



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

Public Disclosure

November 22, 2002

Community Reinvestment Act  
**Performance Evaluation**

**Parish National Bank**  
Charter Number: 15642

600 Columbia Street  
Bogalusa, LA 70429

**Office of the Comptroller of the Currency**

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**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 **Parish National Bank (PNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Parish National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	x		x
Low Satisfactory		x	
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:

- The bank's lending volume is good given its size and competition in its primary market.
- The bank made a substantial majority of its Home Mortgage Disclosure Act loans and small loans to businesses inside of the bank's Assessment Areas.
- PNB's overall geographic and borrower distribution of home mortgage loans is good. The bank's distribution of small loans to small businesses is excellent.
- PNB has an adequate level of qualified community development investments given its resources and capacity.
- Service delivery systems are accessible to essentially all geographies and individuals of different income levels.
- A good level of community development services supports the bank's other community development efforts and addresses identified needs in the community. These services had a positive 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 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 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 area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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

PNB is an independent, locally-owned bank that was established in 1968 and headquartered in Bogalusa, Louisiana, where the main office remains. Corporate headquarters are in Covington, Louisiana. In addition to the main office, PNB has 10 branches and 11 proprietary automated teller machines (ATMs) in the state of Louisiana. PNB has joined with several community banks in its assessment area (AA) in a program called Community Cash, which provides customers with free access to an additional 80 ATM machines located throughout Louisiana.

As of September 30, 2002, PNB reported total assets of \$375 million, and Tier One Capital of \$30 million representing 8.21% of average assets. No legal, financial or other factors impede the bank's ability to help meet the credit needs in its AAs.

PNB has four AA's. All of the AA's are comprised of parishes instead of whole MSAs and include St. Tammany, Jefferson, Washington and Tangipahoa Parishes. St. Tammany and Jefferson Parishes are both located in the New Orleans MA while Washington and Tangipahoa Parishes are not located within a MA. We combined the bank's performance in St. Tammany and Jefferson Parishes for CRA evaluation purposes since both parishes are located within the same MA. Also, we combined the bank's performance in Tangipahoa and Washington Parishes since both are not located within a MA. The full-scope AA, which is the New Orleans MA (consisting of St. Tammany and Jefferson Parishes), is described in detail in the market profile section of this evaluation.

PNB's primary market continues to be St. Tammany Parish. The bank's deposit market share rank in St. Tammany Parish is third with a market share of 11.08% out of 22 competitors. The bank has six branches located in St. Tammany Parish. Local banking competition is aggressive and includes larger mid-size banks, affiliates of large national banking companies, and other community banks. The top five competitors in this market include: Hibernia National Bank, Bank One NA, Whitney National Bank, Citizens Bank and Trust, and Central Progressive Bank.

The bank has a very small presence in Jefferson Parish. The bank's deposit market share rank in Jefferson parish is 31<sup>st</sup> with a market share of .32% out of 54 competitors. The bank only has one branch located in Jefferson Parish. Local banking competition is aggressive and includes larger mid-size banks, affiliates of large national banking companies, other community banks, and credit unions. The top five competitors in this market include: Hibernia National Bank, Whitney National Bank, Bank One NA, Regions Bank, and Amsouth Bank.

PNB continues to be a prominent commercial lender in its primary market. The bank makes commercial loans of all types and sizes including commercial/industrial, commercial mortgage, and construction/land development loans. PNB also makes loans to retail customers including residential mortgages of all types, residential construction loans, personal loans, and auto loans.

The loan portfolio is comprised of 77% real estate loans, 15% commercial loans, and 8% loans to individuals. Farm and agriculture loans comprise less than 1% of the total loan portfolio. The real estate loan portfolio consists of 55% non-residential loans, 19% 1-4 family residential loans, 2% construction-development loans, and 1% multi-family loans.

PNB's CRA performance was last evaluated as of September 20, 1999. At this time PNB's overall level of performance was rated "**Satisfactory**".



# 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 PNB's residential mortgage loans and small business loans. Farm and multi-family real estate loans comprise less than one percent of the bank's performance, respectively, and are not considered in the evaluation of the bank's performance. The bank did not elect to have us include consumer loans, which represent only 8% of the loan portfolio. The evaluation period for the Lending Test, excluding community development loans, is January 1, 1999, through December 31, 2001.

For community development (CD) loans and the Investment and Service Tests, the evaluation period was September 21, 1999 through November 22, 2002. 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 was evaluated 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 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 for the above categories were used in this evaluation.

## Selection of Areas for Full-Scope Review

We selected the New Orleans MA AA, which consists of St. Tammany and Jefferson Parishes, for a full scope review because this area is where the bank maintains a substantial share of its business: 71% of deposits and approximately 76% of reportable loans in the evaluation period. Additionally, the New Orleans MA AA is where the highest concentration of branches is located. A limited scope review was conducted of the non-MA markets (Washington Parish and Tangipahoa Parish). Please refer to the table in Appendix A for more information.

## Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. The rating was driven primarily by the bank's performance in St. Tammany Parish within the New Orleans MA AA. St. Tammany Parish accounts for over 90% of the bank's deposits and reportable CRA loans in the New Orleans MA AA. Also, approximately 86% of the bank's branches within the New Orleans MA AA are located in St. Tammany Parish.

Small business lending performance was given the greatest weight under the Lending Test since it is the bank's primary business line, followed by home mortgage loans. We gave more weight to home purchase and home improvement loans since these products represent a significantly higher proportion of total home mortgage loans than refinance loans.

The geographic distribution of multi-family 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 multi-family loans and the geographic and borrower distribution of small loans to farms has been eliminated from the Public Evaluation.

## **Other**

Community contacts made indicated that the primary need in the bank's assessment area is affordable housing programs and availability of loans to small businesses. We also reviewed summaries of three recent community contact interviews conducted in the New Orleans MA. Organizations contacted included a governmental agency and entities involved in economic development as well as several non-profit organizations that provide services to the community. The contacts indicated good levels of community development opportunities exist and that the banks in the areas have been responsive in meeting community credit needs. The primary needs identified by the community contacts are affordable housing, small business loans and technical assistance (financial education).

## Fair Lending Review

The latest comprehensive fair lending exam was performed in April 2002. The scope of the review included a comparative file analysis of home improvement loans originated and declined in 2001. The objective of the review was to determine whether black and white applicants are treated equitably in the underwriting process. Also, we determined whether black approved applicants received comparable pricing and terms to white applicants.

Additionally, the bank had a high percentage of black applicants (38%) that withdrew their applications for FHA loans in 1999. We reviewed these loans to determine if pricing and terms are offered similarly to both white and black applicants.

We did not find any evidence of discriminatory acts or practices. The 8 black denials had appropriate reasons for denial and none had qualifications that met the bank's underwriting standards. The bank's underwriting standards for home improvement loans originated in 2001 were applied consistently for both white and black applicants. We also determined that black applicants received equitable pricing treatment for home improvement loans originated in 2001.

The review of the withdrawn FHA files did not indicate that black applicants were discriminated against or treated unfairly during the application process. It was noted that some of the applicants withdrew their applications due to the high interest rate offered. The applicants had credit and/or excessive obligation issues that prohibited them from being approved for a FHA loan.

# Conclusions with Respect to Performance Tests

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "**High Satisfactory**". Based principally on the bank's performance in the New Orleans MA AA, which received a full-scope review, the bank's performance is good.

### Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

PNB's lending activity demonstrates good responsiveness to the credit needs of its AA considering its size, resources, deposit market share, and primary business focus. Small business lending and home mortgage lending is essential to the local economy. PNB's deposit market share of 11.08% (\$206 million) ranks third among 22 lenders with offices in St. Tammany Parish. Those institutions with a greater market share include Hibernia National Bank and Bank One NA, which captured 31.85% and 23.55% of the market, respectively, and are significantly larger than PNB in total assets.

In the New Orleans MA AA, approximately 59% of the number and 68% of the dollar amount of PNB's reported loans were small loans to businesses. Approximately 41% of the number and 32% of the dollar amount were home mortgage loans. Among the home mortgage loans originated in the New Orleans MA AA, approximately 48% were for home purchase, 35% for home improvement, and 17% for refinance.

Business lending activity in St. Tammany Parish is good. Parish reported 1,451 business loans totaling \$126 million over the evaluation period. The bank originated 6.39% of all reported 2001 small loans to businesses in St. Tammany Parish, ranking seventh among 54 lenders and second among all banks. PNB's lending performance to small businesses with revenues less than \$1 million is even stronger. PNB originated 11.43% of all reported 2001 small loans to businesses in St. Tammany Parish, ranking second among 51 lenders and first among all banks. In addition, Parish's lending volume in home mortgage products is good. Parish ranks number 11 in home mortgage originations with a 1.97% market share. Overall, reportable loan volume is considered good given the large number of non-bank financial providers making both home mortgages and small loans to businesses within St. Tammany Parish.

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of PNB's CRA reportable loans is good. The geographic distribution of home mortgage loans is good and the geographic distribution of small loans to businesses is excellent.

Refer to Tables 2-6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

As previously noted, we are performing a full scope review of the New Orleans MA AA, which for this bank only includes St. Tammany and Jefferson Parishes. Due to a very substantial portion of the bank's business being conducted in St. Tammany Parish, we are assigning significantly more weight to the bank's performance in St. Tammany Parish. For example, no weight is being given to the bank's performance in low-income census tracts since St. Tammany Parish does not have any low-income census tracts. Jefferson Parish has low-income census tracts, however, the bank's presence in this market is very small with only one branch location that is not located near to low-income census tracts, which are serviced by other financial institutions. Therefore, significant weight is placed on the bank's performance in moderate-income census tracts located in St. Tammany Parish. Since Tables 2-6 in Appendix C reflect the bank's combined performance in both Jefferson and St. Tammany Parishes, specifics on the bank's performance in St. Tammany Parish is detailed below.

### ***Home Mortgage Loans***

The overall geographic distribution of home mortgage loans is good. This conclusion is based principally on the bank's geographic lending performance in St. Tammany Parish.

PNB's home purchase loan geographic distribution is good. The bank made 6.10% of all home purchase loans in moderate-income census tracts in St. Tammany Parish, which is close to the 7.20% of owner-occupied housing units in those geographies. Also, the bank's market share in moderate-income census tracts equals 1.66% in St. Tammany Parish, which substantially meets its overall market share of 1.89%.

PNB's home improvement geographic distribution is good. The bank made 6.06% of all home improvement loans in moderate-income census tracts in St. Tammany Parish, which is close to the 7.20% of owner-occupied housing units in those geographies. Also, the bank's market share in moderate-income census tracts equals 8.62% in St. Tammany Parish, which substantially meets its overall market share of 8.90%.

PNB's refinance geographic distribution is good. The bank made 5.41% of all refinance loans in moderate-income census tracts in St. Tammany Parish, which is close to the 7.20% of owner-occupied housing units in those geographies. Also, the bank's market share in moderate-income census tracts equals one percent in St. Tammany Parish, which exceeds its overall market share of .68%.

### ***Small Loans to Businesses***

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The bank is primarily a small business lender, and the geographic distribution of small loans to businesses is excellent in St. Tammany Parish. The bank made 15.87% of all small loans to businesses in moderate-income census tracts in St. Tammany Parish, which exceeds the 13.57% of businesses located in moderate-income geographies. Also, the bank's market share for small loans to businesses in moderate-income geographies of 12.40% far exceeds its overall market share of 6.39%.

### **Lending Gap Analysis**

Reports detailing Parish'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 these loans. No unexplained gaps were identified.

### ***Inside/Outside Ratio***

On a bank level, Parish has a good record of lending inside of its assessment areas. We performed an analysis of the bank's record of making home mortgage and small loans to businesses in its assessment areas. A substantial majority of home mortgage and small loans to businesses were made within the bank's assessment areas.

### **Distribution of Loans by Income Level of the Borrower**

The distribution of PNB's CRA reportable loans by income level of the borrower for home mortgage loans is good and to small businesses is excellent. Refer to Tables 2-6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

As previously noted, we performed a full scope review of the New Orleans MA AA, which for this bank includes St. Tammany and Jefferson Parishes. Due to a substantial portion of the bank's business being conducted in St. Tammany Parish, we are assigning significantly more weight to the bank's performance in St. Tammany Parish. Since Tables 2-6 in Appendix C reflect the bank's combined performance in both Jefferson and St. Tammany Parishes, specifics on the bank's performance in St. Tammany Parish are detailed below.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is good. The percent of the bank's home mortgage loans to low- and moderate-income borrowers varies among products. St. Tammany and Jefferson Parishes are among the most expensive housing markets in the state. The expensive cost of housing creates an obstacle that is hard to overcome for low-income individuals and families. Therefore, when analyzing performance for home purchase loans to low-income borrowers, this performance context issue was considered when deriving performance conclusions.

PNB's home purchase borrower distribution is excellent. The bank made 10.3% of all home purchase loans to low-income borrowers in St. Tammany Parish, which is below the 17.7% of low-income borrowers living in the Parish. The bank made 17.8% of all home purchase loans to moderate-income borrowers in St. Tammany Parish, which exceeds the 13.5% of moderate-income borrowers living in the Parish. The bank's market share to low- and moderate-income borrowers living in St. Tammany Parish at 5.8% and 2.4%, respectively, exceeds the bank's overall market share of 1.89%.

PNB's home improvement borrower distribution is good. The bank made 10.6% of all home improvement loans to low-income borrowers in St. Tammany Parish, which is below the 17.7% of low-income borrowers living in the Parish. The bank made 19.7% of all home purchase loans to moderate-income borrowers in St. Tammany Parish, which exceeds the 13.5% of moderate-income borrowers living in the Parish. The bank's market share to low- and moderate-income borrowers living in St. Tammany Parish at 15.4% and 12.9%, respectively, exceeds the bank's overall market share of 8.9%.

PNB's refinance borrower distribution is adequate. The bank made 8.1% of all home purchase loans to low-income borrowers in St. Tammany Parish, which is below the 17.7% of low-income borrowers living in the Parish. The bank made 8.1% of all home purchase loans to moderate-income borrowers in St. Tammany Parish, which is below the 13.5% of moderate-income borrowers living in the Parish. The bank's market share to low- and moderate-income borrowers living in St. Tammany Parish at .41% and .39%, respectively, is below the bank's overall market share of .53%.

### ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's distribution of small loans to businesses is excellent. PNB made approximately 88% of its small loans to businesses with revenues less than \$1 million, which compares favorably to the 70% of small businesses located in St. Tammany Parish. Also, the bank's market share to businesses with revenues less than \$1 million or 11.43% far exceeds its overall market share of 6.39%.

## **Community Development Lending**

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

The bank has made only a few small community development loans in the full-scope assessment area during this evaluation period and will have only a neutral impact in evaluating the bank's performance under the Lending Test.

## **Product Innovation and Flexibility**

The bank offers loan programs that aid low- and moderate-income borrowers. Lending volume for these programs is low. Therefore, these loan programs had a slightly positive effect on the bank's Lending Test rating.

## **United States Department of Agriculture (USDA)**

Promoting a dynamic business environment in rural America is the goal of Rural Business-Cooperative Service (RBS), Business Programs (BP). BP works in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. BP helps fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of RBS BP are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Parish had three loans under this program totaling \$2.1 million from 1999 through 2001.

## **Small Business Administration Loan Programs**

The bank provides and is willing to participate in the Small Business Administration 7(A) Loan Guaranty Program, the Certified Development Company (504) Loan Program, the CAP-Lines Loan Program and the SBA Low-Doc Loan Program. These programs provide working capital and longer term fixed rate financing for major fixed assets to small business owners. Parish provided one loan under the 7A program totaling \$437 thousand, and six loans under the SBA Low-Doc program totaling \$309 thousand.

## **Regional Loan Corporation**

The not-for-profit corporation was formed in 1978 to assist local governments in promoting business expansion and development in the Southeastern Louisiana parishes, which includes all parishes in the bank's AA. The Regional Loan Corporation is certified as the regional administrator of the SBA 504 Loan Program for this area. Parish had one SBA 504 loan during the review period totaling \$3 million.



## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's overall performance under the Lending Test in the Washington and Tangipahoa non-metropolitan AA is inconsistent with the bank's overall "High Satisfactory" lending performance in the New Orleans MA AA. Overall, the limited scope review shows weaker performance for geographic lending distribution of home mortgage and small loans to businesses. The borrower distribution of home mortgage loans is also weaker while the distribution of loans to small businesses is consistent with its overall performance in the New Orleans MA AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Parish National Bank's performance under the Investment Test is rated "**Low Satisfactory**". Based on our full-scope review, the bank's performance in the New Orleans MA AA is adequate.

Refer to Table 14 in Appendix C 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. PNB's community development strategy is to seek out investment opportunities in affordable housing and community development services for low- and moderate-income individuals, as these are identified needs in the assessment area.

PNB's investment in affordable housing initiatives includes mortgage-backed securities and in-kind contributions of property and services to non-profit organizations that rehabilitate or develop affordable housing.

#### **Mortgage-backed Securities**

During the evaluation period, Parish National Bank purchased \$1.019 million in one pool of mortgage-backed securities from the Government National Mortgage Association. Individual loans in these pools are predominantly to low- and moderate-income borrowers in the assessment area.

#### **Grants and Donations**

Parish National Bank made \$1,700 in in-kind donations of computer and other office equipment to the Habitat for Humanity St. Tammany West. This non-profit organization rehabilitates or develops affordable housing for low- and moderate-income individuals.

Donations also support food banks and service leagues that raise funds that directly benefit organizations that provide services to low- and moderate-income individuals. Parish provides support to numerous organizations through radio spots that cost approximately \$3,000 per organization. Parish provided radio spots for two organizations that aid the low- and moderate income sector of the community during our review.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test outside the AA is not consistent with the bank's overall performance under the Investment Test. The bank's performance outside the New Orleans MA AA is weaker than the bank's overall "Low Satisfactory" performance. Parish National Bank did not make any investments in Tangipahoa or Washington Parishes during this evaluation period. Refer to Table 14 in Appendix C 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 is rated "**High Satisfactory**". Based on a full scope review, the bank's performance in the New Orleans MA AA is "**High Satisfactory**".

### Retail Banking Services

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

The bank's delivery systems are reasonably accessible to essentially all geographies and individuals of different income levels in the bank's AAs. Parish National Bank does not have any branch locations in low- and moderate-income census tracts in either St. Tammany or Jefferson Parish. However, there are no low-income census tracts in St. Tammany Parish and only 1.45% of the Jefferson Parish population resides in low-income census tracts. Also, only 9% of the population resides in moderate-income census tracts in St. Tammany Parish. Although not included in our full scope review, Parish has 3 branches located in moderate-income census tracts in the non-MA AA's including their main branch located in Bogalusa, LA. In total, the bank has 27% of its branches located in moderate-income census tracts, which compares favorably to the percentage of population living in these tracts of 16%.

The bank's record of opening and closing branches is satisfactory and has not negatively impacted accessibility of delivery systems to low- and moderate-income individuals. Three new branches were added in the AA since the previous review. Two are in middle income CTs and one is in an upper income CT. No branches have been closed since the last CRA examination.

Twenty ATMs supplement the bank's AA delivery system. The dispersion of the ATMs represent a reasonable distribution across the AA. Six or 30% of the total are situated in moderate-income geographies. All but one of the ATMs are available 24-hours a day, seven days a week.

PNB's other alternative delivery systems provide effective retail banking services to all income type geographies and individuals, and to small businesses. PNB has a telephone banking information system known as *Personal Touch 24*. This service provides customers access to their accounts 24-hours a day, 365-days per year. Through this service, customers can retrieve information available on checking, savings, loans and CD accounts. In addition, customers can transfer funds, verify funds and make loan payments. The bank also has a loan by phone system that provides customers the ability to apply for a loan during and after regular banking hours. Online PC banking, including electronic bill paying is also available to both individuals and small businesses. Customers can also bank-by-mail.

Parish National Bank's hours, services, and products do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals. Banking hours, services, and products are generally consistent throughout the assessment area, except for some minor differences in operating hours for the lobby and drive-up banking from branch to branch. Only two branches do not offer Saturday lobby hours and both are located in upper-income census tracts. To mitigate this, both branches have Saturday drive-up hours and 24-hour full service ATMs. Additionally, all branches have night deposit availability.

A variety of deposit and loan products, and business services are available at all Parish National bank branches. These products are responsive to the needs of individuals of all incomes and small businesses. Examples of these products are as follows.

### **Group Banking Account**

The account requires a \$50 opening deposit and does not assess a monthly service fee. This is available to employees of commercial account holders. No minimum balance is required and the account has unlimited check writing privileges.

### **50 Grand Plus Checking Account**

The account is available to people ages 50 and older and requires a \$50 deposit to open and the account has no monthly maintenance fee if an average of \$5,000 is maintained in any combination of deposits or a combined loan and deposit relationship of \$15,000.

### **Strictly Business**

This product is tailored to small business customers. It allows small business clients with a low volume account to determine their monthly service charge. If the customer has a total of \$5,000 on deposit or \$15,000 in combined deposit and loan balances, no maintenance fee is assessed. If not, the charge is \$15 per month with the initial 200 transactions provided at no charge. Over 200 transactions, a \$0.50 per item fee will be charged.

### **Community Development Services**

Parish National Bank provides a good level of community development services in the New Orleans MA AA, which had a positive impact on the Service Test rating assigned to the bank. Activities demonstrate the bank's commitment to its communities primarily through providing technical assistance. The bank's primary activities are provided through economic development foundations and Federal Home Loan Bank grant assistance. Parish National Bank demonstrates leadership through these activities.

Below are examples of the bank's involvement in community development services in the full-scope AA:

- **Federal Home Loan Bank Assisted Housing Program Grants** - Parish National Bank has helped Habitat for Humanity of St. Tammany West obtain grants through the Federal Home Loan Bank (FHLB). Since the prior examination, grants in the bank's AA totaling \$58,579 have been made for assistance to low-income families in the affordable housing program.

- **St. Tammany Economic Development Foundation** – The St. Tammany Economic Development Foundation is a private, non-profit, membership driven foundation with the goal of attracting to and developing business in St. Tammany Parish. Through the St. Tammany Parish Economic and Industrial Development district, the legal entity that implements the foundation’s targeted economic development plan, Parish National Bank provided technical assistance by helping to obtain cooperative financing to assist businesses in developing and locating to St. Tammany Parish. A bank employee served on the Board of Directors of the foundation and another employee served as President of the development district.
- **Habitat for Humanity of St. Tammany West** - Parish National Bank provides technical assistance to this affordable housing organization. The bank created and maintains a website for this organization. Also, two bank officers serve on its Board of Directors with one currently holding the position of President.
- **Regional Loan Corporation** - The not-for-profit corporation was formed in 1978 to assist local governments in promoting business expansion and development in the Southeastern Louisiana parishes, which includes all parishes in the bank’s AA. The Regional Loan Corporation is certified as the regional administrator of the SBA 504 Loan Program for this area. Parish National Bank provides technical assistance with one bank officer currently serving as a member of the Board of Directors.
- **Covington Downtown Development Commission** - This organization is organized to stimulate the predominantly small business downtown economic development in Covington through organization, promotion, and design of activities to meet these goals. It also receives, administers and distributes funds in connection with any activities related to the above purpose. The bank provides technical assistance along with providing credit reports to the organization free of charge. A bank employee serves on the Board of Directors.
- **Radio Advertisements** – During the evaluation period, PNB created and ran various radio advertisement campaigns to aid in fund raising for the Habitat for Humanity St. Tammany West, St. Tammany Food Bank Personal Care Drive, and Toys for Tots. These ad campaigns were paid for by Parish National Bank and benefited organizations that provide services to low- and moderate-income individuals.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank’s performance under the Service Test in the Washington and Tangipahoa parishes AA is not inconsistent with the bank’s overall “High Satisfactory” performance under the Service Test. The bank opened one branch in a middle-income geography during the evaluation period. No branches have been closed. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/00 to 12/31/01) Investment and Service Tests and CD Loans: (09/20/99 to 11/22/02)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Parish National Bank (PNB) Covington, LA	Small loans to businesses HMDA CD Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New Orleans MA AA	Full-Scope	Only includes St. Tammany and east bank of Jefferson Parish
Non MA AA	Limited Scope	Includes Washington and Tangipahoa Parishes.

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

### Market Profiles for Areas Receiving Full-Scope Reviews

New Orleans AA .....	B-2
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## New Orleans MSA AA

Demographic Information for Full Scope AA: New Orleans MA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	149	3.34	16.11	42.28	25.50	.67
Population by Geography	592,814	1.45	15.07	42.60	40.87	0.00
Owner-Occupied Housing by Geography	142,811	1.04	10.96	43.24	44.76	0.00
Business by Geography	44,499	1.78	15.61	40.11	42.50	0.00
Farms by Geography	748	.67	12.17	50.67	36.50	0.00
Family Distribution by Income Level	158,698	17.69	14.90	20.33	47.09	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	51,707	2.93	25.51	47.83	23.72	0.00
Median Family Income		34,650	Median Housing Value		74,856	
HUD Adjusted Median Family Income for 2002		74,856	Unemployment Rate (1990 US Census)		4.46%	
Households Below Poverty Level		13.62%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

PNB has four assessment areas. All areas consist of whole geographies, do not reflect illegal discrimination, do not arbitrarily exclude low- or moderate-income geographies, and overall meet the requirements of the CRA regulation. All of the assessment areas are comprised of parishes instead of whole MSAs and include St. Tammany, Jefferson, Washington and Tangipahoa Parishes. The New Orleans MA AA that received a full scope review contains only St. Tammany and Jefferson parishes. PNB has only one branch in Jefferson parish located on the east bank of the Mississippi River. Jefferson Parish is divided into two distinct markets because of the division of the parish by the Mississippi River. PNB has not yet branched into the West Bank area of Jefferson Parish. Prior to the opening of the East Bank branch, all of PNB's branches were located on the north side of Lake Ponchartrain in St. Tammany, Washington and Tangipahoa parishes. No branches are located in Orleans Parish, which contains the city of New Orleans. All assessment areas have full service branches and available ATMs. PNB's primary market is St. Tammany Parish where a significant portion of deposits is derived, and most of the bank's loans are made. Therefore, the bank's performance in this Parish was weighted heavier than the other parishes.

PNB is ranked sixth in market share in the New Orleans MA AA. They have a 3.37% branch share and a 2.93% deposit market share. They have a total of 7 branches (6 in St. Tammany and 1 in Jefferson Parish).

PNB has \$223.8 million total deposits derived from Jefferson and St. Tammany Parishes, this equates to a \$31,971.29 average deposit per branch. Approximately 92% or \$205.5 million in deposits is derived from St. Tammany Parish. Only 8 percent or \$18.3 million is derived from Jefferson Parish. PNB is ranked number 3 in market share in St. Tammany Parish versus a ranking of 31 in market share in Jefferson Parish.



PNB is ranked seventh in deposit market share in the non-MAs (Tangipohoa and Washington parishes). They have a total deposit base of \$90.9 thousand from these two parishes. Their deposit market share is 7.40%. Approximately 67% or \$61.6 thousand is derived from Washington Parish. They have a 14.57% deposit market share in Washington Parish, which ranks 4th. They have a 3.64% deposit market share in Tangipahoa, which equates to a number 8 ranking.

PNB has 7 branches and 11 proprietary automated teller machines (ATMs) in the New Orleans MSA AA. PNB has joined with several community banks in its AA in a program called Community Cash, which provides access to approximately 80 additional ATM machines.

St. Tammany parish ranks fifth in population in Louisiana. It is the fastest growing community in Louisiana and one of the top five fastest developing areas in the United States according to the St. Tammany-West Chamber of Commerce demographics. The growth is due to the outflow of residents of New Orleans moving into the area. Many of the residents commute to New Orleans for work. According to the St. Tammany West Chamber of Commerce, about 30,000 people who reside in St. Tammany parish work in New Orleans and commute daily.

## Appendix C: 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.
- 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 Multi-family 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.
- 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.

PARISH NATIONAL BANK

Table 1. Lending Volume

LENDING VOLUME												
Geography: PARISH NB												
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001												
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
New Orleans MA AA	76%	595	39,913	855	86,227	0	0	1	3	1,451	126,143	71%
<b>Limited Review:</b>												
Non MAs	24%	189	6,258	277	23,696	0	0	2	1,275	468	31,229	29%

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From September 30, 1999 to November 22, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products – NOT APPLICABLE**

LENDING VOLUME														Geography: PARISH NB				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***							
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)								
<b>Full Review:</b>																					
<b>Limited Review:</b>																					

\* Loan Data as of June 30, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1999 to June 30, 2002.

\*\*\* Deposit Data as of October 07, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

PARISH NATIONAL BANK

Table 1. Other Products – NOT APPLICABLE

LENDING VOLUME					
		Geography: PARISH NB		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001	
MA/Assessment Area:	Other Unsecured Consumer Loans*			Other Optional Loans*	
	#	\$ (000's)		#	\$ (000's)
<b>Full Review:</b>					
<b>Limited Review:</b>					

\* The evaluation period for Optional Product Line(s) is From January 01, 1999 to June 30, 2002.

Institution ID: 10000015642 PARISH NATIONAL BANK

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: PARISH NB				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001						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						
<b>Full Review:</b>																
New Orleans MA AA	287	80.85	1.04	0.00	10.96	4.88	43.24	52.61	44.76	42.51	1.10	0.00	.30	1.29	1.06	
<b>Limited Review:</b>																
Non MA AA	68	19.15	0.00	0.00	18.16	10.00	69.95	90.00	11.89	0.00	2.23	NA	NA	NA	NA	

\* Based on 2001Peer 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: PARISH NB					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
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									
<b>Full Review:</b>																								
New Orleans MA AA	207	68.32	1.04	0.00	10.96	5.80	43.24	56.04	44.76	38.16	3.30	0.00	1.96	4.10	2.83									
<b>Limited Review:</b>																								
Non MA AA	96	31.68	0.00	0.00	18.16	30.00	69.95	70.00	11.89	0	7.10	NA	NA	NA	NA									

\* Based on 2001 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: PARISH NB		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001											
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>																	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp													
<b>Full Review:</b>																												
New Orleans MA AA	101	58.05	1.04	0.00	10.96	3.96	43.24	46.53	44.76	49.50	.31	0.00	.14	.33	.32													
<b>Limited Review:</b>																												
Non MA AA	73	41.95	0.00	0.00	15.96	2.74	37.22	24.66	46.82	72.60	.59	NA	NA	NA	NA													

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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: PARISH NB					Evaluation Period: JANUARY 1, 2000 TO December 31, 2001				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
New Orleans MA AA	0	0.00	1.87	0.00	20.88	0.00	43.38	0.00	33.87	0.00	0.00	0.00	0.00	0.00	0.00									
<b>Limited Review:</b>																								
Non MA AA	0	0.00	0.00	0.00	0.00	23.04	47.84	0.00	29.12	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2001 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: PARISH NB															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
New Orleans MA AA	855	75.53	1.78	0.00	15.61	15.67	40.11	35.79	42.50	48.54	2.12	0.00	2.63	2.03	2.33
<b>Limited Review:</b>															
Non MSA AA	277	24.47	0.00	0.00	23.65	15.00	60.73	60.00	15.63	25.00	5.06	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2001).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: PARISH NB															
Evaluation Period: JANUARY 01, 2000 to December 31, 2001															
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
<b>Full Review:</b>															
New Orleans MA AA	0	0.00	0.47	0.00	12.21	0.00	52.11	0.00	35.21	0.00	28.95	0.00	0.00	52.63	12.50
<b>Limited Review:</b>															
Non MA	0	0.00	0.00	0.00	11.97	0.00	81.34	0.00	6.69	0.00	0.00	NA	NA	NA	NA

\* Based on 2001 Peer Small Business Data: US&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 (2001).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: PARISH NB				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Purchase 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****					
<b>Full Review:</b>															
New Orleans MA AA	287	80.85	17.69	7.67	14.90	18.82	20.33	29.27	47.09	44.25	1.10	2.65	1.41	1.68	1.21
<b>Limited Review:</b>															
Non MA AA	68	19.15	26.36	0.00	16.00	20.00	17.11	30.00	40.54	50.00	2.23	NA	NA	NA	NA

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* As a percentage of loans with borrower income information available.

\*\*\* 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: PARISH NB					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
New Orleans MA AA	207	68.32	17.69	10.14	14.90	20.29	20.33	20.77	47.09	48.79	3.30	5.46	4.50	3.29	2.95									
<b>Limited Review:</b>																								
Non MA AA	96	31.68	26.36	15.00	16.00	19.00	17.11	25.00	40.54	40.00	7.10	NA	NA	NA	NA									

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> 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: PARISH NB					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
New Orleans MA AA	101	80.16	17.69	8.82	14.90	13.24	20.33	17.65	47.09	60.29	0.31	0.13	0.21	0.18	0.25									
<b>Limited Review:</b>																								
Non MA AA	25	19.84	26.36	15.00	16	15.00	17.11	15.00	40.54	55.00	0.59	NA	NA	NA	NA									

<sup>\*</sup> Based on 2001Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> 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.



**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: PARISH NB Evaluation Period: JANUARY 1, 2000 to December 31, 2001									
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
<b>Full Review:</b>									
New Orleans MA AA	855	75.53	70.36	86.67	71.46	18.25	10.29	2.12	4.24
<b>Limited Review:</b>									
Non MA AA	277	24.47	73.37	92.00	75.81	16.97	7.22	5.06%	8.23%

\* Based on 2001Peer Small Business Data: US&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 - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: PARISH NB									
Evaluation Period: JANUARY 1, 2000 TO December 31, 2001									
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
<b>Full Review:</b>									
New Orleans MA AA	0	0.00	92.49	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Non MA AA	0	0.00	92.61	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2001Peer Small Business Data: US&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 - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: PARISH NB Evaluation Period: JANUARY 1, 2000 to September 30, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New Orleans MA AA	0	0	1	637	1	637	99%	0	0
<b>Limited Review:</b>									
Non MA AA	0	0	16	6	16	6	1%	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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: PARISH NB Evaluation Period: JANUARY 1, 2000 to September 30, 2002																	
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
<b>Full Review:</b>																	
New Orleans MA AA		7	63.64	0.0	0.0	2	5	2	0	0	0	+1	+1	1.45	15.07	42.60	40.87
<b>Limited Review:</b>																	
Non MA AA		4	36.36	0	3	1	0	1	0	0	0	+1	0	0.00	20.67	65.47	13.86

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Demographic Information for Full Scope AA: New Orleans MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	149	3.34	16.11	42.28	25.50	.67
Population by Geography	592,814	1.45	15.07	42.60	40.87	0.00
Owner-Occupied Housing by Geography	142,811	1.04	10.96	43.24	44.76	0.00
Business by Geography	44,499	1.78	15.61	40.11	42.50	0.00
Farms by Geography	748	.67	12.17	50.67	36.50	0.00
Family Distribution by Income Level	158,698	17.69	14.90	20.33	47.09	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	51,707	2.93	25.51	47.83	23.72	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		34,650 74,856 13.62%	Median Housing Value Unemployment Rate (1990 US Census)		74,856 4.46%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

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Non MSA AA

Demographic Information for Limited Scope Area: Non MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	0.00	22.22	66.67	11.11	0.00
Population by Geography	128,894	0.00	20.67	65.47	13.86	0.00
Owner-Occupied Housing by Geography	33,381	0.00	18.16	69.95	11.89	0.00
Business by Geography	7,680	0.00	23.65	60.73	15.63	0.00
Farms by Geography	284	0.00	11.97	81.34	6.69	0.00
Family Distribution by Income Level	33,817	0.00	19.66	67.92	12.42	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	14,324	0.00	27.01	64.34	8.65	0.00
Median Family Income		20,498	Median Housing Value		46,963	
HUD Adjusted Median Family Income for 2002		31,600	Unemployment Rate (1990 US Census)		5.93%	
Households Below Poverty Level		30.52%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI