loans were extended to investors, builders and non-profits specializing in development and rehabilitation of affordable single-family residences and multifamily dwellings in economically depressed low- and moderate-income geographies. The bank originated 23 CD loans for affordable housing totaling \$20 million.

The Hibernia CDC made another 24 loans totaling \$41 million to builders and non-profit entities to construct or rehabilitate affordable housing. These loans seek to revitalize and stabilize low- and moderate-income geographies. The areas benefiting from this significant amount of affordable housing activity include neglected and/or abandoned neighborhoods, including city- or nationally-designated historic districts that are in need of revitalization. The bank's commitment to increasing the stock of affordable housing in its assessment areas is demonstrated by these numbers.

Hibernia issued a \$9.7 million warehouse line of credit to a joint venture project in which the bank is a partner with a major home mortgage corporation. The project originates and services loans to moderate-income borrowers made under the FNMA delegated Underwriting and Servicing Program. The loans are subsequently sold on the secondary market in the form of mortgage-backed securities guaranteed by FNMA.

Other projects support non-profit providers of community services targeted to low- and moderate-income individuals and families. Many provide support for medical and nursing home facilities serving low- and moderate-income individuals.

Baton Rouge AA

Hibernia's level of CD lending is excellent and enhances the overall good level of lending in the Baton Rouge AA. CD lending has a positive impact on the Lending Test rating. During the evaluation period, Hibernia made a total of 17 CD loans totaling \$57 million.

Bank management and community contacts identified affordable housing and small business loans as credit needs in the Baton Rouge AA. Hibernia demonstrated a good responsiveness to the need for affordable housing. Many of the CD loans were extended to investors, builders and non-profits specializing in development and rehabilitation of affordable single-family residences and multifamily dwellings in economically depressed low- and moderate-income geographies and that benefit low- and moderate-income individuals. The bank originated 8 loans totaling \$7 million, and the Hibernia CDC made 5 loans totaling \$3 million to builders and non-profit entities to construct or rehabilitate affordable housing.

Other projects support non-profit providers of community services targeted to low- and moderate-income individuals and families. Many provide support for medical and nursing home facilities serving low- and moderate-income individuals.

Shreveport AA

Hibernia's level of CD lending is adequate in the Shreveport AA. CD lending has a neutral impact on the Lending Test rating. During the evaluation period, Hibernia made a total of 8 CD loans totaling \$3 million.

Bank management and community contacts identified affordable housing as the primary credit need in the Shreveport AA. Hibernia demonstrated an adequate level of responsiveness to the need for affordable housing. All of the CD loans were extended to investors, builders and non-profits specializing in development and rehabilitation of affordable single-family residences and multifamily dwellings in low- and moderate-income geographies and that benefit low- and moderate-income individuals.

Product Innovation and Flexibility

The use of innovative and flexible loan products significantly enhances the bank's performance under the Lending Test, and positively impacts the rating. Specifically, the bank has designed and offers residential loan programs that benefit low- and moderate-income individuals and geographies. Many of the programs have national, regional and statewide impact and were initiated and developed by the bank with bank staff expending considerable time and effort in establishing partnerships with government and non-profit mortgage experts.

New Orleans AA

Partnership with Federal National Mortgage Association (FNMA)

Hibernia initiated a partnership with FNMA, the nation's largest source of home loan financing, to develop and offer over a two-year period mortgage loan products with low down payment requirements to promote homeownership. Several lenders participate in the program nationwide, including Hibernia. Down payments are one percent of the purchase price or \$500, whichever is greater, and may be grants, gifts or seller's contributions, allowing borrowers to use local grant programs which the bank can help them find. The program targets persons who may not otherwise qualify for a home loan; non-traditional credit histories, even past bankruptcy, may be acceptable. Under this program, Hibernia originated 41,848 loans totaling \$5 billion between March 1, 2001 and September 30, 2002. Of this total, 3,790 loans totaling \$293 million were made to low- and moderate-income individuals in Louisiana, and 4,632 loans for \$373 million were originated in Texas under the partnership. In the New Orleans AA, the bank made 5,450 loans totaling \$671 million under this program during the evaluation period.

U.S. Department of Agriculture (USDA) Rural Development Program

Hibernia participates in both the Section 502 Direct and the Section 502 Guaranteed Loan Programs that leverage funds from the Rural Housing division of the USDA. Mortgages under the Direct Loan Program are targeted to low- and moderate-income families. Payments are based on income, and no down payment is required. Under the Guaranteed Loan Program, Hibernia provides the first mortgage loan with a loan-to-value of 20% and Rural Housing provides an affordable second mortgage. Hibernia's participation in these programs reduces the amount the agency must provide thereby maximizing the use of government funding. The programs feature flexible terms and underwriting characteristics, including terms up to 33 years, no cash required from the borrower for the down payment, no origination fee or discount points, expanded debt to income ratios, no private mortgage insurance requirement, acceptance of nontraditional credit references, reduced credit history requirements, and no reserve requirements. The bank originated 277 loans totaling \$3 million bank-wide during this evaluation period under the Direct Loan Program. Under the Guaranteed Loan Program, Hibernia made 83 loans totaling \$7 million to low- and moderate-income families throughout its AAs between January 1, 2000 and December 31, 2002.

Home Mortgage Bond Programs

Hibernia participates in numerous bond programs throughout Louisiana and East Texas. State and local city governments that offer flexible-underwriting criteria tailored to meet the needs of low- and moderate- income families sponsor these programs. Specific programs include, but are not limited to, the Louisiana Housing Finance Agency, the New Orleans Home Mortgage Authority, Calcasieu Parish Public Trust Authority, the Rapides Finance Authority, and the Texas Bond Program. The percentages of LMI borrowers participating in the named bond programs are 73%, 64%, 65%, 100% and 88%, respectively. Hibernia originated 294 loans totaling \$17 million under these programs during the evaluation period.

Louisiana Public School Teachers Mortgage Program

This is a collaboration between Hibernia, FNMA, and the State of Louisiana to create affordable housing opportunities for Louisiana public school teachers. The program is designed to attract and retain public school teachers throughout the state. The initial \$10 million used to fund the program will be financed by mortgage-backed securities and/or AAA rated bonds. The program includes flexible terms and underwriting characteristics such as low down payments, reduced interest rates, reduced closing cost, reduced appraisal fees, flexible credit features, 97% loan to value and reduced rates on private mortgage insurance. Hibernia has originated 24 loans totaling \$2 million to LMI teachers between January 1, 2002 and December 31, 2002. All funds allocated for this program have been disbursed.

My Community Mortgage

This program is designed to assist low- and moderate-income homebuyers who cannot qualify for traditional financing. It targets low- and moderate-income geographies identified by FNMA based on the areas' need for quality affordable housing. The program provides flexible terms including no discount points, 100% loan-to-value ratios, acceptance of non-traditional credit references, and first-time homebuyer education. Hibernia originated 48 loans totaling \$3 million bank-wide in 2002. In the New Orleans AA, the bank originated 5 loans totaling \$321,000.

New Orleans Jazz and Heritage Foundation's "Raise the Roof" Campaign

This is the first affordable housing program that targets the music industry. Through the partnership agreement between Hibernia, the New Orleans Jazz and Heritage Foundation and the City of New Orleans, the bank constructed or renovated 10 homes for artists/musicians whose incomes are 80% or less than the city median income. The program includes flexible finance terms and underwriting characteristics such as no discount points, 30 year amortization, down payment and closing cost assistance, soft second mortgages that are forgivable if the buyer stays in the house for 10 years, and no-interest construction financing. Hibernia originated 7 loans totaling \$596,000 between November 1, 2001 and June 30, 2003.

Project Renaissance

This program is designed to help low- and moderate-income seniors finance major repairs to their homes that they otherwise could not afford. Project Renaissance is a partnership between Hibernia and the City of New Orleans that provides subsidized home-improvement loans from \$15,000 to \$45,000. The program provides flexible terms and underwriting characteristics such as no discount points, and soft second mortgages that are forgivable if the buyer stays in the house for 10 years. Homeowners also benefit from landscaping assistance provided by Booker T. Washington High School's horticultural program. In the New Orleans AA, Hibernia issued construction draws on 9 loans totaling \$137,000 between January 25, 2000 and October 31, 2001.

Baton Rouge AA

The use of innovative and flexible loan products enhances the bank's performance under the lending test, and positively impacts the rating. Specifically, the bank has designed and offers residential loan programs that benefit low- and moderate-income individuals and geographies. Many of the programs were initiated and developed by the bank with bank staff expending considerable time and effort in establishing partnerships with government and non-profit mortgage experts. These programs are detailed as bank-wide programs in this section above, under the New Orleans AA.

Under the FNMA partnership program, Hibernia originated 2,939 loans totaling \$332 million during the evaluation period in the Baton Rouge AA.

Under the My Community Mortgage Program, the bank made 29 loans totaling \$3 million in Baton Rouge between January 1, 2000 and December 31, 2002.

Under the USDA Rural Development programs, Hibernia originated 14 loans totaling \$1 million during the evaluation period.

Shreveport AA

The use of innovative and flexible loan products enhances the bank's performance under the lending test, and positively impacts the rating. Specifically, the bank has designed and offers residential loan programs that benefit low- and moderate-income individuals and geographies. Many of the programs were initiated and developed by the bank with bank staff expending considerable time and effort in establishing partnerships with government and non-profit mortgage experts. These programs are detailed as bank-wide programs in this section above, under the New Orleans AA.

Under the FNMA partnership program, Hibernia originated 1,590 loans totaling \$154 million during the evaluation period in the Shreveport AA. Under the My Community Mortgage Program, the bank originated 36 loans totaling \$3 million in Shreveport between January 1, 2000 and December 31, 2002.

In addition to the bank-wide programs, Hibernia is a major participant in the City of Shreveport's Homebuyers Assistance Program Participation Initiative (HAPPI). The HAPPI program is designed to assist first time homebuyers and for persons 80% or below the area median income as determined by HUD. The program provides for assistance up to 20% of the sales price or the appraised value, whichever is less. The program includes flexible terms and underwriting characteristics such as down payment and closing cost assistance, no discount points, rate buy-down assistance and principal reductions. Hibernia originated 41 loans totaling \$2 million between January 1, 2000 and December 31, 2003.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Lafayette, Lake Charles and Monroe AAs and in the Louisiana and Northeast Louisiana non-metropolitan AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Overall, these limited scope reviews indicate that there are some portions of the lending test that are stronger and weaker than the overall state performance, however, after considering strong community development lending and innovative/flexible lending products, the overall lending test rating for these areas is not inconsistent with the bank's overall performance. In the Alexandria AA, the bank's performance is weaker than the bank's overall performance. This is because of weaker geographic distribution of lending, particularly for home purchase loans. In the Houma AA, the bank's performance is weaker than the bank's overall performance in the state. This is because of overall poor geographic distribution of lending and the distribution of lending to borrowers of different incomes.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Louisiana is rated "High Satisfactory". Based on our full-scope review, the bank's performance in the New Orleans and Baton Rouge AAs is good and performance in the Shreveport AA is excellent.

Refer to Table 14 in appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. Hibernia's qualifying investments are centered in debt or equity investments and grants and donations with the primary purpose of affordable housing, community development services targeted to low- and moderate-income households and small business financing.

Hibernia has primarily used mortgage-backed securities, secured by single-family mortgages to LMI borrowers or affordable multifamily projects, to promote community development activities within the full-scope AAs and the State of Louisiana. These products typically have a strong market but are not considered complex or innovative. Hibernia has made a high number and dollar level of contributions and many of these have good impact providing funding that would not be available otherwise and are responsive to available opportunities.

Investments to three entities involve complex involvement by Hibernia and have strong impact in meeting community development needs: Hibernia National Bank Community Development Corporation (Hibernia CDC), Hibernia Capital Corporation (HCC) and Louisiana SEED Capital Fund, L.P. The investments have been highly leveraged to provide community development projects and all have significant impact. These investments have helped provide financing and technical support for small businesses and start-up ventures.

The CDC investments are not particularly innovative, but the CDC takes a leadership position to promote community development projects and the investment dollars have been highly leveraged and have a significant impact in meeting identified community development needs. Hibernia CDC demonstrates impressive performance in the area of affordable housing, including completing projects that provide new housing, providing homebuyer education and facilitating affordable housing projects by bringing together the financing and technical expertise.

New Orleans AA

Investment performance in the New Orleans AA is good. Hibernia has made a variety of investments including debt and equity holdings and contributions, and all are beneficial to and meet identified needs in the New Orleans AA and in the State of Louisiana. In New Orleans, Hibernia made 141 investments that total \$17 million in the AA. Grants, donations, or in-kind contributions that qualified for community development purpose comprise 53% of the dollar total of qualified investments at 1 million.

Investments in the New Orleans AA have been directed to a variety of organizations that provide affordable housing, promote economic development by financing small businesses, provide human and social services and make available educational services directed toward low- and moderate-income people. Some of the investments have complex and innovative characteristics. The following examples provide a sample of the investments and their strong impact in meeting community development needs in the New Orleans AA.

Hibernia National Bank Community Development Corporation (Hibernia CDC)

Hibernia recognized numerous affordable housing needs and opportunities in its primary market of New Orleans, Louisiana. In response, it formed the Hibernia CDC to create and develop specialized loan and residential construction partnerships in the communities the bank serves. The CDC functions as developer, lender, and technical advisor to project partners in its operations. The primary focus is affordable housing, but the efforts of the CDC have revitalized and stabilized numerous distressed neighborhoods in the bank's AA. The CDC was initially funded in 1999 with \$100,000 in capital. Current period investment credit is \$195,000.

During the evaluation period, the CDC originated 24 community development loans in the New Orleans AA totaling \$41 million to builders and non-profit entities to construct or rehabilitate affordable housing. This investment has significant impact and the CDC demonstrated a leadership position in addressing affordable housing needs in the AA.

Hibernia Capital Corporation (HCC)

HCC is a small business investment corporation established to encourage and assist in the creation, development and expansion of businesses by making later-stage venture capital investments and private equity investments in growth-oriented small businesses located in the Gulf South including Louisiana. HCC investments have provided funding for a number of business ventures through partnership interests, preferred stock and common stock holdings and subordinated debt. HCC invests in businesses that impact the State of Louisiana and nationwide. In addition to providing capital to companies, HCC provides management assistance for growing businesses and technical financial guidance. Hibernia committed \$23 million to this innovative business development company. During the current evaluation period \$5 million has been invested.

Enterprise Corporation of the Delta

Enterprise Corporation of the Delta (ECD) is a community development financial institution. Hibernia invested \$100,000 and credit is disbursed among the Louisiana AAs. ECD's purpose is to improve the lives of people living in economically distressed communities. The institution has helped meet community development needs through commercial and mortgage lending and by providing technical assistance for businesses and homebuyers. During the evaluation period, 192 commercial loans were extended that created 1,855 jobs for low-income individuals in the Delta.

Louisiana SEED Capital Fund

The Louisiana SEED Capital Fund promotes economic development by providing financing for small businesses through matching or co-investment funds. The St. Tammany Parish Economic Development Foundation administers this fund. Hibernia's investment represents a 9% partnership interest. The organization has approximately 5 million in total assets and has extended approximately \$3 million in loans and investments to Louisiana small businesses including an estimated \$750,000 during this evaluation period. Investment dollars are split between the Louisiana AAs.

Contributions help provide needed community development money in the New Orleans AA. The following examples demonstrate the impact of the contributions Hibernia made during the evaluation period:

New Orleans Neighborhood Development Collaborative

Hibernia contributed \$125,000 to help support the operations and various initiatives of the New Orleans Neighborhood Development Collaborative. Additionally, Hibernia provided more than monetary support to the organization, the President of Hibernia CDC serves on the Board of Directors of the collaborative. This is an example of Hibernia's partnership with a non-profit that works to alleviate the immense need for sustaining affordable housing in the New Orleans market.

New Orleans NFL Youth Education Town, Inc. (NFL YET)

Hibernia contributed \$100,000 to fund NFL YET in New Orleans. NFL YET opened a new facility in the New Orleans market in conjunction with the Super Bowl hosted in the city. The organization's goals are to provide a safe learning environment, improve test scores, and reduce dropout rates in economically distressed low-income areas. The campus is housed in a 7,000 square foot building equipped with two high-tech computer labs, classrooms and counseling offices. The program offers year-round services during the day, after school, evenings, Saturday and during the summer for primarily low-income youths ages 7-17 and adults. Some programs offered include: tutoring, computer education, life skills, social services, out-of-school suspension and sports and recreation.

Local Initiatives Support Corporation – New Orleans (LISC)

Hibernia made 3 contributions that total \$75,000 and has partnered with LISC on many affordable housing and community revitalization projects. LISC works with local organizations to transform distressed areas into healthy thriving communities.

Neighborhood Housing Services (NHS)

Hibernia made 5 contributions that total \$66,000. HNB CDC has partnered with NHS for several years to help deal with the need for affordable housing in Orleans Parish. Funds are used to fund affordable housing and homebuyer education programs.

Baton Rouge AA

Investment performance in the Baton Rouge AA is good. Hibernia has 76 investments that total \$7 million in this AA. Most of the dollars invested are in equity investments and mortgage-backed securities that positively impact the Baton Rouge AA.

Of note is Hibernia's \$300,000 equity investment in Gulf Coast BIDCO, Inc. (GCB). The organization promotes economic development through the provision of mezzanine growth capital to existing small businesses. Financing is provided to small businesses that are otherwise unable to secure traditional financing. Hibernia maintains close working relationships with the organization. GCB has provided approximately \$6 million in loans and investments to qualifying businesses including an estimated \$3 million during the current evaluation period.

Hibernia made significant investments through contributions in the Baton Rouge AA. During the evaluation period, 47 contributions that total \$287,000 were made in this AA. Contributions support organizations that meet a variety of needs including basic shelter and food, affordable housing, small business financing and assistance, economic development of low- and moderate-income areas and basic education. The following examples highlight the diversity of the bank's contributions and how they meet the identified community development needs and opportunities in the Baton Rouge AA.

Local Initiatives Support Corporation – Baton Rouge (LISC)

Hibernia made 4 contributions that total \$95,000 to LISC in Baton Rouge. Hibernia has also partnered with LISC on numerous projects to provide affordable housing and community revitalization.

Mid-City Redevelopment Alliance (Mid-City)

Hibernia provided needed capital to this organization through 4 contributions that total \$35,000. The organization's purpose is to support community revitalization efforts in the in the mid-city region of Baton Rouge which is predominately low- and moderate-income. Hibernia CDC has maintained an active role in Mid-City activities including help with affordable housing construction and rehabilitation projects and participating in homebuyer education programs. These programs are targeted to low-income families.

Caleb CDC

Hibernia provided 4 contributions that total \$15,000 to the Caleb CDC. The organization is a faith based CDC that was organized to help meet needs for affordable housing and first time homebuyer education in Baton Rouge. Hibernia capital contributions have helped fund the CDC's operations.

Shreveport MSA

Investment performance in the Shreveport AA is excellent. Hibernia has made a high dollar volume of investment in this AA. In addition to the mortgage-backed securities and equity investments that benefit multiple AAs, Hibernia purchased \$7 million in mortgage-backed securities that hold properties in the Shreveport AA and help provide financing for low- and moderate-income borrowers. Investments for this AA total \$11 million and include 53 contributions that total \$177,000.

Contributions in the Shreveport AA are significant and help meet a variety of community development needs including shelter, food, clothing, improving housing conditions, providing new affordable housing, economic development and small business financing. The following examples illustrate the type of contributions and the impact made in the Shreveport AA:

Community Renewal

Hibernia made 17 contributions to Community Renewal that total \$46,000. The mission of Community Renewal is to restore the foundation of safe caring communities by addressing critical needs identified including high crime, joblessness, violence, welfare dependency, homelessness and substandard housing. Hibernia's contributions help the organization rebuild infrastructure in high crime, low-income areas. Services provided include programs designed to move families into targeted areas to help implement changes and providing basic adult education and financial education.

Queensborough Neighborhood Association

Hibernia has partnered with this neighborhood association to eradicate substandard housing, blight and deterioration of the local infrastructure. Queensborough is part of the U. S. Department of Housing and Urban Development's Model Block program. This program targets small low- and moderate-income geographic areas in severe need of stabilization and involves many organizations partnering to provide improved infrastructure, reduce crime, improve existing housing, provide new affordable housing and attract investments to the area. Although the dollar volume of Hibernia's investment is not high and only includes 3 contributions that total \$4,000, the impact of the contribution is considerable because it provides operating capital to support the organizations operations. Hibernia CDC also provides substantial community development services to the association through homebuyer education, technical assistance and financial expertise targeted to low- and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Alexandria AA, Houma AA, Lafayette, Louisiana non-metropolitan, Monroe AA, and Northeast Louisiana non-metropolitan AAs is weaker than the bank's overall "High Satisfactory" performance under the Investment Test. Weak performance is attributed to the lack of opportunities for investments in these AAs. In the Lake Charles AA the bank's performance is stronger than the bank's overall performance. The dollar volume of investments in this AA is high. During the current evaluation period, Hibernia purchased mortgage-backed securities specific to the AA that are responsible for the high dollar volume of investments. In the Lake Charles AA the security originated at \$575,000.

Refer to Table 14 in Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Louisiana is rated "Outstanding." Based on a full-scope review, the bank's performance in the New Orleans AA, Baton Rouge AA, and Shreveport AA is excellent. The dispersion of branches throughout all of the full-scope AAs and accessibility to products and services is good. Statewide, delivery systems are accessible to geographies and individuals of different income levels. Hibernia's banking services and hours do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income individuals. Hibernia offers extended lobby and drive-in hours at a majority of its locations, including Saturday banking hours. These services enhance the accessibility of the branches.

Automated Teller Machines (ATMs), one of Hibernia's alternative delivery systems, significantly supplements the branch network state-wide, and provide consumers and small business account holders access to funds both during and outside traditional banking hours.

Other alternative delivery systems include debit cards, bank-by-mail, online banking with a free bill-payment feature and telephone banking. In evaluating the bank's services, no significant weight was given to these systems since the bank does not track how well these services benefit low- and moderate-income individuals or geographies.

Community development services significantly enhance performance under the service test. Hibernia has exerted strong efforts to build relationships and provide community development services in its Louisiana AAs. The Hibernia CDC has been extremely effective in providing community development services in the New Orleans AA and has developed projects in many of the Louisiana AAs. The CDC's activities include technical assistance for non-profit organizations and financial education for low- and moderate-income individuals, guidance in securing grant financing, loans, project management and organizational development. In particular, the CDC provides significant levels of technical expertise to educate other professionals involved in affordable housing. The efforts of the CDC help increase capacity and self-sufficiency of others and ensure the continuation of community development activities bank-wide and in the Louisiana AAs.

Retail Banking Services

Refer to Table 15 in the state of Louisiana section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

New Orleans AA

Delivery systems are accessible to geographies and individuals of different income levels in this AA. Hibernia operates 70 branches in the AA, which accounts for approximately 43% of the Louisiana deposits and 33% of the total branch network in the state. The New Orleans AA performance weighs the heaviest in the Service Test rating for Louisiana.

The distribution of branches in the New Orleans AA is good. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, the bank opened one branch in an upper-income geography. Four branches were closed in moderate-income geographies and two were closed in middle-income areas. The percentage of branches in low-income geographies is below the percentage of the population residing in those geographies. In moderate-income geographies, the percentage of branches exceeds the percentage of the population residing in those geographies.

The effectiveness of alternative delivery mechanisms in providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals within the New Orleans AA is good. An analysis of ATM placement indicates that Hibernia provides good accessibility to geographies and individuals of various incomes. Hibernia operates 107 ATMs in the AA, of which 6% are in low-income geographies, where 12% of the population resides. Approximately 17% of the ATMs are located in moderate-income geographies, where 21% of the population resides.

A variety of deposit and loan products, and business services, are available at all Hibernia branch locations. In addition to the range of loan and deposit products normally offered by a bank of Hibernia's size and complexity, several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are not only targeted to low- and moderate-income individuals and small business owners, but provide basic low cost banking products throughout the AA.

Individual Development Account (IDA) Program

The IDA Program continues to be a prominent funding source for Hibernia seeking to identify financing subsidies for its customers. The IDA Program that was started at Hibernia in 1999 has been consolidated into the IDA Collaborative of Louisiana. Currently, Hibernia has 166 customers in the program. By region, Hibernia's clients throughout the state break down as follows:

- Region 1 – Southeast: 1 account or 0.6% of total accounts outstanding at July 2003
- Region 2 – Baton Rouge: 13 accounts or 8%
- Region 3 – Thibodeaux: 18 accounts or 11%
- Region 4 – Orleans: 102 accounts or 61%
- Region 5 – Acadiana: 10 accounts or 6%
- Region 6 – Alexandria: 2 accounts or 1%
- Region 7 – Shreveport: 8 accounts or 5%
- Region 8 – Monroe: 12 accounts or 7%

As expected the New Orleans region has the majority of accounts. This is a function of population size and the fact that the IDA program has been in existence in the New Orleans AA the longest. The minimum amount required to open an account is \$25. On average, Hibernia IDA clients save approximately \$723 in their accounts. Many of Hibernia's clients also have other banking relationships with the bank. The idea of relationship building is further promoted through the IDA training workshops that Hibernia CDC conducts and reinforces throughout the State.

Completely Free Checking

This account offers no minimum balance, no monthly cycle service charge, no per check charge and unlimited check writing capability. Free bill pay and online banking is also available to customers who choose this product type.

Low Minimum Interest Checking

An expanded version of the "completely free checking" account is this account which offers a competitive interest rate. A monthly cycle charge of \$6 is assessed if the \$500 minimum balance requirement is not met.

No Minimum Interest Checking

For a \$4 monthly fee, consumers can choose this version of the interest earning checking account.

Economy Interest Checking

This is a variation of the interest earning "completely free checking" account. No monthly cycle service charges are assessed but there is a 20 cents per check fee.

50+ Free Interest Checking

This interest earning “completely free checking” account is targeted to individuals age 50 and older. The account features no minimum balance, no monthly cycle service charges and earns interest at a competitive rate.

Completely Free Small Business Checking

This account is designed for businesses that typically have less than 200 transactions per month and few deposits. The account has no minimum balance requirements and no monthly maintenance fees. Customers can also take advantage of free online banking and bill payment services.

Small Business Interest-On-Checking

This account is only available to not-for-profit organizations and sole proprietorships. The account requires a minimum opening deposit of \$200 and there are no pre-set limits on the number of checks that can be written or deposits that may be made. A monthly service fee is assessed and the account is interest earning.

Hibernia has consistently been recognized as a U. S. Small Business Administration preferred lender in Louisiana and Texas. Government-guaranteed loans are available for start-up and minority-owned businesses. During the evaluation period, Hibernia originated 65 loans totaling \$12 million.

Baton Rouge AA

Delivery systems are reasonably accessible to geographies and individuals of different income levels in this AA. Hibernia operates 27 branches in the AA, which accounts for approximately 19% of the Louisiana deposits and 13% of the total branch network in the state.

The distribution of branches in the Baton Rouge AA is adequate. The bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, the bank opened one branch in an upper-income geography. One branch was closed in a middle-income geography. The percentage of branches in low-income geographies is below the percentage of the population residing in those geographies. In moderate-income geographies, the percentage of branches is slightly below the percentage of the population residing in those geographies.

The availability and effectiveness of alternative delivery mechanisms in providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals within the Baton Rouge AA is good. An analysis of ATM placement indicates that Hibernia provides good accessibility to geographies and individuals of various incomes. Hibernia operates 22 ATMs in the AA, of which, 9% are in low-income geographies, where 11% of the population resides. Approximately 9% of the ATMs are located in moderate-income geographies, where 16% of the population resides.

A variety of deposit and loan products, and business services, are available at all Hibernia branch locations. In addition to the products and services normally offered by a bank of Hibernia's size and complexity, several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are detailed as bank-wide products in this section above, under the New Orleans AA.

Shreveport AA

Delivery systems are readily accessible to geographies and individuals of different income levels in this AA. Hibernia operates 24 branches in the AA, which accounts for approximately 9% of the Louisiana deposits and 11% of the total branch network in the state.

The distribution of branches in the Shreveport AA is excellent. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, the bank closed branches, two each in a low- and middle-income geography. No branches were opened. The percentage of branches in low-income geographies exceeds the population residing in those geographies. In moderate-income geographies, the percentage of branches is below the percentage of population residing in those geographies.

The availability and effectiveness of alternative delivery mechanisms in providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals within the Shreveport AA is excellent. An analysis of ATM placement indicates that Hibernia provides excellent accessibility to geographies and individuals of various incomes. Hibernia operates 23 ATMs in the AA, of which, 17% are in low-income geographies, where 7% of the population resides. Approximately 22% of the ATMs are located in moderate-income geographies, where 23% of the population resides.

A variety of deposit and loan products, and business services, are available at all Hibernia branch locations. In addition to the products and services normally offered by a bank of Hibernia's size and complexity, several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are detailed as bank-wide products in this section above, under the New Orleans AA.

Community Development Services

New Orleans AA

Hibernia provides an excellent level of community development services in the AA. Many of the community development services are a direct result of the initiative and leadership demonstrated by the Hibernia CDC. The bank provides financial education for consumers, small businesses, and provides technical assistance for a variety of community development projects. Bank management and staff are also involved in numerous organizations and programs providing a wide array of social, technical and financial assistance to low- and moderate-income individuals and families within the AA. Overall, community development services are responsive to the identified needs regarding affordable housing and technical assistance. Highlights include:

Federal Home Loan Bank (FHLB) Grant Assistance

Hibernia CDC and retail banking personnel assisted a variety of housing development groups in completing 15 applications resulting in 121 new and rehabilitated housing units in the New Orleans AA. Total grants received include \$1.3 million awarded through the FHLB Affordable Home Program, \$81,250 awarded through the FHLB Partnership Match program, and \$31,250 awarded through the Bank Enterprise Program. Grant money was used for down payment and closing cost assistance, home repairs, matched savings accounts, principal reduction, gap financing, and general operating funds. Hibernia also provided \$22,500 as part of a 3:1 match program in New Orleans during 200, 2001, and 2003.

Local Initiatives Support Corporation (LISC), New Orleans

The President of Hibernia CDC serves as an advisory board member of LISC New Orleans. The mission of LISC is to help community based development organizations improve the overall living and working condition of distressed communities and neighborhoods. Hibernia provides assistance to LISC in the form of capital, technical expertise, training and information. Through this relationship Hibernia plays a key role in the development of local leaders, the creation of affordable housing, small business development, and jobs for lower-income individuals. Hibernia partnered with LISC on several affordable housing related projects during the evaluation period. These partnerships resulted in 30 new single-family housing units for a total of \$2 million.

New Orleans Community Development Fund (NOCDF)

The President of Hibernia CDC serves as president of the board of the NOCDF. The NOCDF was established to provide financing for acquisition and rehabilitation of blighted housing in New Orleans. Hibernia has taken a leadership role in the formation of the NOCDF through its initial investment of \$250,000 and ongoing involvement in identifying other investors and the hiring of a full-time executive director. At December 31, 2003, the CDFI reported outstanding commitments of \$1.5 million.

New Orleans Neighborhood Development Collaborative (NONDC)

The President of Hibernia CDC serves on the Board of Directors of NONDC, where he also serves as Chairman of the Finance Committee. The mission of NONDC includes working in New Orleans' neighborhoods to support and expand the production of quality affordable housing. To that end, Hibernia is an active participant in a coalition that includes non-profit, public, and private and community based organizations committed to improving the physical, economic, and social fabric of New Orleans. Hibernia's technical assistance and operational support has assisted NONDC in completing 195 affordable housing units during the evaluation period.

Baton Rouge AA

Hibernia provides an excellent level of community development services in the AA. Many of the community development services are a direct result of the initiative and leadership demonstrated by the Hibernia CDC. The bank provides financial education for consumers, small businesses, and provided technical assistance for a variety of community development projects. Bank management and staff are also involved in numerous organizations and programs providing a wide array of social, technical and financial assistance to low- and moderate-income individuals and families within the AA. Overall, community development services are responsive to the identified needs regarding affordable housing and technical assistance. Highlights include:

Federal Home Loan Bank (FHLB) Grant Assistance

Hibernia CDC and retail banking personnel assisted a variety of housing development groups in completing 6 applications resulting in 204 new or rehabilitated housing units in the Baton Rouge AA. Total grants received include \$756,394 awarded through the FHLB Affordable Housing Program, \$23,000 awarded through the FHLB Partnership Match program, and \$266,095 awarded through the FHLB Low-Income Housing Tax Credit (LIHTC) program. Grant money was used for down payment and closing cost assistance, home repairs, principal reduction, general operating funds and LIHTC projects. Hibernia also provided \$6,000 as part of a 3:1 match program in the Baton Rouge AA.

Caleb CDC

An officer of Hibernia CDC serves as an advisory board member to Caleb CDC. Caleb CDC is a faith-based organization with a primary focus of affordable housing, developmental programs for at-risk youth, drug rehabilitation, and small business development. As a result of technical assistance provided by Hibernia CDC staff, Caleb CDC successfully completed 117 rental and single-family housing units in underserved areas of the Baton Rouge AA. Additionally, more than 100 families and individuals benefited from homebuyer education and IDA matched savings programs. Hibernia's partnership with Caleb CDC resulted in the development of a 44-unit affordable housing project known as Hooper Ridge, and 31 affordable single-family homes known as Mt. Zion Homes. Hibernia also helped Caleb CDC obtain \$696,000 in FHLB affordable housing grants.

Mid-City Redevelopment Alliance (MCRDA)

An officer of Hibernia CDC serves as a member of the board of directors for MCRDA. The mission of MCRDA includes revitalizing the Mid-City Region of Baton Rouge through the repairing of the homes of low- and moderate-income homeowners, developing affordable housing, and providing first time homebuyer education targeted to low- and moderate-income individuals. Hibernia's involvement as represented by technical expertise and capital contributions have assisted MCRDA in providing homebuyer education to approximately 1,000 low- and moderate-income individuals and resulted in the completion of 79 affordable housing units.

Shreveport AA

Hibernia provides an excellent level of community development services in the AA. Many of the community development services are a direct result of the initiative and leadership demonstrated by the Hibernia CDC. The bank provides financial education targeted to low- and moderate-income consumers, small businesses, and provides technical assistance for a variety of community development projects. Bank management and staff are also involved in numerous organizations and programs providing a wide array of social, technical and financial assistance to low- and moderate-income individuals and families within the AA. Overall, community development services are responsive to the identified needs regarding affordable housing and technical assistance. Highlights include:

Federal Home Loan Bank (FHLB) Grant Assistance

An officer of the Hibernia Commercial Lending Department provided technical assistance to a housing development group in pursuit of a \$214,484 LIHTC grant from the FHLB Affordable Housing Program. As part of this transaction, Hibernia provided \$417,600 to fund construction of the Blanchard Seniors Apartments, a 24-unit complex targeted to low-and moderate-income individuals in Shreveport, LA.

Queensborough Neighborhood Association (QNA)

An officer of the Hibernia CDC serves on the board of directors for QNA. The mission of QNA is to eradicate substandard housing, blight, and deterioration of the local infrastructure. Through its partnership with Hibernia, the QNA is attempting to improve the level of affordable housing in the area. Hibernia's involvement includes employee participation in homebuyer education sessions, technical assistance, and financial expertise. Additionally, Hibernia CDC has committed to develop 4 single-family housing units in the QNA area, of which approximately \$36,730 was disbursed during 2003.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, performance in the Louisiana non-metropolitan AA is not inconsistent with the Hibernia's overall "Outstanding" performance under the service test in Louisiana. Performance in the Alexandria, Houma, Lafayette, Lake Charles, Monroe, and Northeast Louisiana non-metropolitan AAs is weaker than the overall performance in the state. The primary reason is less accessible retail delivery systems in low- and moderate-income areas. Performance in limited-scope AAs did not impact the Service Test rating in Louisiana.

State Rating

State of Texas

CRA Rating for Texas: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The Service Test is rated: Outstanding

The major factors that support this rating:

- Hibernia demonstrates excellent responsiveness to credit needs particularly in the Texarkana AA. CRA reportable loan volume in Texas is strong, particularly for home improvement and small business loans.
- Hibernia made a majority of its home mortgage loans and a substantial majority of its small loans to businesses inside the bank's Texas AAs.
- The geographic distribution of reportable loans originated in Texas is good. The distribution of loans to borrowers of different income levels is good as well.
- Hibernia originated a good number and dollar volume of community development loans in Texas during the review period that have a positive impact on the Lending Test rating.
- The use of innovative and flexible loan products enhance the bank's performance under the Lending Test.
- The bank has an adequate level of qualified community development investments in Texas given its resources and capacity.
- Service delivery systems are readily accessible to geographies and individuals of different income levels in the AAs.
- An excellent level of community development services significantly support Hibernia's other community development efforts and address identified needs in the community. These services have a positive impact on the Service Test rating.

Description of Institution's Operations in Texas

The bank has defined 6 assessment areas (AAs) in Texas. Assessment areas are delineated by the political boundaries of the counties where the bank has its branch locations. The AAs consist of the following metropolitan areas (MA): Beaumont, Dallas, Longview, Texarkana, Tyler, and Texas non-metropolitan AAs. The AAs that receive a full-scope review are described in detail in the market profile section of this evaluation (Appendix C). All consist of whole geographies, do not reflect illegal discrimination, and do not arbitrarily exclude low- or moderate-income geographies and overall meet the requirements of the CRA regulation.

The bank operates 40 branches within the state with deposits totaling \$2 billion. Based on the June 30, 2003, FDIC Summary of Deposits, Hibernia ranks 25th in the state with a 0.55% deposit market share.

Refer to the Market Profiles for the State of Texas in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Texas

The bank's overall rating is based primarily on those areas that receive full-scope reviews. We selected the Beaumont and Texarkana AAs for full-scope reviews. These 2 areas contain 38% and 19%, respectively, of Hibernia's \$2 billion in deposits within the state. Also, approximately 29% and 16%, respectively, of total loan originations and purchases were in these 2 areas. Additionally, 38% (15) of the total branches in the state of Texas are located within these 2 combined areas. All other AAs receive limited-scope reviews. The Beaumont AA received greater weight than the Texarkana AA. Refer to the Market Profiles in appendix C and the table in Appendix D for more information.

Home mortgage lending performance was given the greatest weight under the lending test since it is the bank's primary business line, followed by small business loans. We gave equal weight to the bank's performance under each home mortgage-lending product. Although the bank originated a slightly higher proportion of refinance loans, home improvement and home purchase loans are significant credit needs within the bank's AAs.

The geographic distribution of multifamily loans and the geographic and borrower distribution of small loans to farms are not relevant due to the small volume of loans originated or purchased during the evaluation period. Therefore, an analysis of the geographic distribution of multifamily loans and the geographic distribution and distribution of small loans to farms have been eliminated from the Public Evaluation.

We noted during the conducting and review of 4 community contacts made in the AAs that many opportunities exist in the bank's market to participate in community development lending, investment, and service activities. The Beaumont and Texarkana AAs have high levels of opportunities and capacity for community development. The primary needs identified by the community contacts are affordable housing and small business loans.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "High Satisfactory". Based primarily on the bank's performance in the full-scope AAs including the Beaumont and Texarkana AAs, Hibernia's performance is good.

Hibernia's rating is based primarily on its overall good performance in HMDA lending along with excellent performance in small business loan products. HMDA lending has the most impact on the lending test assessment and is good. Small business lending also contributes significantly to lending test performance and is excellent. Community development lending and innovative/flexible loan products targeted towards affordable housing positively enhance loan performance.

Lending Activity

Hibernia's lending activity demonstrates good responsiveness to credit needs in the Beaumont AA and excellent responsiveness in the Texarkana AA. Refer to Table 1 Lending Volume in the State of Texas section of appendix D for the facts and data used to evaluate the bank's lending activity.

Beaumont AA

Hibernia's lending activity demonstrates good responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Home mortgage and small business lending is essential to the local economy. Hibernia's deposit market share of 15% (\$363 million) ranks first among 30 financial institutions with offices in the Beaumont AA.

In the Beaumont AA, approximately 50% of the number and 43% of the dollar amount of Hibernia's CRA reportable loans were home mortgage loans. Among the home mortgage loans originated in the Beaumont AA, 39% were for home improvement, 32% for home purchase, and 29% for refinance. Approximately 47% of the total number and 55% of the total dollar amount of Hibernia's CRA reportable loans were small loans to businesses.

Home mortgage lending activity is good. Hibernia reported 1,514 home mortgage loans totaling \$99 million over the evaluation period. Home improvement lending volume is particularly strong. Hibernia ranks number one in home improvement lending originations with a dominant 43% market share out of 34 lenders. Hibernia ranks number three in both home purchase and refinance loans with a 6% and 8% market share, respectively. Although small business lending is not considered a primary business focus for the bank, Hibernia has a significant presence in the market with 5% market share which ranks number eight among 54 financial institutions. Overall, loan volume is considered good given the significant number of non-bank financial providers and credit card companies making home mortgages and small loans to businesses in the Beaumont AA.

Texarkana AA

Hibernia's lending activity demonstrates excellent responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Home mortgage and small business lending is essential to the local economy. Hibernia's deposit market share of 19% (283 million) ranks second among 17 financial institutions with offices in the Texarkana AA.

In the Texarkana AA, approximately 58% of the number and 57% of the dollar volume of Hibernia's CRA reportable loans were home mortgage loans. Among the home mortgage loans originated in the Texarkana AA, approximately 36% were for home purchase, 33% for home improvement, and 30% for refinance. Approximately 41% of the number and 43% of the dollar volume of Hibernia's CRA reportable loans were small loans to businesses.

Home mortgage lending activity is strong. Hibernia reported 1,220 home mortgage loans totaling \$70 million over the evaluation period. Home improvement lending volume is particularly strong. Hibernia ranks number one in home improvement lending originations with a dominant 48% market share out of 23 lenders. Hibernia also ranks number one with a 13% market share and number three with a 9% market share in both refinance and home purchase originations, respectively. Although small business lending is not considered a primary business focus for the bank, Hibernia has a significant presence in the market with a 7% market share, which ranks number 7 among 23 financial institutions. Overall, loan volume is considered strong given the significant number of non-bank financial providers and credit card companies making home mortgages and small loans to businesses in the Texarkana AA.

Distribution of Loans by Income Level of the Geography

The geographic distribution of Hibernia's CRA reportable loans is good. HMDA loan performance is weighted the heaviest in the analysis of the distribution of loans by income level of the geography. The geographic distribution of home mortgage loans is good with good performance in both full-scope AAs. Overall, the geographic distribution of small loans to businesses is excellent with excellent performance in the Beaumont AA and good performance in the Texarkana AA.

Refer to Tables 2-6 in the State of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases.

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Performance in the Beaumont AA, especially in home improvement loans, has the greatest impact in the performance conclusion since Hibernia extends a large volume of home improvement loans in the Beaumont AA. An excellent geographic distribution of home improvement loans offset adequate performance for home purchase and refinance loans.

Beaumont AA

The geographic distribution of home purchase loans is adequate. The percentage of loans made in low-income and moderate-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in low- and moderate-income geographies is near to its overall market share.

The geographic distribution of home improvement loans is excellent. Performance in the moderate-income geographies is excellent based on the penetration of bank loans in the moderate-income geographies exceeding the percentage of owner-occupied units in these geographies. Market share analysis also demonstrates that Hibernia has exceeded its overall market share for home improvement lending in the Beaumont AA in the moderate-income geographies. Lending in the low-income geographies is good. The percentage of loans made in low-income geographies meets the percentage of owner-occupied units in those geographies while market share data reflects that the penetration in low-income geographies is strong since the bank exceeds its overall market share for home improvement loans in the low-income geographies.

The geographic distribution of refinance loans is adequate. The percentage of loans made in low-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies is near to its overall market share. The percentage of loans made in moderate-income geographies is near to the percentage of owner-occupied units in these geographies. Hibernia's market share in moderate-income geographies exceeds its overall market share.

Texarkana AA

The geographic distribution of home purchase loans is good. The analysis indicates that the percentage of loans made in low-income and moderate-income geographies is near to the percentage of owner-occupied units in these geographies. However, Hibernia's market share in low- and moderate-income geographies exceeds its overall market share demonstrating good performance in home purchase lending.

The geographic distribution of home improvement loans is good. The percentage of loans made in low-income geographies is near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies meets its overall market share. The percentage of loans made in moderate-income geographies meets the percentage of owner-occupied units in these geographies. Hibernia's market share in moderate-income geographies exceeds its overall market share.

The geographic distribution of refinance loans is adequate. The percentage of loans made in low-income geographies is below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies exceeds its overall market share. The percentage of loans made in moderate-income geographies is below the percentage of owner-occupied units in these geographies. Hibernia's market share in moderate-income geographies is near to its overall market share.

Small Loans to Businesses**Beaumont AA**

The geographic distribution of small loans to business is excellent. The percentage of loans made in low-income geographies exceeds the percentage of businesses located in these geographies. The bank's market share in low-income geographies exceeds its overall market share. The percentage of loans made in moderate-income geographies meets the percentage of businesses located in these geographies. Hibernia's market share in moderate-income geographies exceeds its overall market share.

Texarkana AA

The geographic distribution of small loans to businesses is good. The percentage of loans made in low-income census tracts is near to the percentage of businesses located in these tracts. The bank's market share in low-income geographies exceeds its overall market share. The percentage of loans made in moderate-income census tracts meets the percentage of businesses located in these tracts. Hibernia's market share in moderate-income geographies exceeds its overall market share.

Small Loans to Farms

A geographic analysis of small loans to farms was not meaningful therefore small farm loans are not considered in the evaluation of the bank's performance.

Lending Gap Analysis

Reports and maps detailing Hibernia's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified.

Inside/Outside Ratio

This analysis was performed at the bank level. The information we reviewed included bank originations and purchases only and did not include extensions of credit by affiliates that are being considered under the other performance criteria. A majority of home mortgage loans and a substantial majority of small loans to businesses were originated/purchased within the bank's AAs. Refer to the Inside/Outside Ratio section of the Public Evaluation for the State of Louisiana for more details on the bank's performance.

Distribution of Loans by Income Level of the Borrower

The distribution of Hibernia's CRA reportable loans to borrowers of different incomes is good. Affordability issues make it difficult for low- and moderate-income persons in the AAs to purchase a home and limits their opportunities for home improvement and home refinance loans but overall, Hibernia's distribution of home mortgage loans to borrowers of different income levels is good. HMDA loan performance in both full-scope AAs is good. The distribution of loans to businesses of different sizes is excellent for both full-scope AAs. The bank achieved good penetration to low- and moderate-income borrowers with its home mortgage lending. Penetration to businesses with revenues of \$1 million or less is excellent.

Refer to Tables 8-11 in the State of Texas section of appendix D for the facts and data used to evaluate the borrower distribution for the bank's loan originations and purchases in the Beaumont and Texarkana AAs.

Home Mortgage Loans

Beaumont AA

Penetration analysis indicates the bank is adequately meeting the credit needs of low- and moderate-income borrowers in the Beaumont AA. Due to affordability issues, the distribution of home purchase loans to borrowers of different income levels is adequate. The percentage of home purchase loans to low-income borrowers is below the percent of low-income families in the AA, and Hibernia's market share penetration to low-income families is near to its overall market share. The percentage of home purchase loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is also near to its overall market share.

These levels of performance are mitigated by barriers to homeownership due to high home prices compared with incomes for low- and moderate-income families. The median home price in the Beaumont AA was \$76,800 at year-end 2002, compared to \$45,702 in 1990. Based on the updated HUD median family income, low- and moderate-income borrowers earn less than \$23,400 and \$37,440, respectively. Further, approximately 18% of the households live below the poverty level. Using standard underwriting formulas it is difficult for individuals with incomes at those levels to accumulate the monthly payments for principal, interest, taxes, and insurance. We considered this as a potential barrier for low- and moderate-income borrowers in our analysis of home loan products.

The distribution of home improvement loans to borrowers of different income levels is excellent. The percentage of home improvement loans to low-income borrowers is near to the percentage of low-income families in the AA. However, the bank's market share to low-income families exceeds its overall market share. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Similarly, the bank's market share to moderate-income families exceeds its overall market share.

The distribution of refinance loans to borrowers of different income levels is adequate. The percentage of refinance loans made to low-income borrowers is well below the percentage of low-income families in the AA. The bank's market share to low-income families is near to its overall market share. The percentage of refinance loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is also near to its overall market share. Although penetrations do not meet the comparator, housing affordability is a mitigating factor and performance is considered adequate.

Texarkana AA

The distribution of home purchase loans to borrowers of different income levels is adequate. The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income families is near to its overall market share. The percentage of home purchase loans to moderate-income borrowers meets the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is near to its overall market share. Although Hibernia did not achieve a penetration equal to the percentage of low- and moderate-income families in Texarkana, performance is considered good due to the mitigating housing affordability issues described below.

Performance levels are mitigated by barriers to homeownership due to high home prices compared with incomes for low- and moderate-income families. The median home price in the Texarkana AA was \$66,600 at year-end 2002, compared to \$47,466 in 1990. Based on the updated HUD median family income, low- and moderate-income borrowers earn less than \$20,350 and 32,560, respectively. Further, approximately 19% of the households live below the poverty level. Using standard underwriting formulas it is difficult for individuals with incomes at those levels to accumulate the monthly payments for principal, interest, taxes, and insurance. We considered this as a potential barrier for low- and moderate-income borrowers in our analysis of home loan products.

The distribution of home improvement loans to borrowers of different income levels is excellent. Performance is considered strong given the housing affordability issues in Texarkana that are described above. Performance is especially strong for moderate-income families given the difficulties for moderate-income families to own homes in the Texarkana AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share to moderate-income families exceeds its overall market share. The percentage of home improvement loans to low-income borrowers is near to the percentage of low-income families in the AA. The bank's market share to low-income families exceeds its overall market share.

The distribution of refinance loans to borrowers of different income levels is adequate. The percentage of refinance loans made to low-income borrowers is below the percentage of low-income families in the AA. The bank's market share to low-income families exceeds its overall market share. The percentage of refinance loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The bank's market share to moderate-income families is also near to its overall market share. Although penetrations do not meet the comparators, housing affordability is a mitigating factor and performance is considered adequate.

Small Loans to Businesses

Beaumont AA

The distribution of small loans to businesses is excellent. The percentage of small loans made to small businesses exceeds the percentage of small businesses with annual revenues \$1 million or less in the Beaumont AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less exceeds its overall market share.

Texarkana AA

The distribution of small loans to businesses is excellent. The percentage of small loans made to small businesses exceeds the percentage of small businesses with annual revenues \$1 million or less in the Texarkana AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less exceeds its overall market share.

Community Development Lending

Hibernia's level of CD lending is good and enhances the overall good level of lending in the State of Texas. CD lending has a positive impact on the Lending Test conclusions. During the evaluation period, Hibernia originated 6 loans totaling \$5 million in the areas receiving a full-scope review.

Refer to Table 1 Lending Volume in the state of Texas section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Beaumont AA

During the evaluation period, Hibernia made 2 CD loans totaling \$3.2 million in this AA. Included in this total was a \$3 million loan to a not-for-profit entity formed by the NDC Housing and Economic Development Corporation, the nonprofit affiliate of the National Development Council, for the purpose of redeveloping an historic building in the Central Business District of Beaumont. The building has been converted into a 135-unit independent and assisted living facility for senior citizens. The project is part of the National Park Service Federal Historic Tax Incentive program that promotes the creation of affordable housing in historic buildings. At origination, 85% of the residents of this facility were low- and moderate-income seniors. This project has positively impacted the Central Business District and the residents of the facility.

Texarkana AA

During the evaluation period, Hibernia made a total of 4 CD loans totaling \$2 million. Included in this total was a \$1.5 million loan to an Independent School District in Texarkana to add classrooms and renovate 2 schools located in a moderate-income census tract, where the majority of the students are low- or moderate-income. The project helps stabilize a moderate-income geography and provides needed learning facilities for low- and moderate-income students.

Product Innovation and Flexibility

The use of innovative and flexible loan products enhances the bank's performance under the lending test, and positively impacted the rating. Specifically, the bank has designed and offers residential loan programs that benefit low- and moderate-income individuals and geographies. Many of the programs have national, regional and statewide impact and were initiated and developed by the bank with bank staff expending considerable time and effort in establishing partnerships with government and non-profit mortgage experts. These programs are detailed as bank-wide programs in this section above, under the State of Louisiana – New Orleans AA.

Beaumont AA

Under the Fannie Mae partnership program, Hibernia originated 324 loans totaling \$37 million during the evaluation period.

Under the My Community Mortgage program, the bank made 7 loans totaling \$374,000 between January 1, 2000 and December 31, 2002.

Texarkana AA

Under the Fannie Mae partnership program, Hibernia originated 123 loans totaling \$12 million during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Dallas, Longview, and Texas non-metropolitan AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test. In the Tyler AA the bank's performance is weaker than the bank's overall performance. The primary reason for this conclusion is poor geographic distribution and adequate distribution of home refinance loans to borrowers of different income levels. Performance in the limited-scope AAs did not impact the overall performance conclusions for the State of Texas.

Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Texas is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Beaumont AA is adequate and performance in the Texarkana AA is good. The Beaumont AA receives the greatest weight in the performance conclusions under the Investment Test.

Refer to Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. Hibernia's qualifying investments are centered in debt or equity investments and grants and donations with the primary purpose of affordable housing and community development services targeted to low- and moderate-income households.

Beaumont AA

In the Beaumont AA, Hibernia made 40 investments that total \$880,000. Grants, donations, or in-kind contributions that qualified for community development purposes comprise 5% of the dollar volume of qualified investments at \$98,000. Contributions support a variety of organizations that perform community development services including affordable housing for low- and moderate-income people, basic services, education and economic development.

Texarkana AA

In the Texarkana AA, Hibernia made 67 investments that total \$3 million including 51 contributions that total \$64,000. A majority of the dollars invested in the Texarkana AA reflect a prior period investment in a revenue bond that finances affordable housing in the Texarkana market with a current balance of \$3 million.

Contributions to a variety of organizations help meet community development needs including food and shelter, affordable housing, basic education, day care, neighborhood stabilization and revitalization and financial education. Contributions to the Oman, Ingram, and Iron Mountain Neighborhood Development Corporation in particular have a significant impact. Hibernia made 4 grants totaling \$6,000. Although the dollar amount contributed is not great, the impact of the contribution on the AA is substantial. The organization partners with local housing agencies to facilitate community development projects that will improve the quality of life of lower income families. Monetary contributions are used to fund programs for at-risk youth, affordable housing, senior citizen programs and a technology center. Hibernia CDC has also provided community development services for this organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Dallas and Longview AAs is stronger than the bank's overall "High Satisfactory" performance under the investment test. The primary reason is the level of current period investments that have a positive impact on performance. However, the degree of influence is not great enough to impact the overall performance conclusions in the State of Texas.

The dollar volume of investments in the Dallas AA is extremely strong given the bank's presence in the market. Strong performance is attributed to one current period mortgage-backed security that totals \$7 million. Hibernia also made a good level of contributions with 10 grants that total \$11,000.

The dollar volume of investments in the Longview AA is stronger than the bank's overall performance in Texas. Hibernia purchased two mortgage pool bonds that total \$1 million during the current evaluation period. Hibernia contributions made significant impact meeting community developments in Longview with 24 contributions that total \$32,000.

In the Texas non-metropolitan Counties and the Tyler AA the bank's performance is weaker than the bank's overall performance. Weak performance is due to the lack of investment opportunities in these AAs.

Refer to Table 14 in appendix D for the facts and data that support these conclusions.

SERVICE TEST

The bank's performance under the Service Test in Texas is rated "Outstanding." Based on a full-scope review, the bank's performance in the Beaumont and Texarkana AAs is excellent. The dispersion of branches throughout all of the full-scope AAs and accessibility to products and services is excellent. Statewide, delivery systems are readily accessible to geographies and individuals of different income levels in the AAs. Hibernia's banking services and hours do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income individuals. Hibernia offers extended lobby and drive-in hours at a majority of its locations, including Saturday banking hours. These services enhance the accessibility of the branches.

Automated Teller Machines (ATMs), one of Hibernia's alternative delivery systems, significantly supplement the branch network state-wide, and provide consumers and small business account holders access to funds both during and outside traditional banking hours.

Other alternative delivery systems include debit cards, bank-by-mail, online banking with a free bill-payment feature and telephone banking. In evaluating the bank's services, no significant weight was given to these systems since the bank does not track how well these services benefit low- and moderate-income individuals or geographies.

Hibernia has exerted strong efforts to build relationships and provide community development services in its Texas AAs. The Hibernia CDC has been extremely active in providing community development services in the Beaumont and Texarkana AAs and has developed projects in many of the Texas AAs. The CDC's activities include technical assistance for non-profit organizations and financial education for low- and moderate-income individuals, guidance in securing grant financing, loans, project management and organizational development. In particular, the CDC provided significant levels of technical expertise to educate other professionals involved in affordable housing. The efforts of the CDC help increase capacity and self-sufficiency of others and ensure the continuation of community development activities in the bank-wide and in the Texas AAs.

Retail Banking Services

Refer to Table 15 in the State of Texas section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Beaumont AA

Delivery systems are readily accessible to geographies and individuals of different income levels in this AA. Hibernia operates 9 branches in the AA, which accounts for approximately 38% of the Texas deposits and 23% of the total branch network in the state. The Beaumont AA performance weighs the heaviest in the Service Test rating for Texas.

The distribution of branches in the Beaumont AA is excellent. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, the bank opened one branch in an upper-income geography. No branches were closed. The percentage of branches in both the low and moderate-income geographies exceeds the percentage of the population residing in those geographies.

The effectiveness of alternative delivery mechanisms in providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals within the Beaumont AA is good. An analysis of ATM placement indicates that Hibernia provides good accessibility to geographies and individuals of varying incomes. Hibernia operates 15 ATMs in the AA, of which, 27% are in low-income geographies, where 9% of the population resides. Approximately 13% of the ATMs are located in moderate-income geographies, where 20% of the population resides.

A variety of deposit and loan products, and business services, are available at all Hibernia branch locations. In addition to the range of loan and deposit products normally offered by a bank of Hibernia's size and complexity, several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are not only targeted to low- and moderate-income individuals, but provide basic low cost banking products throughout the AAs. Products and services are detailed as bank-wide products in the state of Louisiana section, under the New Orleans AA.

Texarkana AA

Delivery systems are readily accessible to geographies and individuals of different income levels in this AA. Hibernia operates 6 branches in the AA, which accounts for approximately 19% of the Texas deposits and 15% of the total branch network in the state.

The distribution of branches in the Texarkana AA is excellent. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. During the evaluation period, no branches were opened or closed. The percentage of branches in the low-income geographies exceeds the population residing in those geographies. The percentage of branches in the moderate-income geographies is near to the percentage of the population residing in those geographies.

The effectiveness of alternative delivery mechanisms in providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals within the Texarkana AA is excellent. An analysis of ATM placement indicates that Hibernia provides excellent accessibility to geographies and individuals of various incomes. Hibernia operates 11 ATMs in the AA, of which 9% are in low-income geographies, where 6% of the population resides. Approximately 18% of the ATMs are located in moderate-income geographies, where 18% of the population resides.

A variety of deposit and loan products, and business services, are available at all Hibernia branch locations. In addition to the range of loan and deposit products normally offered by a bank of Hibernia's size and complexity, several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are not only targeted to low- and moderate-income individuals, but provide basic low cost banking products throughout the AA. Products and services are detailed as bank-wide products in the state of Louisiana section, under the New Orleans AA.

Community Development Services

Hibernia provides an excellent level of community development services in the Beaumont and Texarkana AAs. Many of the community development services are a direct result of the initiative and leadership demonstrated by the Hibernia CDC. The bank provides financial education to low- and moderate-income consumers, small businesses, and provides technical assistance for a variety of community development projects. Bank management and staff are also involved in numerous organizations and programs providing a wide array of social, technical and financial assistance to low- and moderate-income individuals and families within the AAs. Overall, community development services are responsive to the identified needs regarding affordable housing and technical assistance. Highlights include:

Beaumont AA

Federal Home Loan Bank (FHLB) Grant Assistance

Hibernia CDC and retail banking personnel assisted housing development groups in completing 3 applications resulting in 23 new and rehabilitated housing units in the Beaumont AA. Total grants received include \$197,000 awarded through the FHLB Affordable Housing program, and \$6,000 awarded through the FHLB Partnership Match program. Grant money was primarily used for gap financing and home construction. Hibernia also provided \$2,000 as part of a 3:1 match program in Beaumont during 2003.

Habitat for Humanity (Habitat)

An officer of Hibernia CDC serves on the board of directors for the Beaumont Habitat for Humanity. The mission of Habitat is to improve underserved communities through the elimination of substandard housing and the construction of affordable, decent homes for low-income families. Hibernia has partnered with Habitat on several projects by providing needed capital, technical expertise and sweat equity. For instance, Hibernia assisted Habitat in obtaining a \$35,000 FHLB grant for the construction of 5 single-family housing units.

Texarkana AA

Federal Home Loan Bank (FHLB) Grant Assistance

HNB CDC personnel assisted housing development groups in completing 1 grant application that resulted in the construction of 15 housing units. Total grants received include \$75,000 awarded through the FHLB Affordable Housing program. Grant money was used to subsidize the cost of home repairs in the Texarkana AA.

City of Texarkana

An officer of HNB CDC serves as a board member for the Community Housing Resource Board (CHRB) sponsored by the City of Texarkana. The CHRB was formed to focus on specific issues related to fair housing, affordable housing, and homebuyer education. Hibernia assisted CHRB in obtaining a \$75,000 affordable housing grant from the FHLB as part of the Rehab Health and Safety Improvement Program. Through this partnership Hibernia successfully constructed and funded 10 affordable housing units.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Texas non-metropolitan Counties is not inconsistent with the bank's overall "Outstanding" performance under the Service Test. In the Dallas, Longview, and Tyler AAs the bank's performance is weaker than the bank's overall performance. The primary reasons are the lack of branches in moderate-income geographies in the Dallas AA and the lack of branches in low- and moderate-income geographies in the Longview and Tyler AAs. Performance in the limited-scope AAs did not impact the overall conclusions.

Refer to Table 15 in the state of Texas section of appendix D for the facts and data that support these conclusions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/00 to 12/31/02) Investment and Service Tests and CD Loans: (10/18/99 to 01/12/04)	
Financial Institution		Products Reviewed
Hibernia National Bank (Hibernia) New Orleans, LA		Home Mortgage, Small business, Community Development Loans, CD investments, CD services
Affiliate(s)	Affiliate Relationship	Products Reviewed
Hibernia National Bank CDC Hibernia Capital Corporation Louisiana Seed Capital Fund, L.P.	Bank Affiliates	Home Mortgage Loans CD Investments CD Services
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Louisiana Baton Rouge New Orleans Shreveport Alexandria Houma LA Non-MSA Parishes Lafayette Lake Charles Monroe NE LA Non-MSA Parishes Texas Beaumont Texarkana Dallas Longview TX Non-MSA Counties Tyler	Full Scope Full Scope Full Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Full Scope Full Scope Limited Scope Limited Scope Limited Scope Limited Scope	None

Appendix B: Summary of State Ratings

RATINGS		HIBERNIA NATIONAL BANK		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Hibernia National Bank	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
State:				
Louisiana	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
Texas	High Satisfactory	High Satisfactory	Outstanding	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

State of Louisiana

Baton Rouge AA C-2
New Orleans AA..... C-6
Shreveport AA..... C-11

State of Texas

Beaumont AA C-14
Texarkana AA C-17

State of Louisiana Full-Scope Areas

Baton Rouge AA

Demographic Information for Full-Scope Area: Baton Rouge AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	108	16.67	19.44	34.26	27.78	1.85
Population by Geography	508,845	11.78	16.95	41.06	30.21	0.00
Owner-Occupied Housing by Geography	117,900	7.06	15.90	42.09	34.95	0.00
Businesses by Geography	30,691	10.28	15.98	39.87	33.86	0.00
Farms by Geography	429	6.06	13.29	38.23	42.42	0.00
Family Distribution by Income Level	131,701	23.59	15.54	20.02	40.84	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	51,543	18.94	24.24	41.66	15.16	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$32,467 = \$49,200 =18.42%	Median Housing Value Unemployment Rate			\$65,715 = 3.9%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The Baton Rouge AA is comprised of three southwest Louisiana parishes within the Baton Rouge Metropolitan Area (MA) number 0760. They are Ascension, East Baton Rouge and Livingston Parishes. The above table provides detailed demographic information about the AA.

The Baton Rouge AA represents 13% of the bank's branch network, 19% of the bank's deposit base and 17% of the CRA reportable loans during this evaluation period in Louisiana. Hibernia ranks as the second largest commercial bank in the Baton Rouge AA with a 27% market share of deposits. The two closest competitors in this market are Bank One N.A., with a 31% market share and Hancock Bank of Louisiana, with an 11% market share. Hibernia operates 27 full-service branches and 22 ATMs within the Baton Rouge AA.

Population

The population living in the Baton Rouge AA was 508,845 in 1990 according to the U. S. Census Bureau data. Of this total population, 24% were low-income families, 16% were moderate-income families, 20% were middle-income families and 41% were upper-income families. Approximately 15% of the families in the AA had income below the poverty level. The total number of families in the Baton Rouge AA was 131,701 in 1990, with 10% in low-income, 16% in moderate-income, 41% in middle-income and 33% in upper-income geographies.

Dwellings

In 1990, the housing stock in the Baton Rouge AA was 204,780 units; with 12% in low-income census tracts (CTs), 17% in moderate-income CTs, 41% in upper-income CTs, and 29% in upper-income CTs.

Median Housing Price

The average housing price in the Baton Rouge AA was \$65,715, with 58% of the available units being owner-occupied; 31% of these units are occupied-rentals and 11% of the units are vacant. The percentage of owner-occupied units located in the low-, moderate-, middle- and upper-income census tract designations were: 7% in low-income CTs, 16% in moderate-income CTs, 42% in middle-income CTs and 35% in upper-income CTs.

Community Contacts

We reviewed one community contact interview completed in December 2003 for the Baton Rouge AA. The organization contacted provides affordable housing, neighborhood revitalization and small business development services to surrounding parishes. The contact stated that the performance of local financial institutions has been fragmented, and there have been no comprehensive efforts in terms of community and consumer impact. The contact indicated that two large local banks were very active in the community and other financial institutions in the community were less visible in terms of their involvement. The contact stated that availability of ATMs or branches in the AA is adequate. The contact did not identify any specific unmet credit needs. However, even though no specific financial institution was cited as engaging in the practice, the contact stated that payday and predatory lending establishments should be eliminated from the financial services industry.

A community contact interviewed in August 2002, stated that the economy of East Baton Rouge Parish remains stable. The contact stated that the cities of Denham Springs and Walker in neighboring Livingston Parish and Gonzales in neighboring Ascension Parish continue to develop as bedroom communities for commuters into Baton Rouge. The contact also stated that new housing starts in the area are primarily upper-income housing starting at minimum sales prices of \$125,000.

Affordable Housing Needs

Affordable housing is viewed as a need in the AA due to the high levels of poverty and the number of single-parent households within the AA. Many households earn no more than 30% of the median family income, occupy 30% of the rental units and own 14% of the owned units in the Parish.

Barriers to Affordable Housing

One of the barriers to affordable housing in Baton Rouge is the decaying inner city. This area is typical of many cities across the nation. Baton Rouge once was a city of life but has since suffered at the hand of sprawl. It is known for its poor schools, which are still under the burden of a forty-plus year-old desegregation lawsuit that continues to drive more affluent families into neighboring parishes in search of a better education for their children. The elevated portions of Interstate highway 10 and 110 affect some portions of the decaying inner city. While this area has the best access to bus routes to be found in the parish, the area suffers from access to city amenities.

Affordable housing for extremely low-income households is concentrated in the polluted north end of the city because land values there are lower due to the close proximity to major sources of pollution. The area just North of downtown Baton Rouge is the home of major industrial sites that include the Exxon refinery, a Superfund site, and the Baton Rouge Metropolitan Airport. Noise, water and air pollution are major concerns in this area, which is also largely divided by an elevated portion of Interstate I-110. This area is also notorious for high crime rates and drug abuse. The higher incidence of crime and drug abuse in the north end of the city has further depressed land values and made the suburbs of Baton Rouge more attractive to residents and businesses alike.

Housing and Community Development Resources

The City of Baton Rouge developed a list of community/neighborhood based organization that are focused in lower income neighborhoods. They are listed below:

- Mid City Redevelopment Alliance, Inc.
- Option Foundation, Inc.
- Scotlandville Community Development Corporation
- Habitat for Humanity of Greater Baton Rouge
- Community Housing Development Organizations-HOME FUND
- Louisiana Incumbent Worker Training Program Grant
- Metropolitan Council-Horizon Plan Housing Element
- Neighborhood Coordinator

City of Baton Rouge Recent Projects and Programs

The Mayor has listed Economic Development as one of the city's top priorities. His administration has implemented numerous initiatives all geared toward stimulating the economy, job creation, providing affordable housing and adding local businesses. They are listed below:

- Creation of Economic Development Task Force
- Modification of the Enterprise Zone Ordinance
- Development of Economic Resource Guide
- Overall Economic Development Program
- Homebuyer's Assistance Program
- Housing Rehabilitation Grants-Homeowner
- Housing Rehabilitation Loans-Homeowner
- New Housing Developments
- Rental Housing Rehabilitation Loans
- Weatherization Assistance Program
- Volunteer Housing Repair Program
- Economical Incentives Downtown

Employment

The Baton Rouge AA reported a slightly lower unemployment rate in November 2003, of 5.3% compared to the State unemployment rate of 5.5% and the national rate of 5.9%.

In 2002, economic statistics indicated that there were 35,731 businesses in the Baton Rouge AA, of these, 3,011 were in low-, 4,458 were in moderate-, 14,920 were in middle-, and 13,342 were in upper-income census tracts, respectively. There were 24,116 businesses with gross annual revenues less than \$1 million. The two major industries in the AA were services at 35% and retail trade at 16%.

The following employers are the largest in the Baton Rouge AA, each employing more than 1,000 people: BASF Wyandotte Corporation, Baton Rouge General Medical Center, Dow Chemical Company, Entergy/Gulf States Utilities, Exxon Chemical Americas, Exxon Chemical Company, Georgia Gulf Corporation, Harmony Corporation, International Maintenance Corporation, J.E. Merit Construction, Inc., Our Lady of the Lake Medical Center, Bank One, N.A., South Central Bell Telephone, Turner Industries, Baton Rouge City Parish Government, Earl K. Long Memorial Hospital, East Baton Rouge Parish School Board, Louisiana State Government, Louisiana State Penitentiary, Louisiana State University, Southern University and the United States Postal Service.

New Orleans AA

Demographic Information for Full-Scope Area: New Orleans AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	377	16.98	20.95	30.77	27.59	3.71
Population by Geography	1,238,816	11.79	21.02	35.02	32.16	0.01
Owner-Occupied Housing by Geography	264,146	4.73	16.79	39.64	38.83	0.00
Businesses by Geography	76,785	9.10	20.61	34.55	35.74	0.00
Farms by Geography	1,006	3.78	16.0	44.93	35.29	0.00
Family Distribution by Income Level	318,544	24.71	15.46	18.74	41.09	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	127,961	21.33	29.34	33.39	15.94	0.00
Median Family Income						
HUD Adjusted Median Family Income for 2002	= \$29,212					
Households Below the Poverty Level	= \$44,000					
	=20.05%					
			Median Housing Value			\$73,180
			Unemployment Rate			= 4.24%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The New Orleans AA is comprised of six southern Louisiana Parishes within the New Orleans Metropolitan Area (MA) number 5560. They are Jefferson, Orleans, St. Bernard, St. Charles, St. John and St. Tammany Parishes. Refer to the above table for detailed demographic information about the AA.

The New Orleans AA represents 28% of the bank’s branch network, 43% of the bank’s deposit base and 42% of the CRA reportable loans during the evaluation period in Louisiana. Hibernia ranks as the largest commercial bank in the New Orleans AA with a 27% market share of deposits. The closest competitors are Bank One, N.A., with a 19% market share and Whitney National Bank with a 17% market share. Hibernia operates 70 full-service branches and 107 ATMs within the New Orleans AA.

Population

The population living in the New Orleans AA was 1,238,816 in 1990 according to U. S. Census Bureau data. Of this total population, 25% were low-, 16% were moderate-, 19% were middle-, and 41% were upper-income families, respectively. Approximately 18% of the families in the AA had income below the poverty level. The total number of families in the New Orleans AA was 318,544 in 1990, with 11% in low-, 20% in moderate-, 36% in middle-, and 34% in upper-income geographies, respectively.

Dwellings

In 1990, the housing stock in the New Orleans AA was 524,056 units; with 13% in low-, 22% in moderate-, 35% in middle-, and 31% in upper-income census tracts (CTs), respectively.

Median Housing Price

The average housing price in New Orleans was \$73,180, with 50% of the available units being owner-occupied, 37% of the units are occupied-rentals and 13% of the units are vacant. The percentage of owner-occupied units located in the low-, moderate-, middle- and upper-income CT designations were: 5% in low-, 17% in moderate-, 40% in middle- and 39% in upper-income CTs, respectively.

Community Contact

We reviewed four community contact interviews completed for the New Orleans AA during 2003. Organizations contacted included affordable housing groups and small business financing resource providers. The contacts indicated a high level of community development opportunities, and that the banks in the area have been responsive in meeting the community credit needs. The primary needs identified by the community contacts are affordable housing, small business loans and technical assistance (financial education).

Affordable Housing Needs

Housing rehabilitation is identified as a critical need in the City of New Orleans and the city government has initiated numerous neighborhood revitalization efforts. The primary focus is assistance to low-income persons in repairing and maintaining their homes. Many families are reported as living in dilapidated or substandard housing in need of rehabilitation or repair to bring them up to minimum decent safe and sanitary housing standards. The economy of New Orleans is characterized by a relatively large number of low- and moderate-wage jobs associated with tourism, retail trade and related services. Like many other cities, the largest gains in population and higher wage employment have occurred in the suburban areas surrounding the central city. Consequently, home ownership rates in the suburbs approach or surpass the national average of 68% while the rate in the central city parish of New Orleans remains below 50%. In the central parishes, historic preservation is an important feature of renovation activities, the goals of which sometimes conflict with the need to produce housing affordable to lower-income households. An average of 539 units of renovated housing and 105 units of new housing have been created each of the past 10 years to serve the needs of low- and moderate-income households. Despite these gains, the need remains acute.

Barriers to Affordable Housing Needs

Barriers to affordable housing in the AA include: cost of city zoning and building-permit fees for renovation or in-fill construction of new housing units and the high costs to rehabilitate abandoned and blighted properties within local and federal government designated historic districts. The city has one of the highest numbers of designated historic districts of any city in the United States (13 local historic districts and 18 national historic districts, including the oldest African-American neighborhood in the nation). In order to reduce these costs, the city recently revised the Comprehensive Zoning Ordinance to make the administrative process more user-friendly and efficient. To promote affordable housing and to revitalize the communities of New Orleans, the City Division of Housing and Neighborhood Development (DHND) provides through the dissemination of local, state and federal funds the technical assistance, training, workshops and information designed to improve housing conditions and to revitalize the city's neighborhoods. DHND also delivers community services designed to increase the public awareness of its programs and available resources.

Housing and Community Development Resources

The City of New Orleans administers a variety of Federal and State resources it makes available for implementing the city's revitalization strategy as listed below:

- Community Development Block Grants (CDBG)
- HOME Funds
- Emergency Shelter Grants
- Supportive Housing Program
- Social Service Community Block Grant
- New Orleans Economic Development Fund
- Neighborhood Housing Improvement Fund
- State Emergency Shelter Grant
- Job Training Partnership Act
- Premier Bank Foundations Mortgage Program
- Fannie Mae
- Ford Foundation
- Enterprise Zone Program
- Neighborhood Housing Services of New Orleans
- NEW CORP Business Assistance Center (BAC)
- Housing and Neighborhood Development (Christopher Park and Humanitas)
- 1st Time Homebuyer's Program-Special Project Grant

City of New Orleans Recent Projects & Programs

New Orleans has reorganized and improved the Division of Housing and Neighborhood Development (DHND). The city has made improvements to several neighborhoods through this department. The following is a list some of these projects:

- Revitalization of Central City
- An entire block of new construction in Seventh Ward
- House New Orleans Initiative with Fannie Mae
- At Home in New Orleans by AFL-CIO Housing Investment Trust Fund & Freddie Mac
- Xavier Triangle Neighborhood Development Foundation
- New Business opportunities in Oretha Castle Haley Corridor
- Project Open House
- Project Nu-Coat
- Christmas in October
- Owner-occupied rehabilitation program
- Emergency Home Repair Program
- Several in-fill projects, such as River Frederick Square, and Whitney Square
- A. P. Tureaud Homeownership Zone
- Algiers Community Improvement Association
- Renewal Community Initiative
- Housing and Neighborhood Development (Christopher Park & Humanitas/JoAnn Place)
- Project Nu-Roof
- New Orleans Affordable Homeownership, Inc. (NOAH)

Employment

The New Orleans AA reported a slightly lower unemployment rate in November 200, of 5% compared to the State unemployment rate of 5.5% and the national rate of 5.9%. The city has a concentration of low-wage employment directly and indirectly related to the tourism industry, that has had a negative effect on the viability of the city's neighborhoods. As large companies continue to downsize, small businesses are creating many of the new jobs. Therefore, the city has focused on small business retention and creation to address the high unemployment and poverty rates.

The city's poor economy, which is viewed as a factor for many persons leaving the city, has also contributed to high unemployment rates among the remaining population. This in turn has increased a high number of mortgage foreclosures on owner-occupied homes. In 2002, economic statistics indicate that there were 78,713 businesses in the New Orleans AA. Of these, 6,642 were in low-, 16,037 were in moderate-, 26,146 were in middle-, and 29,884 were in upper-income CTs, respectively. There were 54,938 businesses with gross annual revenues less than \$1 million. The two major industries in the New Orleans AA were services at 36% and retail trade at 17%.

New Orleans has one of the largest international ports in the nation, and it is a major focus of the city's economy. New Orleans is home to the corporate offices of oil companies with major offshore operations in the Gulf of Mexico, as well as the distribution and service centers of offshore equipment suppliers and fabricators.

The manufacturing industry is a significant part of the economy, with petroleum, petrochemical, shipbuilding, and aerospace industries also playing a role. The New Orleans region also functions as a mining, processing, and transportation center for other minerals, principally sulfur. The New Orleans region is widely regarded as a leading center of medicine and health care in the South. An expanding base of cutting-edge research facilities is putting New Orleans on the world's radar as a health-based technology transfer center. Among the research facilities in New Orleans are Louisiana State University Health Sciences Center, the Tulane University Health Sciences Center, Audubon Center for Research of Endangered Species, the National Biodynamics Laboratory, the Pennington Biomedical Research Center, and the Gene Therapy Research Center.

Shreveport AA

Demographic Information for Full-Scope Area: Shreveport AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	93	13.98	22.58	33.33	23.66	6.45
Population by Geography	376,330	7.73	23.45	41.72	27.11	0.00
Owner-Occupied Housing by Geography	92,282	5.37	21.11	42.68	30.83	0.00
Businesses by Geography	19,950	15.70	18.54	38.17	27.59	0.00
Farms by Geography	386	6.74	12.44	44.56	36.27	0.00
Family Distribution by Income Level	100,733	23.86	15.84	19.69	40.62	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	39,987	13.43	32.35	40.94	13.28	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$27,402 = \$40,100 =20.86%	Median Housing Value Unemployment Rate		\$54,443 = 4.74%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The Shreveport AA is comprised of three northern Louisiana Parishes within the Shreveport-Bossier City Metropolitan Area (MA), number 7680. They are Bossier, Caddo and Webster Parishes. The above table provides detailed demographic information about the AA.

The Shreveport AA represents 10% of the bank’s branch network, 9% of the bank’s deposit base and 9% of the CRA-reportable loans during the evaluation period in Louisiana. Hibernia ranks as the largest commercial bank in the Shreveport AA with a 28% market share of deposits. The three largest competitors in this market are Bank One, N.A., with a 20% market share, Amsouth Bank with a 17% market share and Regions Bank with a 12% market share. Hibernia operates 24 full-service branches and 23 ATMs within the AA.

Population

The population living in the Shreveport AA was 376,330 in 1990 according to U. S. Census Bureau data. Of this total population, 24% were low-, 16% were moderate-, 20% were middle-, and 41% were upper-income families, respectively. Approximately 18% of the families in the AA had income below the poverty level. The total number of families in the Shreveport AA was 131,701 in 1990, with 7% in low-, 22% in moderate-, 43% in middle-, and 29% in upper-income geographies, respectively.

Dwellings

In 1990, the housing stock in the AA was 160,974 units; with 8% located in low-, 23% in moderate-, 42% in middle- and 27% in upper-income census tracts (CTs), respectively.

Median Housing Price

The average housing price in the Shreveport AA was \$54,443, with 57% of the available units being owner-occupied; 30% of the units are occupied-rentals and 13% of the units are vacant. The percentage of owner-occupied units located in the low-, moderate-, middle-, and upper-income CT designations were: 5% in low-, 21% in moderate-, 43% in middle-, and 31% in upper-income CTs.

Community Contacts

We reviewed one community contact interview completed in March 2003 for the Shreveport AA. The organization contacted provides business services, seminars, and business leadership to businesses in the surrounding parishes. The business contacted stated that participation by local banks within the community is hindered due to the high level of regional bank branches or more specifically, banks headquartered outside of the Shreveport area. He stated that locally headquartered banks try to give back to the community but are limited by capital constraints. The contact did note that some of the large banks actively participate in the community by providing access to low cost credit. The business contact stated services and products are adequate, and that there were no unmet credit needs.

Affordable Housing Needs

To preserve and enhance the livability of inner city neighborhoods is the primary goal of the City of Shreveport. Comprehensive strategies to provide affordable housing and to assist residents with improving their homes and surroundings have been developed. Special emphasis is placed on low- and moderate-income neighborhoods.

Barriers to Affordable Housing

Based upon economic and housing trends in the Shreveport market, it is anticipated that new construction of major property types will be limited over the next few years. It is also felt that the apartment market is probably the healthiest of the major markets, followed by the industrial building market, the retail market, and, finally, the office market. It is not felt that multi-tenant properties, whether retail or office, will be constructed in this market in the near future.

Housing and Community Development Resources

The Community Development Department of the City of Shreveport offers services in the areas of affordable housing, workforce development, business development, permits and inspections, codes enforcement, and program funding for federal grants. The following is a list of these Federal and State resources:

- Job Training Partnership Act
- On-the-Job
- Dislocated Workers
- Welfare to Work
- LaJet
- Youth Program
- Emergency Shelter Grants
- Emergency Assistance Award

City of Shreveport-Bossier Recent Projects and Programs

- Mayor's 10-Year Plan to End Homelessness
- Neighborhood Revitalization Program
- The Community Foundation of Shreveport-Bossier City
- Fannie Mae and Hibernia National Bank-Owned American Dream Home Initiative

Employment

The unemployment figure for the AA is below the national level and slightly above the State level. The Shreveport AA reported an unemployment rate in November 2003, of 5.7%, compared to the State unemployment rate of 5.5% and the national rate of 5.9%. The mid-1990's drop in oil and gas production was the leading cause for the area's elevated unemployment rate.

Historically, employment in the Shreveport AA has been considered to be relatively stable due to a diversified economic base that is spread among retail and wholesale trade, government and oil and gas production.

In 2002, economic statistics indicate that there were 22,245 businesses in the AA. Of these, 3,123 were in low-, 4,173 were in moderate-, 9,143 were in middle-, and 5,790 were in upper-income tracts, respectively. There were 15,818 businesses with gross annual revenue less than \$1 million. The two major industries in the AA were services at 35% and retail trade at 16%.

Barksdale Air Force Base, located in Bossier-City, is the largest employer in the area. Barksdale covers 22,000 acres and is headquarters for the Strategic Air Command, Eighth Air Force and Second Bombardment Wing. The base has approximately 5,100 active duty personnel, 8,000 dependents of military personnel and 1,200 civilian employees. The annual payroll for Barksdale is over \$300 million.

State of Texas Full-Scope Areas

Beaumont AA

Demographic Information for Full-Scope Area: Beaumont AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	59	15.25	20.34	35.59	25.42	3.39
Population by Geography	213,307	8.56	19.80	41.00	30.21	0.43
Owner-Occupied Housing by Geography	53,531	6.19	18.03	43.65	32.13	0.00
Businesses by Geography	13,927	6.81	21.53	31.65	36.66	3.35
Farms by Geography	311	5.47	15.43	46.30	31.83	0.96
Family Distribution by Income Level	58,220	22.81	16.55	19.47	41.17	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	22,913	14.52	27.09	41.50	16.89	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$30,910 = \$46,800 =17.68%	Median Housing Value Unemployment Rate				\$45,702 = 3.45%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The Beaumont AA is comprised of two southwest counties within the Beaumont-Port Arthur Metropolitan Area (MA), number 0840. They are Orange and Jefferson Counties. The above table provides detailed demographic information about the AA.

The Beaumont AA represents 4% of the bank's branch network, 38% of the bank's deposit base and 29% of the bank's CRA-reportable loans during the evaluation period in Texas. Hibernia ranks as the second largest commercial bank in the AA with a 16% market share of deposits. The three largest competitors in this market are Community and Trust SSB with a 21% market share, Southtrust Bank with a 13% market share and Bank One, N.A., with an 11% market share. Hibernia operates 9 full-service branches and 15 ATMs within the AA.

Population

The population living the Beaumont AA was 213,307 in 1990 according to U. S. Census Bureau data. Of this total population, 23% were low-, 17% were moderate-, 20% were middle-, and 41% were upper-income families. Approximately 14% of the families in the AA had income below the poverty level. The total number of families in the AA was 58,220 in 1990, with 8% in low-, 19% in moderate-, 42% in middle-, and 32% in upper-income geographies.

Dwellings

In 1990, the housing stock in the AA was 88,369 units; with 9% located in low-, 21% in moderate-, 40% in middle-, and 30% in upper-income census tracts (CTs), respectively.

Median Housing Price

The average housing price in the Beaumont AA was \$45,702, with 61% of the available units being owner-occupied; 29% of the units are occupied-rentals and 11% of the units are vacant. The percentage of owner-occupied units located in the low-, moderate-, middle- and upper-income CT designations were: 6% in low-, 18% in moderate-, 44% in middle-, and 32% in upper-income CTs.

Community Contacts

Examiners contacted 2 organizations knowledgeable about the communities in which the bank operates. One organization that focuses on affordable housing needs in the AA stated that there were many opportunities for financial institutions to help with affordable housing and revitalization of the community. The contact stated that local financial institutions have participated in community development initiatives. The other contact, a small business owner, stated that local financial institutions are doing an excellent job meeting the credit needs of small business owners in the AA by offering innovative and flexible lending programs.

Affordable Housing Needs

Beaumont's downtown central business district is located in a moderate-income geography. The Beaumont Chamber of Commerce and the Southeast Texas Community Development Corporation have targeted this area for redevelopment and revitalization. In an effort to reverse a declining neighborhood, the city implemented the Charlton-Pollard Neighborhood Revitalization Plan, which resulted in the construction and sale of 49 homes. Through various non-profit groups, funds have been provided for down payments, closing cost assistance, and principal buy downs for 49 families, some of which had very low incomes.

Barriers to Affordable Housing

Barriers to affordable housing are the concerns of the city and other agencies that are developing and funding fair housing for residents. The barriers are high housing costs that are affecting fair housing choice. The overwhelming majority of the new houses being constructed in Beaumont are not affordable to low- and moderate-income persons. Another barrier is the Young vs. Cuomo desegregation lawsuit. Because of this litigation, low- and moderate-income individuals are forced to find housing in non-impacted areas. This limits their choice.

Housing and Community Development Resources

Beaumont's community development needs can be categorized into 4 areas: (1) public facilities, specifically to enhance the lives of youth and the elderly; (2) public service needs, specifically programs that provide transportation services for low- and moderate-income citizens, programs that address the needs of alcoholics and substance abusers and employment training and education programs; (3) economic development; and (4) infrastructure improvements. The Office of Community Development manages the City of Beaumont's revitalization program. The construction of new affordable houses, the provision of first time homebuyer's assistance and the rehabilitation of older homes, are viewed as essential activities to help expand the city's residential tax base. The objective of this office is to develop viable urban communities and improve economic opportunities, principally for persons of low- and moderate-income.

Employment

The Beaumont AA reported a higher unemployment rate in November 2003, of 9%, compared to the State unemployment rate of 6% and the national rate of 6%.

In 2002, economic statistics indicate that there were 14,555 businesses in the AA. Of these, 1,232 were in low-, 2,722 were in moderate-, 5,237 were in middle-, and 4,912 were in upper-income census tracts, respectively. There were 10,681 businesses gross annual revenues less than \$1 million. The major industries for employment in the AA were services at 34% and retail trade at 21%.

Beaumont's primary industries and major employers include petrochemical companies, medical facilities, correctional institutions (federal, state, and local), government (federal, state, and local), and education. The following companies are the largest employers in the Beaumont AA, each employing more than 1,000 people: Bayer Corporation, Beaumont Independent School District, Christus St. Elizabeth Hospital, City of Beaumont, County of Jefferson, E. I. DuPont Sabine River Works, ExxonMobil Corporation, Federal Bureau of Prisons, Huntsman Corporation, Lamar University, Memorial Hermann, Motiva, U. S. Postal Service Encoding Center and West Teleservices Corporation.

Texarkana AA

Demographic Information for Full-Scope Area: Texarkana AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	22	13.64	22.27	36.36	22.73	0.00
Population by Geography	85,835	5.67	17.66	48.55	28.13	0.00
Owner-Occupied Housing by Geography	21,316	3.63	15.94	50.83	29.60	0.00
Businesses by Geography	5,243	10.03	19.42	37.78	32.77	0.00
Farms by Geography	102	2.94	6.86	47.06	43.14	0.00
Family Distribution by Income Level	23,394	22.69	15.91	19.41	41.99	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	9,030	10.30	25.96	47.28	16.47	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$28,088 = \$40,700 =19.05%	Median Housing Value Unemployment Rate			\$47,466 = 3.23%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The Texarkana AA is comprised to two southwest counties within the Texarkana, TX-Texarkana, AR multistate Metropolitan Area (MA), number 8360. They are Bowie County, Texas and Miller County, Arkansas. The above table provides detailed demographic information about the AA.

The Texarkana AA represents 2% of the bank's branch network, 19% of the bank's deposit base, and 16% of the CRA-reportable loans for this evaluation period in Texas. Hibernia ranks as the second largest commercial bank in the AA with a 22% market share of deposits. The four largest competitors in this market are Century Bank, N.A., with a 26% market share, Regions Bank with a 19% market share, Bancorpsouth Bank with a 17% market share, and Commerical NB of Texarkana with a 10% market share. Hibernia operates 6 full-service branches and 11 ATMs within the AA.

Population

The population living in the AA was 85,835 in 1990 according to U. S. Census Bureau data. Of this population, 23% were low-, 16% were moderate-, 19% were middle-, and 42% were upper-income families, respectively. Approximately 15% of the families in the AA had incomes below the poverty level. The total number of families in the AA was 23,394 in 1990, with 5% in low-, 17% in moderate-, 48% in middle- and 30% in upper-income geographies.

Dwellings

In 1990, the housing stock in the AA was 36,141 units; with 6% located in low-, 18% in moderate-, 49% in middle- and 28% in upper-income census tracts (CTs).

Median Housing Price

The average housing price in the AA was \$47,466 with 59% of the available units being owner-occupied; 30% of the units are occupied-rentals and 11% of the units are vacant. The percentage of owner-occupied units located in the low-, moderate-, middle-, and upper-income CT designations were: 4% in low-, 16% in moderate-, 51% in middle-, and 30% in upper-income CTs.

Community Contacts

We contacted a local business organization and realtor to obtain current demographic information. The realtor stated that recent housing starts were at the high end of the market with little to no low- or moderate-housing being developed.

A contact conducted with a local home builder identified lot availability and financing as obstacles in building low-income rental housing.

Affordable Housing Needs

The City of Texarkana Consolidated Plan shows that there are a significant number of families with limited financial resources who live in houses with housing problems. In addition to limited income that creates a barrier as far as being able to choose to live in decent houses or apartments, many families reside in rental properties that have structural problems associated with the dwelling units. The City's Consolidated Plan shows most critical needs for housing fall upon the lowest sector of the city's population, and that this need falls disproportionately upon the African-American community.

Barriers to Affordable Housing

Some residential properties are owned by charitable organizations that are genuinely interested in helping disadvantaged people. But more often, the organizations are trying to make a profit. As previously mentioned, lot availability and financing are also obstacles in building low-income rental housing. New housing programs with limited financial resources that are being implemented by the city will be of assistance to a number of families but will not cause a significant change for the vast majority of the city's residents.

Housing and Community Development Resources

The City of Texarkana manages a variety of programs and resources for its citizens, and they are listed below:

- Affordable Housing Disposition Program
- State Housing Trust Fund
- HUD Section 811 (People with Disabilities)
- HUD Section 202 (Elderly and People with Disabilities)

City of Texarkana Recent Projects & Programs

- Project-Based Section 8
- Privately owned HUD Housing
- Rural-Rental Housing

Employment

The Texarkana AA reported a lower unemployment rate in November 2003, of 4.7%, compared to the State unemployment rate of 6.3% and the national rate of 5.9%. In 2002, economic statistics indicated that there were 6,012 businesses in the AA. Of these, 346 were in low-, 1,288 were in moderate-, 2,418 were in middle-, and 1,960 were in upper-income census tracts, respectively. There were 4,663 businesses with gross annual revenues less than \$1 million. The two major industries in the AA were services at 37% and retail trade at 22%.

Appendix D: Tables of Performance Data

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Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the

bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: LOUISIANA												
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Baton Rouge MA	16.91	9,582	855,063	2,510	185,783	7	485	17	56,959	12,116	1,098,290	18.58
New Orleans MA	35.50	19,342	1,910,743	6,017	489,676	11	610	57	75,089	25,427	2,476,118	43.10
Shreveport MA	10.98	5,483	366,427	2,339	172,609	34	1,122	8	2,534	7,864	542,692	9.37
Limited Review:												
Alexandria MSA 0220	2.98	1,493	102,059	620	53,208	16	1,136	8	1,640	2,137	158,043	3.63
Houma MSA 3350	9.64	5,642	410,808	1,251	94,423	6	422	9	1,036	6,908	506,689	6.60
LA Non-MSA Parishes	10.23	4,951	254,692	1,748	113,512	581	41,348	45	23,273	7,325	432,825	7.08
Lafayette MSA 3880	2.88	1,312	103,444	736	59,979	7	504	6	12,464	2,061	176,391	2.59
Lake Charles MSA 3960	4.74	2,385	141,966	869	64,320	141	9,634	3	309	3,398	216,229	5.56
Monroe MSA 5200	2.58	1,192	101,154	636	52,686	14	1,881	4	4,598	1,846	160,319	1.76
NE LA Non-MSA	3.56	965	47,927	869	57,879	713	56,562	0	0	2,547	162,368	1.72

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From October 18, 1999 to January 12, 2004.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Baton Rouge MA	3,003	21.54	7.06	2.10	15.90	6.59	42.09	42.52	34.95	48.78	8.60	7.25	7.64	7.58	10.05									
New Orleans MA	4,884	35.04	4.73	2.74	16.79	8.56	39.64	34.79	38.83	53.91	7.56	3.10	5.62	7.13	8.90									
Shreveport MA	1,423	10.21	5.37	0.84	21.11	8.29	42.68	37.67	30.83	53.20	7.36	6.90	8.10	7.19	7.40									
Limited Review:																								
Alexandria MSA 0220	415	2.98	5.24	0.48	21.13	6.75	45.93	42.17	27.71	50.60	7.58	0.00	3.48	8.12	8.35									
Houma MSA 3350	1,576	11.31	0.00	0.00	9.10	4.89	75.92	62.75	14.97	32.36	24.50	0.00	20.13	23.69	27.26									
LA Non-MSA Parishes	952	6.83	0.00	0.00	16.01	15.02	62.21	64.08	21.78	20.90	7.72	0.00	8.37	8.53	5.86									
Lafayette MSA 3880	425	3.05	5.07	0.47	7.57	2.59	26.54	16.00	60.82	80.94	3.82	2.94	1.68	3.38	4.04									
Lake Charles MSA 3960	677	4.86	4.81	1.92	14.20	7.53	52.16	49.04	28.84	41.51	8.47	9.09	8.99	8.33	8.50									
Monroe MSA 5200	307	2.20	12.60	2.93	17.12	6.84	39.49	30.94	30.79	59.28	5.58	3.26	5.26	4.60	6.78									
NE LA Non-MSA	278	1.99	9.37	3.60	28.60	19.42	43.86	46.40	18.17	30.58	28.82	28.57	28.38	28.75	29.29									

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Baton Rouge MA	2,141	14.34	7.06	4.25	15.90	13.17	42.09	47.97	34.95	34.61	48.20	44.16	48.73	50.34	45.54									
New Orleans MA	5,625	37.68	4.73	3.84	16.79	16.46	39.64	41.92	38.83	37.78	45.93	41.44	47.94	46.63	44.88									
Shreveport MA	1,688	11.31	5.37	4.03	21.11	17.83	42.68	43.25	30.83	34.89	52.76	54.76	42.40	55.60	55.33									
Limited Review:																								
Alexandria MSA 0220	470	3.15	5.24	4.26	21.13	12.77	45.93	47.66	27.71	35.32	37.58	45.45	25.00	38.53	42.76									
Houma MSA 3350	1,392	9.32	0.00	0.00	9.10	5.17	75.92	75.29	14.97	19.54	48.45	0.00	34.67	49.01	51.26									
LA Non-MSA Parishes	1,910	12.79	0.00	0.00	16.01	14.14	62.21	66.75	21.78	19.11	33.38	0.00	30.82	35.57	29.09									
Lafayette MSA 3880	372	2.49	5.07	2.15	7.57	2.69	26.54	15.86	60.82	79.30	17.50	18.18	10.00	9.42	21.20									
Lake Charles MSA 3960	787	5.27	4.81	6.10	14.20	11.56	52.16	48.03	28.84	34.31	34.21	53.57	30.77	32.61	36.00									
Monroe MSA 5200	285	1.91	12.60	3.86	17.12	12.98	39.49	41.75	30.79	41.40	28.70	12.50	41.18	28.08	29.13									
NE LA Non-MSA	258	1.73	9.37	10.85	28.60	27.52	43.86	36.82	18.17	24.81	60.11	60.00	64.10	54.55	69.44									

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Baton Rouge MA	4,412	18.91	7.06	1.95	15.90	7.21	42.09	43.13	34.95	47.71	11.49	9.54	9.52	11.47	11.95									
New Orleans MA	8,751	37.51	4.73	1.74	16.79	8.56	39.64	35.30	38.83	54.41	9.76	5.05	7.47	9.28	10.93									
Shreveport MA	2,360	10.11	5.37	0.93	21.11	10.30	42.68	39.36	30.83	49.41	13.25	8.70	10.53	12.19	14.80									
Limited Review:																								
Alexandria MSA 0220	607	2.60	5.24	1.15	21.13	10.05	45.93	50.91	27.71	37.89	8.49	0.00	7.23	8.85	8.72									
Houma MSA 3350	2,665	11.42	0.00	0.00	9.10	3.83	75.92	67.69	14.97	28.48	24.69	0.00	17.03	24.84	25.72									
LA Non-MSA Parishes	2,084	8.93	0.00	0.00	16.01	13.58	62.21	61.18	21.78	25.24	10.58	0.00	12.36	10.77	9.59									
Lafayette MSA 3880	513	2.20	5.07	0.19	7.57	1.75	26.54	14.04	60.82	84.02	3.95	1.28	2.82	2.36	4.45									
Lake Charles MSA 3960	916	3.93	4.81	1.42	14.20	8.52	52.16	48.47	28.84	41.59	9.59	7.69	11.44	9.90	9.06									
Monroe MSA 5200	595	2.55	12.60	3.19	17.12	9.58	39.49	39.50	30.79	47.73	6.80	3.55	7.07	6.74	7.06									
NE LA Non-MSA	429	1.84	9.37	10.02	28.60	15.62	43.86	39.63	18.17	34.73	31.60	51.52	24.41	30.57	34.38									

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: LOUISIANA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of ** Total	% of MF *** Units	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Shreveport MA	12	8.16	7.23	0.00	17.02	41.67	41.12	58.33	34.63	0.00	36.84	0.00	57.14	60.00	0.00	
New Orleans MA	82	55.78	20.35	7.32	21.92	28.05	29.54	28.05	28.19	36.59	16.27	3.23	19.57	16.00	23.08	
Baton Rouge MA	26	17.69	19.39	15.38	17.46	11.54	37.57	53.85	25.58	19.23	16.67	0.00	33.33	24.24	18.18	
Limited Review:																
NE LA Non-MSA	0	0.00	35.31	0.00	17.40	0.00	33.17	0.00	14.12	0.00	0.00	0.00	0.00	0.00	0.00	
Monroe MSA 5200	5	3.40	16.15	20.00	10.76	0.00	29.28	80.00	43.81	0.00	28.57	50.00	0.00	75.00	0.00	
Lake Charles MSA 3960	5	3.40	3.99	0.00	31.33	0.00	40.98	80.00	23.71	20.00	7.69	0.00	0.00	0.00	25.00	
Lafayette MSA 3880	2	1.36	1.34	0.00	5.62	50.00	21.60	50.00	71.44	0.00	0.00	0.00	0.00	0.00	0.00	
LA Non-MSA Parishes	5	3.40	0.00	0.00	19.79	40.00	54.91	60.00	25.30	0.00	4.35	0.00	0.00	12.50	0.00	
Houma MSA 3350	9	6.12	0.00	0.00	4.82	0.00	70.09	66.67	25.09	33.33	22.22	0.00	0.00	23.53	22.22	
Alexandria MSA 0220	1	0.68	6.34	0.00	16.31	0.00	33.69	0.00	43.66	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
Full Review:																
Baton Rouge MA	2,510	14.27	8.43	4.50	12.48	10.24	41.76	43.51	37.34	41.75	5.22	3.72	5.58	5.52	5.74	
New Orleans MA	6,017	34.20	8.44	6.98	20.37	21.39	33.22	34.24	37.97	37.39	5.72	5.94	6.91	6.06	5.68	
Shreveport MA	2,339	13.29	14.04	12.18	18.76	16.76	41.10	38.82	26.03	32.24	6.97	7.15	7.57	7.59	7.46	
Limited Review:																
	1,748	9.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Alexandria MSA 0220	620	3.52	9.95	7.71	16.86	17.92	40.77	44.22	28.91	30.15	6.00	8.10	5.16	6.22	6.24	
Houma MSA 3350	1,251	7.11	0.00	0.00	9.96	7.74	71.72	73.01	17.80	19.26	10.14	0.00	7.34	12.25	9.15	
Lafayette MSA 3880	736	4.18	3.00	1.49	5.49	2.45	30.53	26.90	60.98	69.16	3.23	3.48	1.87	3.83	3.59	
Lake Charles MSA 3960	869	4.94	4.64	4.03	21.70	21.86	48.79	49.14	24.87	24.97	5.68	10.56	5.86	6.82	4.66	
Monroe MSA 5200	636	3.61	21.43	17.14	16.92	14.15	30.65	29.09	31.01	39.62	4.80	5.49	5.84	3.78	6.00	
NE LA Non-MSA	869	4.94	13.36	14.04	27.80	24.17	43.32	37.74	15.52	24.05	18.81	25.86	25.79	16.50	25.91	

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Baton Rouge MA	7	0.46	4.10	14.29	8.73	0.00	41.18	42.86	45.99	42.86	14.29	50.00	0.00	8.33	20.00									
New Orleans MA	11	0.72	2.72	0.00	16.95	18.18	44.51	45.45	35.81	36.36	6.98	0.00	2.94	8.70	10.71									
Shreveport MA	34	2.22	3.30	0.00	12.78	58.82	52.20	32.35	31.72	8.82	11.54	0.00	15.38	10.26	14.29									
Limited Review:																								
	581	37.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
Alexandria MSA 0220	16	1.05	1.32	0.00	21.59	18.75	52.42	62.50	23.35	18.75	12.96	0.00	15.38	13.64	14.29									
Houma MSA 3350	6	0.39	0.00	0.00	11.85	0.00	70.74	83.33	17.04	16.67	13.04	0.00	0.00	12.50	25.00									
Lafayette MSA 3880	7	0.46	1.38	0.00	1.38	0.00	37.02	0.00	60.21	100.00	21.05	0.00	0.00	0.00	23.53									
Lake Charles MSA 3960	141	9.22	0.44	0.00	16.74	2.13	58.15	88.65	24.67	9.22	36.05	0.00	20.00	36.76	50.00									
Monroe MSA 5200	14	0.92	1.88	7.14	13.13	14.29	48.75	28.57	36.25	50.00	7.55	0.00	0.00	8.33	9.09									
NE LA Non-MSA	713	46.60	7.04	12.06	32.52	25.81	52.43	44.74	8.01	17.39	58.97	72.73	59.30	52.11	90.24									

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																
Geography: LOUISIANA																
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002																
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid
Full Review:																
Baton Rouge MA	3,003	21.54	23.59	6.80	15.54	21.07	20.02	24.33	40.84	47.81	10.13	8.97	9.16	8.91	11.64	
New Orleans MA	4,884	35.04	24.71	3.05	15.46	11.68	18.74	18.53	41.09	66.74	8.89	6.84	5.59	6.51	11.31	
Shreveport MA	1,423	10.21	23.86	7.23	15.84	13.50	19.69	24.16	40.62	55.11	7.81	6.22	6.95	7.68	8.40	
Limited Review:																
Alexandria MSA 0220	415	2.98	24.01	3.64	16.49	15.05	18.89	21.84	40.60	59.47	9.81	10.94	6.38	8.74	11.32	
Houma MSA 3350	1,576	11.31	24.14	4.42	15.31	15.01	19.66	23.07	40.89	57.50	25.78	24.75	22.47	20.73	28.99	
LA Non-MSA Parishes	952	6.83	24.72	2.87	15.59	10.74	17.28	20.11	42.41	66.28	8.70	9.02	8.02	7.76	9.14	
Lafayette MSA 3880	425	3.05	19.35	1.43	12.66	8.59	16.04	20.29	51.95	69.69	4.42	1.10	2.33	4.12	5.06	
Lake Charles MSA 3960	677	4.86	23.79	8.96	16.25	18.51	19.26	23.43	40.69	49.10	8.99	10.30	8.59	7.12	9.91	
Monroe MSA 5200	307	2.20	24.88	3.77	16.02	14.04	17.59	17.81	41.51	64.38	6.45	7.79	6.29	5.15	6.88	
NE LA Non-MSA	278	1.99	30.90	4.01	16.64	16.06	15.74	24.09	36.72	55.84	32.99	60.00	30.23	37.33	30.12	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** As a percentage of loans with borrower income information available. No information was available for 2.82% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															
Geography: LOUISIANA															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Baton Rouge MA	2,141	14.34	23.59	7.98	15.54	18.27	20.02	24.89	40.84	48.85	49.27	45.34	49.57	51.67	48.73
New Orleans MA	5,625	37.68	24.71	7.53	15.46	15.89	18.74	24.69	41.09	51.89	48.26	47.00	43.07	50.56	48.99
Shreveport MA	1,688	11.31	23.86	11.93	15.84	14.96	19.69	22.91	40.62	50.21	53.62	52.90	48.97	55.60	54.18
Limited Review:															
Alexandria MSA 0220	470	3.15	24.01	5.35	16.49	14.99	18.89	21.20	40.60	58.46	38.15	15.56	33.73	45.33	41.38
Houma MSA 3350	1,392	9.32	24.14	6.67	15.31	10.22	19.66	21.68	40.89	61.42	50.32	40.22	42.64	47.06	54.47
LA Non-MSA Parishes	1,910	12.79	24.72	5.05	15.59	12.31	17.28	19.57	42.41	63.07	34.55	19.73	26.93	37.62	37.03
Lafayette MSA 3880	372	2.49	19.35	3.78	12.66	6.22	16.04	17.03	51.95	72.97	18.13	9.09	10.89	16.15	21.06
Lake Charles MSA 3960	787	5.27	23.79	9.80	16.25	16.79	19.26	22.90	40.69	50.51	35.54	27.47	35.40	31.02	39.13
Monroe MSA 5200	285	1.91	24.88	5.65	16.02	11.31	17.59	18.73	41.51	64.31	28.88	22.73	22.92	22.95	32.83
NE LA Non-MSA	258	1.73	30.90	6.20	16.64	14.73	15.74	16.67	36.72	62.40	60.45	50.00	55.56	60.61	63.11

* Based on 2002 Peer Mortgage Data: Southwest Region.

** As a percentage of loans with borrower income information available. No information was available for 0.43% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: LOUISIANA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Baton Rouge MA	4,412	18.91	23.59	3.51	15.54	11.79	20.02	23.05	40.84	61.64	13.35	7.58	10.39	12.74	15.02	
New Orleans MA	8,751	37.51	24.71	2.58	15.46	10.15	18.74	19.58	41.09	67.69	11.14	5.54	8.20	9.35	12.80	
Shreveport MA	2,360	10.11	23.86	3.95	15.84	9.57	19.69	20.24	40.62	66.24	14.83	11.49	11.43	14.95	15.74	
Limited Review:																
Alexandria MSA 0220	607	2.60	24.01	2.63	16.49	9.65	18.89	14.56	40.60	73.16	10.47	3.61	8.39	8.06	12.08	
Houma MSA 3350	2,665	11.42	24.14	2.52	15.31	8.24	19.66	18.19	40.89	71.05	26.16	13.69	19.95	22.49	28.96	
LA Non-MSA Parishes	2,084	8.93	24.72	1.97	15.59	6.46	17.28	14.55	42.41	77.02	12.10	5.61	7.29	10.25	13.34	
Lafayette MSA 3880	513	2.20	19.35	0.79	12.66	6.75	16.04	16.27	51.95	76.19	4.85	1.49	3.36	3.93	5.37	
Lake Charles MSA 3960	916	3.93	23.79	3.23	16.25	11.35	19.26	22.02	40.69	63.40	10.44	4.38	7.96	11.66	10.91	
Monroe MSA 5200	595	2.55	24.88	3.21	16.02	7.84	17.59	14.44	41.51	74.51	8.37	9.43	6.95	6.85	8.94	
NE LA Non-MSA	429	1.84	30.90	2.16	16.64	6.95	15.74	18.47	36.72	72.42	34.41	25.00	25.42	36.36	35.59	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** As a percentage of loans with borrower income information available. No information was available for 3.84% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: LOUISIANA			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of ** Total	% of *** Businesses	% BANK **** Loans	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Baton Rouge MA	2,510	14.27	67.49	75.42	84.82	8.01	7.17	5.22	10.46
New Orleans MA	6,017	34.20	69.80	75.34	83.55	8.49	7.96	5.72	13.57
Shreveport MA	2,339	13.29	71.11	77.64	84.44	9.41	6.16	6.97	13.62
Limited Review:									
Alexandria MSA 0220	620	3.52	71.44	73.06	80.48	12.10	7.42	6.00	9.39
Houma MSA 3350	1,251	7.11	70.93	75.70	83.37	9.51	7.11	10.14	23.21
LA Non-MSA Parishes	1,748	9.93	70.52	81.01	86.73	7.49	5.78	4.61	9.10
Lafayette MSA 3880	736	4.18	69.36	72.15	85.46	6.11	8.42	3.23	7.08
Lake Charles MSA 3960	869	4.94	70.69	73.42	83.89	9.44	6.67	5.68	9.13
Monroe MSA 5200	636	3.61	67.95	70.60	81.13	10.22	8.65	4.80	8.50
NE LA Non-MSA	869	4.94	62.84	86.88	86.65	5.29	8.06	18.81	41.03

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: LOUISIANA			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of ** Total	% of Farms ***	% BANK **** Loans	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Baton Rouge MA	7	0.46	91.98	100.00	85.71	0.00	14.29	14.29	16.67
New Orleans MA	11	0.72	92.11	100.00	90.91	0.00	9.09	6.98	7.59
Shreveport MA	34	2.22	92.29	100.00	94.12	5.88	0.00	11.54	13.64
Limited Review:									
Alexandria MSA 0220	16	1.05	92.07	87.50	75.00	18.75	6.25	12.96	10.87
Houma MSA 3350	6	0.39	92.96	83.33	83.33	16.67	0.00	13.04	10.00
LA Non-MSA Parishes	581	37.97	90.84	98.80	72.46	25.30	2.24	22.83	23.36
Lafayette MSA 3880	7	0.46	91.35	100.00	71.43	28.57	0.00	21.05	22.22
Lake Charles MSA 3960	141	9.22	94.27	100.00	74.47	24.82	0.71	36.05	37.80
Monroe MSA 5200	14	0.92	89.38	100.00	57.14	21.43	21.43	7.55	8.16
NE LA Non-MSA	713	46.60	87.86	98.60	73.63	19.35	7.01	58.97	59.70

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: LOUISIANA			Evaluation Period: OCTOBER 18, 1999 TO JANUARY 12, 2004						
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Baton Rouge MA	6	1,226	70	6,085	76	7,311	15.00	0	0
New Orleans MA	9	3,408	132	13,751	141	17,159	35.21	0	0
Shreveport MA	5	467	76	10,317	81	10,784	22.13	0	0
Limited Review:									
Alexandria MSA 0220	5	181	39	1,045	44	1,226	2.52	0	0
Houma MSA 3350	7	570	39	1,896	46	2,466	5.06	0	0
LA Non-MSA Parishes	5	352	28	2,012	33	2,364	4.85	0	0
Lafayette MSA 3880	5	129	29	1,378	34	1,507	3.09	0	0
Lake Charles MSA 3960	5	277	37	4,380	42	4,657	9.56	0	0
Monroe MSA 5200	5	87	58	574	63	661	1.36	0	0
NE LA Non-MSA	5	86	26	515	31	601	1.23	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: LOUISIANA																	
Evaluation Period: OCTOBER 18, 1999 TO JANUARY 12, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Baton Rouge MA	18.58	27	13	3.70	14.81	48.15	33.33	0	1	0	0	- 1	0	11.78	16.95	41.06	30.21
New Orleans MA	43.10	70	33	4.29	22.86	37.14	35.71	1	6	0	- 4	- 2	1	11.79	21.02	35.02	32.16
Shreveport MA	9.37	24	11	25.00	16.67	41.67	16.67	0	4	- 2	0	- 2	0	7.73	23.45	41.72	27.11
Limited Review:																	
Alexandria MSA 0220	3.63	10	5	20.00	0.00	60.00	20.00	0	1	0	0	- 1	0	7.94	22.67	43.65	25.52
Houma MSA 3350	6.60	16	8	0.00	6.25	81.25	12.50	1	1	0	0	- 1	1	0.00	10.44	74.47	14.75
LA Non-MSA Parishes	7.08	34	16	0.00	17.65	64.71	17.65	2	4	0	1	- 2	- 1	0.00	18.38	60.11	21.51
Lafayette MSA 3880	2.59	8	4	0.00	0.00	37.50	62.50	0	1	0	0	- 1	0	6.38	8.56	27.23	57.83
Lake Charles MSA 3960	5.56	15	7	0.00	26.67	60.00	13.33	0	0	0	0	0	0	6.63	16.04	50.94	26.38
Monroe MSA 5200	1.76	4	2	25.00	0.00	25.00	50.00	0	0	0	0	0	0	18.94	17.71	35.77	27.58
NE LA Non-MSA	1.72	4	2	0.00	25.00	75.00	0.00	0	0	0	0	0	0	14.29	29.94	40.43	15.35

Table 1. Lending Volume

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Beaumont MA	27.58	1,514	98,766	1,420	125,077	66	4,384	2	3,227	3,002	231,454	37.81
Texarkana MA	19.32	1,220	69,532	870	52,844	9	189	4	1,779	2,103	124,344	19.03
Limited Review:												
Dallas MSA 1920	10.25	910	154,016	203	21,507	3	585	0	0	1,116	176,108	3.81
Longview MSA 4420	12.07	655	34,594	655	31,823	4	621	0	0	1,314	67,038	13.26
TX Non-MSA Counties	21.52	1,162	60,381	1,044	66,124	129	3,159	7	4,375	2,342	134,039	20.56
Tyler MSA 8640	9.26	536	39,042	451	25,166	21	548	0	0	1,008	64,756	5.52

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 18, 1999 to January 12, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Beaumont MA	480	23.04	6.19	0.83	18.03	5.83	43.65	29.58	32.13	63.75	6.26	4.17	3.78	4.41	7.90	
Texarkana MA	444	21.32	3.63	2.70	15.94	11.94	50.83	49.32	29.60	36.04	8.53	27.78	11.11	9.24	6.75	
Limited Review:																
Dallas MSA 1920	451	21.65	0.00	0.00	7.50	4.88	24.89	13.97	67.61	81.15	0.42	0.00	0.46	0.23	0.47	
Longview MSA 4420	181	8.69	0.11	0.00	16.41	12.71	56.37	65.19	27.11	22.10	1.61	0.00	2.30	1.84	1.07	
TX Non-MSA Counties	361	17.33	0.00	0.00	10.36	4.99	72.80	70.08	16.84	24.93	3.58	0.00	2.21	3.75	3.55	
Tyler MSA 8640	166	7.97	3.15	0.60	6.45	1.81	58.52	47.59	31.88	50.00	1.17	2.17	0.76	1.25	1.09	

^{*} Based on 2002 Peer Mortgage Data: Southwest Region.

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: TEXAS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of ** Total	% Owner Occ *** Units	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Beaumont MA	595	32.28	6.19	5.21	18.03	18.32	43.65	40.34	32.13	36.13	43.10	52.63	53.57	40.83	40.38	
Texarkana MA	408	22.14	3.63	2.21	15.94	13.73	50.83	49.26	29.60	34.80	47.58	45.45	52.63	48.10	45.53	
Limited Review:																
Dallas MSA 1920	37	2.01	0.00	0.00	7.50	16.22	24.89	29.73	67.61	54.05	0.71	0.00	3.85	0.62	0.56	
Longview MSA 4420	226	12.26	0.11	0.44	16.41	16.37	56.37	71.24	27.11	11.95	26.08	100.00	28.89	28.81	16.67	
TX Non-MSA Counties	393	21.32	0.00	0.00	10.36	9.16	72.80	71.50	16.84	19.34	23.52	0.00	16.67	24.75	24.07	
Tyler MSA 8640	184	9.98	3.15	2.17	6.45	2.17	58.52	66.85	31.88	28.80	17.77	21.43	13.64	19.52	14.69	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans	% Owner Occ*** Units	% BANK Loans						
Full Review:																
Beaumont MA	434	21.15	6.19	1.38	18.03	9.45	43.65	39.40	32.13	49.77	7.36	4.00	9.63	7.57	7.01	
Texarkana MA	363	17.69	3.63	1.65	15.94	6.34	50.83	50.69	29.60	41.32	13.15	15.38	6.93	14.13	13.09	
Limited Review:																
Dallas MSA 1920	420	20.47	0.00	0.00	7.50	3.81	24.89	17.38	67.61	78.81	0.67	0.00	1.46	0.50	0.68	
Longview MSA 4420	246	11.99	0.11	0.00	16.41	10.57	56.37	70.33	27.11	19.11	4.89	0.00	5.66	6.56	2.55	
TX Non-MSA Counties	403	19.64	0.00	0.00	10.36	6.20	72.80	73.95	16.84	19.85	7.57	0.00	9.58	8.43	4.79	
Tyler MSA 8640	186	9.06	3.15	1.61	6.45	1.08	58.52	55.91	31.88	41.40	2.81	0.00	0.00	3.10	2.66	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Texarkana MA	5	26.32	13.75	20.00	9.60	0.00	33.59	60.00	43.07	20.00	28.57	100.00	0.00	22.22	25.00	
Beaumont MA	5	26.32	8.19	0.00	15.82	0.00	33.13	80.00	42.86	20.00	18.18	0.00	0.00	25.00	14.29	
Limited Review:																
Tyler MSA 8640	0	0.00	2.84	0.00	3.11	0.00	34.71	0.00	59.33	0.00	0.00	0.00	0.00	0.00	0.00	
TX Non-MSA Counties	5	26.32	0.00	0.00	30.55	20.00	31.63	40.00	37.82	40.00	12.50	0.00	0.00	0.00	25.00	
Longview MSA 4420	2	10.53	1.90	0.00	20.24	0.00	39.06	100.00	38.81	0.00	7.69	0.00	0.00	33.33	0.00	
Dallas MSA 1920	2	10.53	0.00	0.00	9.85	100.00	8.68	0.00	81.47	0.00	5.56	0.00	33.33	0.00	0.00	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Beaumont MA	1,420	30.58	6.81	9.78	21.53	20.22	31.65	32.41	36.66	37.59	5.62	10.10	7.30	4.71	6.07						
Texarkana MA	870	18.74	10.03	7.13	19.42	16.44	37.78	43.10	32.77	33.33	8.11	13.89	9.39	8.53	8.88						
Limited Review:																					
Dallas MSA 1920	203	4.37	0.00	0.00	34.47	35.96	26.19	19.70	39.34	44.33	0.42	0.00	1.21	0.53	0.29						
Longview MSA 4420	655	14.11	0.00	2.75	28.00	14.83	45.06	63.00	26.94	19.42	2.90	2.01	2.38	3.87	2.71						
TX Non-MSA Counties	1,044	22.49	0.00	0.00	18.22	16.95	61.48	61.11	20.30	21.93	3.92	0.00	3.47	5.03	4.92						
Tyler MSA 8640	451	9.71	11.70	7.76	5.78	5.54	44.23	52.99	38.29	33.70	2.48	3.04	4.30	2.77	2.37						

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: TEXAS															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Beaumont MA	66	28.45	5.47	0.00	15.43	0.00	46.30	73.85	31.83	26.15	51.79	0.00	0.00	54.76	66.67
Texarkana MA	9	3.88	2.94	0.00	6.86	0.00	47.06	66.67	43.14	33.33	3.19	0.00	0.00	3.61	1.72
Limited Review:															
Dallas MSA 1920	3	1.29	0.00	0.00	26.62	0.00	49.66	0.00	23.71	100.00	1.89	0.00	0.00	0.00	4.00
Longview MSA 4420	4	1.72	0.00	0.00	15.64	0.00	53.50	100.00	30.86	0.00	2.94	0.00	0.00	4.41	0.00
TX Non-MSA Counties	129	55.60	0.00	0.00	10.11	11.63	66.25	70.54	23.64	17.83	3.28	0.00	0.91	3.99	3.14
Tyler MSA 8640	21	9.05	1.80	0.00	1.54	0.00	64.52	61.90	32.13	38.10	2.67	0.00	0.00	2.52	4.55

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE															
Geography: TEXAS															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Beaumont MA	480	23.04	22.81	4.93	16.55	12.42	19.47	19.27	41.17	63.38	6.94	4.62	4.81	5.67	8.78
Texarkana MA	444	21.32	22.69	7.34	15.91	15.60	19.41	18.81	41.99	58.26	11.10	8.64	9.28	10.97	11.95
Limited Review:															
Dallas MSA 1920	451	21.65	9.89	3.82	12.13	8.31	19.48	23.82	58.50	64.04	0.48	0.41	0.24	0.39	0.61
Longview MSA 4420	181	8.69	21.71	9.50	16.06	18.99	20.31	24.58	41.92	46.93	1.91	0.84	1.99	2.01	1.95
TX Non-MSA Counties	361	17.33	20.79	4.71	15.79	12.46	19.77	18.86	43.65	63.97	4.02	6.90	4.17	3.21	4.14
Tyler MSA 8640	166	7.97	21.70	6.13	16.81	15.95	21.88	25.15	39.61	52.76	1.37	1.92	1.66	0.99	1.37

* Based on 2002 Peer Mortgage Data: Southwest Region.

** As a percentage of loans with borrower income information available. No information was available for 4.61% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																
Geography: TEXAS																
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002																
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid
Full Review:																
Beaumont MA	595	32.28	22.81	15.68	16.55	20.40	19.47	23.95	41.17	39.97	43.24	54.39	45.63	43.70	39.43	
Texarkana MA	408	22.14	22.69	11.55	15.91	16.22	19.41	23.83	41.99	48.40	48.45	56.67	56.52	42.31	47.62	
Limited Review:																
Dallas MSA 1920	37	2.01	9.89	10.81	12.13	18.92	19.48	10.81	58.50	59.46	0.73	0.00	1.96	0.31	0.72	
Longview MSA 4420	226	12.26	21.71	11.21	16.06	18.39	20.31	15.25	41.92	55.16	26.23	15.63	25.76	27.87	27.54	
TX Non-MSA Counties	393	21.32	20.79	5.56	15.79	13.33	19.77	23.06	43.65	58.06	23.70	17.07	26.79	24.22	23.79	
Tyler MSA 8640	184	9.98	21.70	7.07	16.81	21.20	21.88	19.02	39.61	52.72	17.96	9.30	20.18	15.74	19.29	

* Based on 2002 Peer Mortgage Data: Southwest Region.

** As a percentage of loans with borrower income information available. No information was available for 2.12% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Beaumont MA	434	21.15	22.81	1.65	16.55	12.24	19.47	20.47	41.17	65.65	8.45	4.60	7.53	6.44	9.51	
Texarkana MA	363	17.69	22.69	4.53	15.91	8.78	19.41	16.15	41.99	70.54	16.91	23.53	14.68	14.57	17.60	
Limited Review:																
Dallas MSA 1920	420	20.47	9.89	1.67	12.13	7.66	19.48	15.07	58.50	75.60	0.80	0.32	0.58	0.61	0.91	
Longview MSA 4420	246	11.99	21.71	2.90	16.06	15.77	20.31	14.94	41.92	66.39	5.80	1.85	5.05	4.05	6.61	
TX Non-MSA Counties	403	19.64	20.79	2.46	15.79	6.83	19.77	17.76	43.65	72.95	8.84	10.71	3.42	9.50	9.12	
Tyler MSA 8640	186	9.06	21.70	3.28	16.81	8.74	21.88	16.94	39.61	71.04	3.53	3.06	2.75	2.19	4.14	

^{*} Based on 2002 Peer Mortgage Data: Southwest Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 3.22% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of ^{**} Total	% of ^{***} Businesses	% BANK ^{****} Loans	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Beaumont MA	1,420	30.58	63.37	72.11	80.28	11.20	8.52	5.62	11.13
Texarkana MA	870	18.74	63.44	77.82	88.85	6.44	4.71	8.11	13.67
Limited Review:									
Dallas MSA 1920	203	4.37	62.64	73.40	78.33	9.36	12.32	0.42	0.86
Longview MSA 4420	655	14.11	63.88	71.76	89.47	8.24	2.29	2.90	5.27
TX Non-MSA Counties	1,044	22.49	65.48	81.42	87.74	7.85	4.41	3.92	7.98
Tyler MSA 8640	451	9.71	65.19	80.04	89.36	6.87	3.77	2.48	5.32

^{*} Based on 2002 Peer Small Business Data: US and PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of ** Total	% of Farms ***	% BANK **** Loans	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Beaumont MA	66	28.45	89.39	100.00	86.36	10.61	3.03	51.79	55.77
Texarkana MA	9	3.88	86.27	100.00	100.00	0.00	0.00	3.19	3.23
Limited Review:									
Dallas MSA 1920	3	1.29	85.68	100.00	33.33	33.33	33.33	1.89	2.27
Longview MSA 4420	4	1.72	93.83	100.00	50.00	25.00	25.00	2.94	3.06
TX Non-MSA Counties	129	55.60	90.27	99.22	96.90	2.33	0.78	3.28	3.45
Tyler MSA 8640	21	9.05	88.43	100.00	100.00	0.00	0.00	2.67	2.88

* Based on 2002 Peer Small Business Data: US and PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: TEXAS									
Evaluation Period: OCTOBER 18, 1999 TO JANUARY 12, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Beaumont MA	3	150	37	730	40	880	6.74	0	0
Texarkana MA	4	2,706	63	382	67	3,088	23.66	0	0
Limited Review:									
Dallas MSA 1920	3	15	23	6,954	26	6,969	53.39	0	0
Longview MSA 4420	3	53	23	1,419	26	1,472	11.28	0	0
TX Non-MSA Counties	3	82	39	435	42	517	3.96	0	0
Tyler MSA 8640	3	22	24	106	27	128	0.98	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: TEXAS																	
Evaluation Period: OCTOBER 18, 1999 TO JANUARY 12, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Beaumont MA	37.81	9	23	11.11	22.22	22.22	44.44	1	0	0	0	0	1	8.56	19.80	41.00	30.21
Texarkana MA	19.03	6	15	16.67	16.67	66.67	0.00	0	0	0	0	0	0	5.67	17.66	48.55	28.13
Limited Review:																	
Dallas MSA 1920	3.81	4	10	0.00	0.00	50.00	50.00	3	0	0	0	2	1	0.00	9.62	24.47	65.91
Longview MSA 4420	13.26	6	15	0.00	0.00	83.33	16.67	1	0	0	0	0	1	0.26	19.61	54.41	25.71
TX Non-MSA Counties	20.56	11	28	0.00	27.27	45.45	27.27	0	0	0	0	0	0	0.00	14.34	66.10	19.56
Tyler MSA 8640	5.52	4	10	0.00	0.00	50.00	50.00	1	0	0	0	0	1	5.13	8.71	54.30	31.87