

PUBLIC DISCLOSURE

May 26, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Bienville Parish
Charter Number 14328**

**1890 North Railroad Avenue
P.O. Box 149
Arcadia, LA 71001**

**Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394**

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 **First National Bank of Bienville Parish** prepared by **Office of the Comptroller of the Currency** the institution's supervisory agency, as of May 26, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

First National Bank of Bienville Parish has a satisfactory record of meeting community credit needs. This assessment is based upon the following factors:

- < The bank's average loan-to-deposit ratio of 48.30% is comparable to other bank's within its assessment area.
- < A majority of the bank's loans are extended to customers within its assessment area.
- < The distribution of credit to borrowers of different income levels and businesses of different sizes is reasonable.
- C The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	FIRST NATIONAL BANK OF BIENVILLE PARISH 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 written complaints have been received since our prior CRA Examination.		

DESCRIPTION OF INSTITUTION:

First National Bank of Bienville Parish is a \$45 million

institution located in Arcadia, Louisiana, approximately 60 miles east of Shreveport on Interstate Highway 20. The main office is located at 1890 North Railroad Avenue in Arcadia, Louisiana. The bank operates an Automatic Teller Machine in a local convenience store located 1096 Highway 151 in Arcadia. The bank does not have any branches. The bank is fully owned by First North Louisiana Bancshares, Inc., a one bank holding company.

The institution is retail oriented and offers a range of retail and commercial deposit and loan products. As of March 31, 1998, loans totaled \$29 million and were distributed as follows: 21% were 1 - 4 family residential mortgages; 21% were consumer related; 19% were agriculture and agriculture real estate; and 38% were commercial and commercial real estate. There are no legal or other impediments which limit the bank's ability to help meet the credit needs of the community. The bank was rated satisfactory during the previous CRA Examination conducted as of April 5, 1995.

DESCRIPTION OF PORTIONS OF BIENVILLE, CLAIBORNE AND LINCOLN PARISHES:

The Board has designated the north portion of Bienville Parish and portions of the adjoining parishes of Claiborne and Lincoln. This area includes the Block Numbering Areas (BNA) of 9701, 9702, 9705 in Bienville Parish; BNA 9602 in Lincoln Parish; and BNA 9505 in Claiborne Parish. These BNAs include the communities of Arcadia, Gibsland, Bryceland, Bienville, Athens, and Simsboro. The population of this area totals 15,386 according to the 1990 Census Bureau data. Approximately 26% of the families are low income, 16% are moderate income, 16% are middle income, and 42% are upper income. All of the BNAs are designated as middle income areas with the exception of the BNA located in Claiborne Parish which is designated moderate income. The 1997 Department of Housing and Urban Development (HUD) median family income for this area is \$28,000. Local employment opportunities are centered in manufacturing, service and retail trade industries. Major employers include Randall Farms, Williamette Industries, Hunt Lumber, Haynes International, Stone Container and ConAgra Feed Mill.

As part of our examination, we contacted a local government official. This official stated in his/her opinion, the primary community need was for residential housing and retail businesses. The contact stated the local financial institutions serve the community well and they are not aware of any unmet credit needs within the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN TO DEPOSIT RATIO:

The loan-to-deposit ratio of First National Bank of Bienville Parish is comparable to the ratios of other area banks. As of March 31, 1998, First National Bank's loan-to-deposit ratio equaled 66.43%. The loan-to-deposit ratio has averaged 48.30% since our previous assessment of the bank's CRA activities dated April 5, 1995. The average loan-to-deposit ratio of the three other financial institutions (all state chartered banks) located in Bienville Parish was 43.79% during the same time period. Individual average loan-to-deposit ratios for these banks averaged from a low of 30.03% to a high of 50.28%.

LENDING IN ASSESSMENT AREA:

A majority of the bank's loans are extended within the bank's designated assessment area. We reviewed a sample of 26 residential mortgages, 36 consumer loans, and 21 commercial loans originated since January 1997. Approximately 53% of the number of loans and 52% of the dollar amount of loans in our sample were originated within the assessment area. The following table reflects the distribution of loans by loan type.

Analysis of Lending Inside and Outside Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000)	%	#	%	\$ (000)	%
Mortgage	13	50%	350	46%	13	50%	404	54%
Consumer	23	64%	186	73%	13	36%	67	27%
Commercial	8	38%	705	51%	13	62%	677	49%
Totals	44	53%	1,241	52%	39	47%	1148	48%

LENDING TO BORROWERS OF DIFFERENT INCOME AND TO BUSINESSES OF DIFFERENT SIZES:

The distribution of loans within the assessment area

reflects a reasonable penetration among borrowers of different income levels and businesses of different sizes. The distribution of loans approximates the income characteristics of the assessment area. In addition, the distribution of business loans also reflects a reasonable penetration among businesses of different sizes. Based on our review, 75% of the business loans we sampled which were originated within the bank's assessment area were to small businesses with gross annual revenues of less than one million dollars. The following table details the results of our analysis.

Lending to Borrowers of Different Income Levels										
	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Total	
Area Demographic Characteristics	26%		16%		16%		42%		100%	
Loan Types:	#	%	#	%	#	%	#	%	#	%
Mortgage	2	15%	2	15%	3	23%	6	47%	13	100%
Consumer	5	22%	5	22%	9	39%	4	17%	23	100%
Revenue Ranges	Less than \$100,000		\$100,000-\$500,000		\$500,000--\$1,000,000		Over \$1,000,000			
Commercial	2	25%	4	50%	0	0%	2	25%	8	100%

GEOGRAPHIC DISTRIBUTION OF LOANS:

The distribution of loans reflects a reasonable penetration throughout the assessment area. The area includes one moderate BNA which is located in Claiborne Parish, north of Arcadia. Although no consumer loans were extended in the

moderate census tract, First National Bank of Bienville Parish does extend loans in this tract as evidenced by the residential and commercial loans made in that area.

Geographic Distribution of Loans										
	Low Income Tracts		Moderate Income Tracts		Middle Income Tracts		Upper Income Tracts		Total	
Area Demographic Characteristics	0%		16%		84%		0		100%	
Population	0		658		3,438		0		4,096	
Loan Types:	#	%	#	%	#	%	#	%	#	%
Mortgage	0	0%	1	8%	12	92%	0	0%	13	100%
Consumer	0	0%	0	0%	23	100%	0	0%	23	100%
Commercial	0	0%	1	13%	7	87%	0	0%	8	100%

RESPONSE TO COMPLAINTS:

Management has not received any written complaints related to CRA performance since the prior CRA Examination. A Fair Lending Examination was performed in conjunction with this examination. Based on the samples reviewed, no discriminatory practices were noted. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.