



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 9, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Bank, National Association
Charter Number 12523**

**128 North Parkerson Avenue
Crowley, LA 70526**

**Comptroller of the Currency
ADC - Houston East
3838 North Causeway Boulevard Suite 2890
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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

This institution is rated “Outstanding.”

First Bank, National Association (First Bank) is responsive to the credit needs of its community including low- and moderate-income individuals in the bank’s assessment areas (AA). The following factors support this conclusion:

- First Bank’s lending performance exceeds the standard for satisfactory performance. A substantial majority of First Bank’s loans have been originated within its assessment areas with 82% in number and 81% in dollar volume originated within the assessment area.
- First Bank’s loan-to-deposit ratio exceeds the standard for satisfactory performance, given the bank’s size, financial condition, and the assessment area credit needs. The bank’s loan-to-deposit ratio has averaged 67% for the 17 quarters since the last CRA evaluation, significantly exceeding the local peer bank average of 56% for the same period.
- The distribution of loans to borrowers of different income levels reflects a reasonable penetration of consumer and real estate loans to low-and moderate-income individuals and is representative of the demographics of the bank’s assessment area.
- The geographic distribution of loans reveals an excellent penetration of loans in the low- and moderate-income Census Tracts and Block Numbering Area (BNA) tracts and exceeds the standard for satisfactory performance.
- First Bank is responsive to the community development needs of the assessment area and has originated loans to finance affordable housing, a day care center for low-income individuals, and the construction of a social services building that serves low-income families.
- The bank’s assessment area meets the regulatory requirements.
- No consumer complaints regarding the bank's CRA performance were received during this evaluation period.

DESCRIPTION OF INSTITUTION

First Bank is a \$116 million full service community bank wholly-owned by Financial Corp. of Louisiana and headquartered in Crowley, Louisiana, the parish seat of Acadia Parish. Primarily a rural and agricultural community known as the *Rice Capital of the World*, Crowley is approximately 24 miles west of Lafayette and 47 miles east of Lake Charles, Louisiana.

First Bank operates in Louisiana with four locations: the main bank and one branch in Crowley,

one branch in Lafayette, and one branch in Lake Charles. First Bank's main location and branch in Crowley are located in moderate-income block numbering areas, the branch in Lafayette opened in 2000 and is located in an upper-income census tract, and the branch in Lake Charles is located in a moderate-income census tract. In addition, the bank operates a non-deposit automated teller machine in Lake Charles located in a middle-income tract. In August 2002, First Bank opened a temporary branch in an upper-income census tract in Sulphur, Louisiana, providing both deposit and lending services to consumers and businesses. No branches have been closed since the previous examination. Banking hours reasonably meet the community needs with lobby hours Monday through Friday and extended Friday hours, motor banking which includes Saturday service at the Crowley and Lake Charles locations, and automated teller machines (ATM) at all locations except the temporary branch in Sulphur, Louisiana.

As of March 31, 2002, assets totaled \$116 million and the Tier One Capital ratio was 8.90%. Loans represent the largest portion of the balance sheet at 61% of total assets.

The loan portfolio mix is displayed in the table below:

Loan Category	\$ (000)	Percent
Real Estate Loans	\$50,088	70.40%
Commercial Loans	\$13,451	18.90%
Consumer Loans	\$4,903	6.90%
Agricultural Loans	\$2,604	3.70%
Other Loans	\$126	0.10%
Total	\$71,172	100.0%

First Bank continues to be a strong leader in banking services as they were the first bank in Crowley to offer automated teller machines in Acadia Parish, Saturday banking, a 24-hour *TellerPhone* line, and Internet banking. First Bank's website (www.firstbank-la.com) provides *First NetTeller*, a free 24-hour Internet banking service providing customers unlimited on-line services such as viewing detailed account information and balances, transfer of funds between First Bank personal accounts, statement retrieval, check re-orders, stop payments and the ability to send and retrieve messages to and from the bank.

First Bank offers a wide range of deposit and loan products and no significant variances exist between locations. Residential real estate, consumer and commercial lending are the bank's primary lending focus. No financial or legal impediments exist that prevent First Bank from meeting the credit needs of the community.

First Bank obtained a Satisfactory rating at the prior CRA evaluation on April 15, 1998.

DESCRIPTION OF ASSESSMENT AREAS

The bank has designated two assessment areas: the combined area of Acadia Parish and the City of Lafayette, and the City of Lake Charles. As of the period of evaluation, the bank's designated assessment areas (AA) includes all of the 12 block numbering areas in Acadia Parish, another 30 census tracts in the City of Lafayette in bordering Lafayette Parish, and 22 census tracts in the City of Lake Charles located in Calcasieu Parish. Population statistics report Acadia Parish with a population of 55,882, the City of Lafayette with a population of 123,858, and the City of Lake Charles with a population of 98,231. Overall, the bank's assessment area consists of 8 low-income tracts (12.50%), 13 moderate-income tracts (20.31%), 22 middle-income tracts (34.48%), and 21 upper-income tracts (32.81%). The assessment area meets the legal requirements of the Community Reinvestment Act (CRA) and does not arbitrarily exclude low- or moderate-income geographies.

A recent community contact, a local governmental leader, stated that for the area, the economy is stable, there is no shortage of affordable housing, and that local banks do a very good job in serving the credit needs of the community. The contact stated the local bankers are serving on various community boards and are very active in civic and economic organizations in the area.

Acadia Parish and City of Lafayette

Acadia Parish and the City of Lafayette assessment area is located in the Lafayette Metropolitan Statistical Area (MSA) and consists of 12 block numbering areas in Acadia Parish and 30 census tracts in the City of Lafayette. The 1990 U.S. Census median family income (MFI) for MSA/Non-MSA is \$24,153. The HUD-updated 2002 figure is \$37,400. Within the combined assessment area of Acadia Parish and the City of Lafayette, the 1990 Census data for the assessment area reflects 4 low-income tracts (9.52%), 8 moderate-income tracts (19.05%), 14 middle-income tracts (33.33%), and 16 upper-income tracts (38.10%). There are no low or upper-income tracts in Acadia Parish. Approximately 24.16% of families have incomes below the poverty level. The assessment area has 73,289 housing units of which 74.91% represent one-to-four family units with 54.71% accounted for as owner-occupied. The average median housing value is \$57,847. Income, or a portion thereof, is derived from social security and retirement income for 22.42% and 10.47% of the total number of households, respectively. The major industries and primary employers for Acadia Parish include retail trade, service-related industries, construction, and governmental enterprises. The economy in Lafayette remains stable and is dependent upon the oil and gas industry that employs a large percent of persons residing in the assessment area. Other major employers include sugar cane and seafood producers.

City of Lake Charles

The assessment area in the City of Lake Charles is located in the Lake Charles Metropolitan Statistical Area (MSA) and consists of 22 census tracts. The 1990 U.S. Census median family income (MFI) for MSA/Non-MSA is \$29,180. The HUD-updated 2002 figure is \$42,800. Within the assessment area, the 1990 Census data reflects there are 4 low-income tracts (18.18%), 5 moderate-income tracts (22.73%), 8 middle-income tracts (36.36%), and 5 upper-income tracts (22.73%). Approximately 20.87% of families have incomes below the poverty level. The assessment area has 40,098 housing units of which 79.62% represent one-to-four family units with 90.39% accounted for as owner-occupied. The average median housing value is \$54,162. Income, or a portion thereof, is derived from social security and retirement income for 26.51% and 15.07% of the total number of households, respectively. Lake Charles is the largest city in Calcasieu Parish followed by the cities of Sulphur and Moss Bluff respectively. The economy is stable and dependent upon the school board, casinos, and construction and petroleum companies as major employers.

The following information is found on the CRA Wiz report, representing *Demographic Data* for the **entire assessment area**.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
<i>Population</i>	
Number of Families	72,179
Number of Households	101,935
<i>Geographies</i>	
Number of Census Tracts/BNA	64
% Low-Income Census Tracts/BNA	12.5%
% Moderate-Income Census Tracts/BNA	20.3%
% Middle-Income Census Tracts/BNA	34.4%
% Upper-Income Census Tracts/BNA	32.8%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$28,207
2002 HUD-Adjusted MFI	\$39,256
2001 HUD-Adjusted MFI	\$39,256
<i>Economic Indicators</i>	
Unemployment Rate	4.01%
2002 Median Housing Value	\$56,544
% of Households Below Poverty Level	22.99%

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's lending activity within their assessment area is excellent and exceeds the standard for satisfactory performance. As depicted in the table below, First Bank's loan-to-deposit (LTD) is significantly higher than their competitors and is reflective of their leadership position within this market given the bank's size, financial condition, and the assessment area credit needs. Since the last CRA examination, First Bank's LTD ratio has increased gradually from 59% at April 15, 1998 to 67% at August 31, 2002. Average LTD performance compared with two other similarly situated institutions located in the assessment area for the same 17-quarter history since the bank's last CRA evaluation was 56%.

First Bank is subject to strong competition from other national banks, state banks, and non-bank financial entities in its assessment area.

Institution	Assets (as of 3/31/2002)	Average LTD Ratio
Rayne State Bank & Trust Co.	\$130,694	60.38%
Bank of Commerce & Trust Co.	\$236,175	49.27%
Average	\$183,435	55.83%
<i>First Bank</i>	<i>\$116,423</i>	<i>67.18%</i>

First Bank has originated seven community development loans totaling \$1,401,031. Five loans were to finance affordable housing, one loan provided financing for a day care for low-income individuals, and financing was provided for the construction of a social services building that serves low-income families.

Lending in Assessment Area

First Bank substantially exceeds the standard for satisfactory performance for lending within its assessment area both in number and in dollar volume. Residential real estate, consumer, and commercial loans comprise 96.2% of the loan portfolio and are the bank's primary lending focus. Our analysis included all loans reported on the 1999, 2000, 2001, and year-to-date 2002 Home Mortgage Disclosure Act Loan Application Registers (HMDA-LAR), 26 commercial loans, and 35 consumer loans. Loans reviewed revealed 82% of the number and 87.3% of the dollar amount were originated within the bank's assessment area.

Performance for each category reviewed demonstrated a substantial portion of loans originated in the assessment area as reflected in the following table.

TOTAL LOANS REVIEWED (April 15, 1998 – August 15, 2002)								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Real Estate	286	81.7	15,468	81.1	64	18.3	3,605	18.9
Consumer	31	88.6	234,108	85.0	4	11.4	41,272	15.0
Commercial	20	76.9	1,105,386	87.8	6	23.08	153,196	12.17
Total Reviewed	337	82.0	1,354,962	87.3	74	18.0	198,073	12.8

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

Overall, performance for lending to borrowers of different income levels is satisfactory. Residential real estate, consumer and commercial loans represent the bank's primary lending focus. Consumer loans had a greater impact on assessing performance for lending to borrowers of different income levels and performance meets the standard for satisfactory performance.

A review of residential real estate loans was conducted to determine the bank's lending to borrowers of different income levels. Given the demographics of the assessment area, the review revealed the penetration among borrowers of different income levels including low- and moderate-income borrowers reflects a reasonable dispersion and meets the standard for satisfactory performance.

Acadia Parish & City of Lafayette

Lending to borrowers of different income levels for residential real estate loans in the Acadia Parish and City of Lafayette assessment area is satisfactory with 22.1% of the number and 8.9% of the amount dispersed in low- and moderate-income areas. Lending performance is compared with assessment area families in each income level derived from the 1990 Census displayed in the table below.

ACADIA PARISH AND CITY OF LAFAYETTE - RESIDENTIAL REAL ESTATE (April 15, 1998 – August 15, 2002)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	24.0		13.6		16.4		46.0	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Purchase	12.2	3.8	12.2	3.3	19.5	12.1	56.1	80.8
Home Imp.	8.8	1.5	16.2	12.5	22.1	11.7	52.9	74.4
Refinance	2.7	1.0	16.0	7.0	28.0	22.3	53.3	69.6
Multi-family	0	0	0	0	0	0	0	0
Total	7.0	2.0	15.1	6.9	23.8	17.0	53.5	73.3

City of Lake Charles

Lending to borrowers of different income levels for residential real estate loans in the City of Lake Charles assessment area is satisfactory with 15.9% of the number and 7.9% of the amount dispersed in low- and moderate-income areas. The distributions are displayed in the table below.

CITY OF LAKE CHARLES - RESIDENTIAL REAL ESTATE (April 15, 1998 – August 15, 2002)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	25.7		15.8		18.9		39.6	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Home Purchase	5.4	4.2	13.5	6.2	16.2	11.1	64.9	78.5
Home Improvement	0	0	15.4	2.7	23.1	23.1	61.5	74.2
Refinancing	4.0	2.9	10.0	4.5	12.0	18.4	74.0	74.1
Multi-family	0	0	0	0	0	0	0	0
Totals	4.0	3.1	11.9	4.8	14.9	16.5	68.3	74.1

Combined Assessment Area

Consumer lending to persons of different income levels substantially exceeds the standard for satisfactory performance with 61.3% of the number and 33% of the amount extended to low- and moderate-income borrowers.

The table below displays both the distribution of 35 consumer loans from our sample that were originated and the number of assessment area households in each income level. Income levels are based on the Housing & Urban Development (HUD)-adjusted median family income for 2002, which was \$39,256.

CONSUMER (April 15 1998 – August 15, 2002)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	27.7		13.3		15.2		43.8	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Consumer	32.3	17.9	29.0	15.1	9.8	3.4	29.0	63.5

Although the bank originates small business loans, an analysis for small business lending was not considered meaningful as residential real estate and consumer loans overall comprise a majority of the bank's loan portfolio at 77.3%.

Geographic Distribution of Loans

Overall, the geographic distribution of loans originated in the bank's assessment areas exceeds the standard for satisfactory performance. The bank has good market penetration in low- and moderate-income tracts for residential real estate and consumer loan products, which had a greater impact on assessing performance for geographic distribution of loan types.

Acadia Parish & City of Lafayette

The geographic distribution of residential real estate loans in Acadia Parish and the City of Lafayette assessment area is excellent with 46% of the number and 33.3% of the amount dispersed in moderate-income areas. Performance exceeds the percentage of owner-occupied units in the moderate-income tracts within the assessment area. The distributions are displayed below in the table below. Income levels for census tracts were derived from the 1990 Census.

ACADIA PARISH AND CITY OF LAFAYETTE - RESIDENTIAL REAL ESTATE (April 15, 1998 – August 15, 2002)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied	4.7		21.2		33.6		40.5	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Home Purchase	0	0	48.8	29.7	46.3	48.3	4.9	22.1
Home Improvement	0	0	48.5	46.3	41.2	27.4	10.3	26.3
Refinancing	0	0	42.7	30.8	48.0	39.9	9.3	29.3
Multi-family	0	0	0	0	0	0	100.0	100.0
Totals	0	0	46.0	33.3	44.9	39.6	9.2	27.1

City of Lake Charles

The geographic distribution of residential real estate loans in the City of Lake Charles assessment area exceeds the standard for satisfactory performance with 25.8% of the number and 31.7% of the amount dispersed in low- and moderate-income areas. Performance exceeds the percentage of owner-occupied units in the low- and moderate-income tracts within the assessment area.

The distributions are displayed in the table below with income levels for census tracts derived from the 1990 Census.

CITY OF LAKE CHARLES - RESIDENTIAL REAL ESTATE (April 15, 1998 – August 15, 2002)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied	8.8		15.5		42.8		32.9	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Home Purchase	5.4	2.1	16.2	10.3	46.0	44.3	32.4	43.2
Home Improvement	23.1	31.5	0	0	53.9	48.1	23.1	20.4
Refinancing	18.0	35.3	12.0	3.4	46.0	29.1	24.0	32.1
Multi-family	0	0	0	0	100.0	100.0	0	0
Totals	13.9	26.8	11.9	4.9	47.5	34.4	26.7	34.0

Combined Assessment Area

The geographic distribution of consumer loans substantially exceeds the standard for satisfactory performance with 45.2% of the number and 29.3% of the amount dispersed in moderate-income areas and exceeds the percentage of households in the moderate-income tracts.

CONSUMER (April 15, 1998 – August 15, 2002)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	7.3		20.7		35.1		36.9	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Consumer	0.00	0.00	45.2	29.3	39.7	29.6	16.1	41.2

An analysis of the geographic distribution for small business loans was not performed since small business lending represents a smaller percentage of the bank's loan portfolio.

Responses to Complaints

There were no complaints relating to the bank's CRA performance made since the last CRA examination.

Fair Lending Review

An analysis of three years of public comments and consumer complaint information was performed according to the Office of the Comptroller of the Currency's (OCC) risk-based fair lending approach. Based on its analysis of information, a comprehensive fair lending examination was not conducted in connection with the CRA evaluation this year.