



PUBLIC DISCLOSURE

April 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Bank of Louisiana
Charter Number 705339

1135 Lake Shore Dr.
Lake Charles, LA 70601-5243

Office of the Comptroller of the Currency

3850 North Causeway Blvd.
Suite 1330
Metairie, LA 70002

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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.

Table of Contents

Overall CRA Rating.....	2
Description of Institution.....	3
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	6
State Rating.....	7
State of Louisiana.....	7
Community Development Test	11
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

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

The lending test is rated: Satisfactory.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on:
 - A more than reasonable loan-to-deposit ratio.
 - A substantial majority of loans being made inside the assessment area.
 - A reasonable geographic distribution of loans.
 - A reasonable distribution of loans to individuals of different income levels.
- The Community Development Test rating is based on:
 - An adequate responsiveness to community development needs through qualified loans.
 - An excellent responsiveness to community development needs through qualified investments.
 - An excellent responsiveness to community development needs through qualified services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is more than reasonable.

The quarterly LTD ratio since the previous CRA evaluation averaged 57.09 percent, with a high of 76.05 percent and a low of 47.72 percent. We compared the bank's LTD ratio to similarly situated banks (peer group banks) within or near the AA during the same period. The peer group bank's average LTD ratio was 56.26 percent with a high average ratio of 65.16 percent and a low average ratio of 42.82 percent.

Institution	Assets – As of December 31, 2021 (in thousands)	Average LTD
First Federal Bank of Louisiana	1,293,538	57.09%
Lakeside Bank	352,615	62.05%
Exchange Bank and Trust Co.	196,097	42.82%
Red River Bank	3,082,034	65.16%
First National Bank of Deridder	366,657	54.99%

Source: FDIC and Bank Data

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment areas (AAs).

The bank originated and purchased approximately 92 percent by number and 93 percent by dollar amount of its loans inside the AAs during the review period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	574	91.5	53	8.5	627	134,154	93.2	9,749	6.8	143,903

Source: Bank Data. Due to rounding, totals may not equal 100.0%

Description of Institution

First Federal Bank of Louisiana “First Federal” is a \$1.2 billion full-service federally chartered, mutual savings thrift headquartered in Lake Charles, LA. Management currently operates with 16 branches in five Parishes, with the main branch being in Lake Charles, Louisiana, which is the parish seat of Calcasieu Parish. Calcasieu Parish is part of the Lake Charles Metropolitan Statistical Area (MSA). In addition to the main branch, there are another eight branches and 15 ATMs located in the Calcasieu Parish. Management operates with an additional three branches and five ATMs in Rapides Parish, which is in central Louisiana and is part of the Alexandria MSA. The remaining four branches are not located in any MSAs, and along with four ATMs are in Beauregard, Allen, and Natchitoches Parishes. Management consolidated and relocated two branches located in Rapides Parish during the review period. One of the branches was in an upper-income census tract while the second branch was in a middle-income census tract. The new consolidated branch is now located in an upper-income census tract.

As of December 31, 2021, total assets of the bank were \$1.3 billion with total loans and leases of \$553 million. Total deposits were \$1.1 billion and Tier 1 capital was 9.2 percent. First Federal is primarily a residential mortgage lender offering conventional fixed-rate and adjustable-rate mortgage loans for the purposes of construction, purchase, refinance, or home improvement of one-to-four family dwellings. The bank services portfolio loans as well as loans sold to Fannie Mae. Management additionally offers a wide variety of loan products to serve the diverse needs of its communities, including Small Business Administration, conventional, and U.S. Government sponsored (FHA, VA, and Rural Housing Development) mortgages originated and sold in the secondary market. Other available loan products include secured and unsecured consumer loans; automobile loans; pledge loans; home equity loans; revolving home equity lines of credit; home improvement loans; unsecured lines of credit; small business; small farm; commercial real estate; commercial lines of credit; multi-family mortgages; personal and business credit cards and community development loans. There has been no change in focus regarding products since the previous CRA examination.

As illustrated in the table below, First Federal is primarily a home mortgage lender. While it appears non-farm / non-residential loans also are a primary product, it should be noted that when analyzed by number of loans made, non-farm / non-residential lending comprises approximately six percent of the overall loan portfolio. Further, discussions with management confirmed that management’s primary

loan product is home mortgage lending.

First Federal's Loan Portfolio		
Loan Category	Dollar (000)	Percentage
Home Mortgage Lending	241,985	45.74
Construction (1-4)	60,387	11.42
HELOC	9,696	1.83
Non-Farm / Non-Residential	167,051	31.58
Commercial and Industrial	36,679	6.93
Consumer	13,216	2.50
Total	\$529,014	100

Source: Bank documents

Banking hours reasonably meet the community needs with lobby hours Monday through Friday and extended Friday hours, drive-thru banking, and ATMs at all branch locations, except for one branch located in Calcasieu Parish, located in a middle-income census tract, which does not offer drive-thru banking. Management additionally operates with seven off-site ATMs throughout the bank's AAs. The bank offers a wide range of deposit and loan products, with no significant differences that exist between locations. There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AA. The bank's CRA performance was previously evaluated on March 16, 2020, with an overall rating of "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated the CRA performance of First Federal Bank of Louisiana using the Interagency Intermediate-Small Bank CRA procedures, which focus on an analysis of the bank's primary loan products as well as community development (CD) activity. The evaluation period covered January 1, 2020, through December 31, 2021.

Conclusions regarding First Federal's lending performance are based on a review of home mortgage loans (HMDA loans). We analyzed all loans reported on the HMDA loan application register (LAR) for the years 2020 and 2021. We additionally analyzed community development activities including loans, investments, and services over the same review period.

During the review period management responded to the lending needs in the AAs by participating in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as well as offering loan deferrals in response to the Covid-19 pandemic. During the pandemic, a state-wide stay-at-home order was issued and even once lifted, many in the state experienced a loss or reduction in income for a prolonged period.

Management deferred 111 real estate loans totaling approximately \$19 million and 206 commercial loans totaling approximately \$112 million, throughout their AAs. Additionally, management originated a total of 857 PPP loans throughout the southwest region totaling approximately \$68 million. Of those 857 PPP loans that were originated both inside and outside the bank's AAs, 50, totaling approximately \$4.4 million were originated in low-income census tracts and 144, totaling approximately \$12 million, were originated in moderate-income census tracts. Management was also able to document that of the

857 PPP loans originated, 241, totaling \$9.4 million, were made to businesses with low-income wages and 195 loans, totaling \$15.3 million were made to businesses with moderate-income wages. The analysis of management's PPP lending reveal not only that management attempted to assist members of their community during the challenging times of the pandemic, but also that management made a concerted effort to ensure that all segments of the AAs, including low- and moderate-income geographies and borrowers, were included in the programs designed to assist all borrowers. Management should be commended for addressing the needs of their community during this challenging time.

Selection of Areas for Full-Scope Review

First Federal operates in three assessment areas including the Lake Charles AA, Alexandria AA, and the Non-MSA AA, all within the state of Louisiana. The Lake Charles AA includes Calcasieu Parish; the Alexandria AA includes Rapides Parish; and the Non-MSA AA includes Allen, Beauregard, and Natchitoches Parish. The CRA regulations allow for the grouping of Non-MSA AAs for analysis purposes.

We conducted a full-scope review of the Lake Charles AA and limited-scope reviews of both the Alexandria AA and Non-MSA AA. The Lake Charles AA received a full scope review as 56 percent of the branches and approximately 71 percent of the deposits are in the Lake Charles AA.

Ratings

The bank's overall rating is a blend of the state ratings, with an emphasis on the full-scope AA (Lake Charles AA) being reviewed. Community development activity including loans, investments, and services were also a component of the overall rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Louisiana

CRA rating for the State of Louisiana: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- A reasonable geographic distribution of loans in the state.
- A reasonable distribution of loans to individuals of different income levels when considering performance context.
- An adequate responsiveness to community development needs through qualified loans.
- An excellent responsiveness to community development needs through qualified investments.
- An excellent responsiveness to community development needs through qualified services.

Description of Institution's Operations in Louisiana

First Federal serves its community through 16 branches located in three assessment areas including the Lake Charles AA, Alexandria AA, and Non-MSA AA. The Lake Charles AA includes Calcasieu Parish; the Alexandria AA includes Rapides Parish; and the Non-MSA AA includes Allen, Beauregard, and Natchitoches Parish. The bank is primarily a home mortgage lender.

Lake Charles AA

First Federal operates with nine branches and 15 ATMs in the Lake Charles MSA, which consists of both Calcasieu and Cameron Parish. Management determined the entire MSA was too large to serve and so focused their banking activities exclusively in Calcasieu Parish. The AA is in the southwestern corner of the state of Louisiana and borders Texas to the west. Lake Charles is the principal city in Calcasieu Parish. The main office, one branch location, and three ATMs are in moderate-income census tracts, with the remaining branch locations and ATMs either in middle- or upper-income census tracts. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 44 census tracts in this AA, including four low-income; 12 moderate-income; 14 middle-income; 12 upper-income; and two being NA. A census tract can be NA if it was part of the Parish at one time but due to map changes is no longer in the Parish.

Competition among financial institutions in the AA remains significantly strong with the bank vying for loans amongst other large regional and local banks. According to the June 30, 2021, FDIC Deposit Market Share Report, First Federal ranked 5th out of 29 deposit institutions, with a market share of 11.3 percent. The top four institutions command 60.1 percent of the market share and consequently there is significant competition in the AA.

During a significant portion of the review period the AA was under a “Stay at Home Order” due to the Covid-19 pandemic which significantly impacted local businesses and employment. Both the gaming and hospitality industries specifically were significantly impacted, and those industries generate over \$700 million annually and employ over 20,000 in the AA. The petrochemical industry was also significantly impacted and combined the loss of employment and revenue from these industries caused the employment rate to increase to 14.2 percent in May 2020.

The AA was additionally negatively impacted by back-to-back natural disasters around the same time. Hurricanes Laura and Delta significantly impacted employment, homes, and businesses in the AA, including small, locally owned businesses that were already faced with financial challenges due to pandemic. Prior to Hurricane Laura, the unemployment rate for Calcasieu Parish had decreased to 8.7 percent, but shortly afterwards, increased to 12.7 percent. As of December 31, 2021, the unemployment rate was at 3.5 percent. Additionally, residents who were in the process of renovating and rebuilding their hurricane-damaged homes and businesses were impacted in February 2021 by Winter Storm Uri, which struck the region with temperatures, as low as 16 degrees, causing icy road conditions, prolonged power outages, and loss of water pressure throughout most parts of the parish. A major flood event occurred in May 2021, dumping upwards of 18 inches of rain in a short period of time. Drains clogged with hurricane debris worsened the situation, impacting many who had worked so hard to rebuild their homes and businesses after the storms.

Prior to the review period, this AA experienced an economic boom that inflated home prices for both owner-occupied and renter-occupied units, causing a shortage of affordable housing. Following the events of 2020 and 2021, several 1-4 family dwellings and multifamily apartment complexes, many of which were a part of the Section VIII program, were destroyed, resulting in an even greater housing shortage. With the increased cost of construction materials, rebuilding has been slow. Project Build a Future, a local Community Housing Development Organization (CHDO) that constructs quality, affordable housing in North Lake Charles, was unable to build affordable units in 2020 and 2021 due to the increased cost of construction materials.

The Federal Financial Institutions Examination Council’s (FFIEC) updated 2021 median family income for the AA was \$68,400. Low income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to 119 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The following table depicts income categories:

Income Categories – Lake Charles AA			
Low	Moderate	Middle	Upper
<\$34,200	\$34,200 to <\$54,720	\$54,720 to <\$82,080	≥\$82,080

Source: US Census data

Low-income families earning a median family income less than \$34,200 represented 23.7 percent of families in the AA, while moderate-income families comprised 16.8 percent of the AA population. In 2021, 13 percent of households in the AA earned wages below the poverty level. In addition to these borrower lending constraints, opportunities for residential lending remain limited within the four low-income and 12 moderate-income census tracts in the AA. Of the 51,678 owner-occupied housing units in the AA, only 2.88 percent are in low-income census tracts and only 18.74 percent are in moderate-income census tracts. Additionally, 8.04 percent in low-income census tracts and 34.09 percent in moderate-income census tracts are vacant.

Utilizing First Federal’s current underwriting ratios, a low-income borrower and a moderate-income borrower would qualify for loans up to \$171,000 and \$285,000, respectively within this AA. These qualifying amounts assume no additional debt and when factoring in debt of only \$400, the qualifying amounts reduce to \$114,000 for low-income borrower and \$215,000 for moderate-income borrowers. During 2021, the average selling price for a residence within this AA was approximately \$210,500. Accordingly, a low-income borrower would have difficulty qualifying for a home within the AA. While a moderate-income borrower seemingly would fare better, it is important to note that housing stock has been significantly diminished in the AA during the review period, due mostly to historic weather events including hurricanes and a deep freeze. Additionally, we considered the average age of the housing stock in the AA, according to the 2010 U.S. Census, which was 53 years for both low- and moderate-income census tracts. We note that older housing often has higher maintenance costs compared to new housing stock and frequently require significant repairs to bring dwelling up to code. These older houses are often less energy efficient, resulting in higher utility costs, which can increase overall homeownership costs. These additional factors and costs negatively affect the ability of low- and moderate-income individuals to qualify for mortgage loans in the AA.

Based on 2020 business demographic data, there were 16,106 non-farm businesses in the AA. Of these, 13,648 (84.74 percent) of the businesses had revenues of less than \$1 million, 660 (4.10 percent) had revenues greater than \$1 million, and 1,798 (11.16 percent) did not report revenue information. The economy of the Lakes Charles AA is mixed, with retail, education, medical services, gambling, and manufacturing as major economic drivers. Major employers in Calcasieu Parish include education (Calcasieu Parish School Board), healthcare (Lake Charles Memorial Health System), casino (Coushatta, Golden Nugget, LLC, and L’Auberge - Lake Charles Casinos Resort), chemical manufacturing (Westlake Chemical Corporation, LLC and Sasol Chemicals, LLC).

Demographic Information of the Assessment Area						
Assessment Area: Lake Charles AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	9.1	27.3	31.8	27.3	4.5
Population by Geography	195,887	5.0	25.8	36.7	32.5	0.0
Housing Units by Geography	84,954	5.6	25.9	36.1	32.3	0.0
Owner-Occupied Units by Geography	51,678	2.9	18.7	41.5	36.9	0.0
Occupied Rental Units by Geography	23,647	10.7	38.3	24.9	26.2	0.0
Vacant Units by Geography	9,629	8.0	34.1	34.8	23.1	0.0
Businesses by Geography	16,106	5.1	27.5	32.7	34.5	0.2
Farms by Geography	395	3.3	15.9	40.0	40.8	0.0
Family Distribution by Income Level	50,663	23.7	16.8	17.9	41.6	0.0
Household Distribution by Income Level	75,325	25.6	15.6	16.4	42.5	0.0
Median Family Income MSA - 29340 Lake Charles, LA MSA		\$68,400	Median Housing Value			\$126,978
			Median Gross Rent			\$745
			Families Below Poverty Level			13.0%

Source: 2015 ACS and 2020 D&B Data
 Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

To help identify needs and opportunities in the Calcasieu AA, the OCC utilized a regulatory agency contact, which is a nonprofit with a mission to revitalize the northern portion of Lake Charles, primarily through affordable homeownership. The contact indicated the following needs of the area include: affordable housing; 1st time homebuyer options; alternative ways for down payment assistance and programs for grandmothers attending to parents and/or grandchildren. According to the contact, local banks have been active in helping meet the credit needs of the AA. The contact further stated, the liquid gas industry is high in Lake Charles, given the number of oil refineries. Individuals come from all over the state to work and are willing to rent houses that are above fair market rents for the area. With that said, it's very difficult for LMI families to find available Section 8 housing, because landlords can demand much higher rents than what Section 8 pays.

Scope of Evaluation in Louisiana

First Federal operates in three assessment areas including the Lake Charles AA, Alexandria AA, and the Non-MSA AA. The Lake Charles AA received a full scope review as 56 percent of the branches and approximately 71 percent of the deposits are in the Lake Charles AA. The Alexandria and Non-MSA AAs received a limited-scope review. The bank is primarily a home mortgage lender.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA

LENDING TEST

The bank's performance under the Lending Test in Louisiana is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Louisiana is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O 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 loan originations and purchases.

First Federal's geographic distribution of loans in the Lake Charles AA is considered reasonable. While management's lending in both the low- and moderate-income census tracts was less than the percentage of owner-occupied housing, it was on par with aggregate lending and is therefore considered reasonable.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Louisiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

First Federal's distribution of home mortgage loans to low-income borrowers is considered satisfactory. While lending to low-income borrowers was less than both the demographic comparator and aggregate lending in the AA, it is important to note that low-income borrowers could only qualify for a mortgage loan up to \$114,000. With average home prices of \$210,500, home ownership is out of reach for most low-income borrowers in the AA. Additionally, with 29 financial institutions vying for loans, First Federal does face competition for mortgage lending in the AA.

Lending to moderate-income borrowers was less than both the demographic comparator and aggregate lending in the AA and is considered poor. Moderate-income borrowers could qualify for a mortgage loan for up to \$215,000, which is the average home price in the AA. Additionally, while there is competition in the AA, First Federal ranks fifth out of 29 financial institutions, revealing there is both demand and the ability to qualify for moderate-income borrowers in the AA.

Responses to Complaints

Management did not receive any CRA related complaints during the review period.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Alexandria AA and Non-MSA AA is consistent with the bank's overall performance under the Lending Test in the full scope area(s).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Louisiana is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s).

Number and Amount of Community Development Loans

During the evaluation period, management made four qualifying CD loans totaling approximately \$662,500 which represents 0.56 percent of tier 1 capital. In the Calcasieu Parish AA, the bank's qualifying CD loans total approximately \$562,500, representing approximately 0.47 percent of tier 1 capital and in the Alexandria AA the bank made two qualifying CD loans totaling \$100,000, representing 0.08 percent of tier 1 capital. Management did not make any CD loans in the Non-MSA AA.

Based on a full-scope review First Federal's qualified CD loans in the Lake Charles AA adequate responsiveness when considering the bank's performance context, capacity, and the needs of the AAs. The bank's CD loans demonstrate satisfactory responsiveness to CD needs in the AA and thus had a positive impact on the bank's overall CD rating. Management made two loans in the Lake Charles AA including a loan for \$262,500 to finance construction of two 1-4 family residential affordable housing units and a loan for \$300,000 to finance renovations and new construction of a facility housing non-profit organization serving low- and moderate-income families and youth in the AA.

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Lake Charles AA	2	50	563	85
Alexandria AA	2	50	100	15
Non-MSA AA	0	0	0	0
Total	4	100	663	100

*Source: Bank Data.

Number and Amount of Qualified Investments

First Federal demonstrated an excellent responsiveness to CD needs through qualified investment activities within its AAs during the evaluation period. Investments totaled approximately \$7.7 million and comprised of five CRA qualified investments including two municipal bonds, two qualified CRA investment funds, and one grant for hurricane recovery. In addition to these investments, First Federal also made 37 donations totaling \$72,737. Total investments and donations of approximately \$7.8 million represent 6.5 percent of tier one capital and is considered outstanding.

Based on a full-scope review First Federal's qualified CD investments in the Lake Charles AA exhibit adequate responsiveness to the community development needs in the AA. Management made two investments in the Lake Charles AA including a CRA qualified investment fund for \$150,000 and a Federal Home Loan Bank Housing Disaster Grant for \$63,000. Management additionally made 29 donations totaling \$63,487. Highlights of donations include the following:

- \$5,000 to the United Way of Southwest Louisiana
- \$5,000 to Asset Builders of Southwest Louisiana for affordable housing and economic development, and
- \$10,000 to Southwest Louisiana Alliance Foundation for economic development.

The Community Development Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of CD investments.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Lake Charles AA	0	0	2	213	2	40	213	2.7	0	0
Alexandria AA	0	0	1	350	1	20	350	4.6	0	0
Non-MSA AA	0	0	2	7,120	2	40	7,120	92.7	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.

Extent to Which the Bank Provides Community Development Services

First Federal demonstrated an excellent responsiveness to CD needs through qualified service activities, especially when considering performance context, capacity, and the needs of the AAs. During the review period 14 employees provided approximately 1,038 hours of community service to various organizations with mandates to stabilize communities, promote economic development, workforce development, job growth, and affordable housing.

Based on a full-scope review First Federal's qualified CD services in the Lake Charles AA exhibit excellent responsiveness to the community development needs in the AA. Nine bank employees provided 532 hours of community development services in the full-scope area. Highlights of CD services in the full-scope AA include the following:

- A bank employee served as Vice Chair of Calcasieu Parish Public Trust, providing financial expertise to this organization that promotes home ownership and housing finance for low- and moderate-income families.
- A bank employee served on a board of Alliance of Positive Growth, providing financial expertise to this organization that promotes economic and community development in the AA.
- A bank employee served on the board of West Calcasieu Chamber of Commerce, providing financial expertise to this organization that promotes small business, economic development, workforce development and job growth
- Bank employees participated in numerous activities to provide disaster relief including meals and other consumer commodities for low- and moderate- victims of Hurricanes Laura and Ida

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the CD Test in the Alexandria AA and Non-MSA AA was consistent with the bank's overall performance under the CD test in the full scope

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

area. The bank's performance under the Investment Test, however, was stronger in the Alexandria AA and Non-MSA AA than the bank's overall performance under the CD Test in the full scope area.

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 MSA(s) and non-MSA(s) 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:	01/01/2020 to 12/31/2021	
Bank Products Reviewed:	Home mortgage Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State: Louisiana		PPP loans were reviewed
Lake Charles AA	Full-Scope	
Alexandria AA	Limited-Scope	
Non-MSA AA	Limited-Scope	

Appendix B: Summary of State Ratings

	RATINGS	First Federal	
	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Rating
Overall Bank:	Satisfactory	Outstanding	Satisfactory
State: Louisiana	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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 householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope 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 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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 1 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - 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 in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - 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 households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2020-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Full-Scope AA																				
Lake Charles AA	415	107,633	72.3	7,328	2.9	1.2	1.4	18.7	14.7	15.3	41.5	27.5	40.2	36.9	56.6	43.1	0.0	0.0	0.0	
Limited-Scope AA																				
Non-MSA AA	73	12,956	12.7	2,617	0.0	0.0	0.0	8.4	13.7	7.2	45.3	49.3	39.4	46.3	37.0	53.4	0.0	0.0	0.0	
Alexandria AA	86	13,566	15.0	4,205	4.5	3.5	1.5	8.5	10.5	6.8	45.0	50.0	40.2	42.0	36.0	51.5	0.0	0.0	0.0	
Total	574	134,154	100.0	14,150	2.7	1.4	1.2	13.5	13.9	11.3	43.4	33.6	40.0	40.5	51.0	47.5	0.0	0.0	0.0	
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																				

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Full-Scope AA																				
Lake Charles AA	415	107,633	72.3	7,328	23.7	1.7	4.9	16.8	4.1	14.0	17.9	9.2	17.7	41.6	62.7	34.6	0.0	22.4	28.9	
Limited-Scope AA																				
Non-MSA AA	73	12,956	12.7	2,617	21.5	0.0	1.8	14.6	5.5	8.1	17.3	13.7	16.9	46.7	72.6	49.4	0.0	8.2	23.9	
Alexandria AA	86	13,565	15.0	4,205	23.8	2.3	4.2	16.4	12.8	13.2	17.9	5.8	18.6	41.9	38.4	38.4	0.0	40.7	25.6	
Total	574	134,154	100.0	14,150	23.2	1.6	4.1	16.2	5.6	12.7	17.8	9.2	17.8	42.8	60.3	38.4	0.0	23.3	27.0	
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>																				

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.