



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

August 4, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Security First National Bank
Charter Number 14484

625 Murray Street
Alexandria, Louisiana 71301

Comptroller of the Currency
3838 N. Causeway Blvd., Suite 2890
New Orleans, Louisiana 70002

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Security First National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of August 4, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.*

INSTITUTION'S CRA RATING: This institution is rated **ASatisfactory.®**

Security First National Bank (SFNB) is responsive to its communities=needs including low and moderate income individuals and is based on the following:

- ! The bank's loan-to-deposit ratio is reasonable given its asset size, financial condition, and economic and lending opportunities in its assessment area. Since December 1996, the bank's loan-to-deposit ratio has averaged 54%.
- ! A substantial majority of the bank's loans are to customers in its assessment area.
- ! The distribution of borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes.
- ! The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

The following table indicates the performance level of **Security First National Bank** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	SECURITY FIRST NATIONAL BANK PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior CRA examination.		

DESCRIPTION OF INSTITUTION:

Security First National Bank (SFNB) is a \$253 million institution wholly owned by First National Bancshares of Louisiana, a one bank holding company. The bank serves Rapides Parish with the main office and three full service branches in Alexandria, and two branches in Pineville, Louisiana. The bank also has two branches in Ruston which serve Lincoln Parish.

The bank continues to meet the credit needs within its assessment area. The bank offers a variety of retail and commercial products and services that are commensurate with the bank's size and financial capacity. No legal impediments exist that would prevent the bank from continuing to meet the credit needs of its entire assessment area.

Loans represent 47%, and investment securities 37%, of the bank's asset mix. The loan portfolio is diversified with approximately 36% residential real estate, 32% non residential real estate, 16% consumer, and 12% commercial loans.

The bank lends primarily in the Rapides Parish MSA. According to the bank's Home Mortgage Disclosure Act (HMDA) loan application register, 94% of the approved applications and 94% of the approved amount of loans were in the Rapides Parish MSA in 1997. Similarly, 93% of the approved applications and 96% of the approved amount of loans were in the Rapides Parish MSA in 1998.

The evaluation period for this performance evaluation is from January 1997 through March 1999. The bank's assessment area was approved by the Board of Directors in December 1996. The CRA rating from the previous examination dated November 18, 1996 was satisfactory.

DESCRIPTION OF ASSESSMENT AREA

SFNB's assessment area consists of Rapides and Lincoln Parishes. The Alexandria Metropolitan Statistical Area (MSA) includes all of Rapides Parish. Lincoln Parish is not in an MSA. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 1990 census, Rapides Parish has a population of 131.6 thousand. The 1990 census MSA median family income is \$25,048. The 1998 Housing and Urban Development (HUD) median family income for the MSA equals \$33,600. The Alexandria MSA consists of thirty-six census tracts with four considered low income, nine moderate income, fourteen middle income and eight upper income.

Lincoln Parish consists of ten census tracts with three considered moderate income, one middle income, and six upper income. Lincoln Parish had no census tracts defined as low income although approximately 29% of households are below the poverty level.

Rapides Parish is primarily residential with retail and service oriented industries being the predominant private employers. The service and retail industries provide 40% of the total employment in the MSA with each contributing approximately 20%. Government provides another 25% of the employment in the MSA.

According to the Louisiana Department of Labor, unemployment for Rapides Parish was 4.5% in December 1998, below the state jobless rate of 5.3%.

Lincoln Parish is located approximately 90 miles north of Rapides Parish. Ruston is the largest town in Lincoln Parish, serves as the parish seat and encompasses Louisiana Tech University. Retail and service oriented industries are the predominant private employers in the parish.

There is significant competition with branches of national and regional financial institutions in Rapides Parish. Branches of other community banks and one new local bank also provide competition in the community. In addition, several credit unions are located in the MSA. One community contact was made in Rapides Parish but no unmet credit needs of the community were identified.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

The bank's loan-to-deposit ratio is reasonable, given the level of competition in the assessment area. Since December 1996, SFNB has had an average loan-to-deposit ratio of 54%. The ratio has remained in the high 40's to high 50's since the last CRA examination with a generally increasing trend. In Rapides Parish, where the bank's two main competitors are a mid-size bank holding company headquartered in New Orleans, Louisiana and a multi-state bank headquartered in Columbus, Ohio, SFNB's estimated loan-to-deposit ratio remains within five percentage points of these larger competitors. This is based on information shared by these banks with SFNB to allow for meaningful comparisons in board presentations. There are no similar sized banks in the bank's assessment area.

Lending in the Assessment Area

A substantial majority of the bank's dollar volume and number of loans are originated in its assessment area. The following table reflects management's findings for single family residential and small business lending:

# of Loans Originated in Assessment Area	# of Total Loans Originated in Assessment Area - Percentage	\$ of Loans Originated in Assessment Area (\$000)	\$ of Total Loans Originated in Assessment Area - Percentage

1997 HMDA Loans	253	90%	\$13,638	94%
1998 HMDA Loans	386	90%	\$25,093	92%
1997 Small Business Loans	283	76%	\$10,880	82%
1998 Small Business Loans	268	75%	\$12,678	83%

Bank management regularly monitors this information including other consumer lending that is not Home Mortgage Disclosure Act (HMDA) reportable.

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

The distribution of borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is based on a review of the 1997 and 1998 lending for single family residential purposes and small business lending. The single family residential analysis includes home purchase, home improvement, and home refinance loans.

For 1997, 15% of the approved applications in the single family residential categories and 8% of the single family residential loan amount originated were to low-to-moderate income customers. Similarly, for 1998, 10% of the approved applications and 5% of the single family residential loan amount originated were to low-to-moderate customers. For the Rapides Parish MSA, approximately 40% are considered either low or moderate income families. Approximately 22% of the households are below the poverty level in the Rapides Parish MSA.

Almost all of the bank's business lending is to small businesses with revenues less than \$1 million. Bank management monitors activity in this area through quarterly reports. The accuracy of these reports was tested through a sample of twenty loans included in the reports for 1998. All were found to be small businesses with revenues of less than \$1 million. According to the bank's reports, 283 small business loans for approximately \$11 million were originated in the bank's assessment area in 1997. In 1998, 268 small business loans for approximately \$13 million were originated in the bank's assessment area.

Geographic Distribution of Loans

Distribution of Home Purchase, Home Improvement , Home Refinance and Small Business Loan Originations in 1997 and 1998 Within the MSA By Income Level of the Census Tract				
MSA Data	Low-Income	Mod-Income	Middle-Income	Upper-Income

Census Tracts (% of total census tracts in MSA)	4	11%	9	25%	14	39%	8	22%
Census Tracts Penetrated (% of tracts in income group)	4	100%	8	89%	14	100%	8	100%

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The Alexandria MSA consists of four low income census tracts, nine moderate income census tracts, fourteen middle income census tracts, and eight upper income census tracts. Review of the home purchase, home improvement, home refinance and small business loans in the Alexandria MSA for 1997 and 1998 reflected lending in all but one of the moderate income census tracts. The reason this census tract did not reflect lending activity is the tract is almost exclusively occupied by a state mental institution.

Response to Complaints

SFNB has not received any CRA-related complaints during this evaluation period.

Record of Compliance with Antidiscrimination Laws

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. A fair lending examination of the home improvement loans for the first six months of 1998 was conducted as a part of this examination. A black prohibited basis group was compared to a white control group with no illegal discrimination identified.