



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 08, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Benton
Charter Number 18162

104 Sibley
Benton, LA 71106

Office of the Comptroller of the Currency

1800 NW Loop 281, Suite 306
Longview, TX 75604-2516

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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

First National Bank (FNB) has a satisfactory record of meeting community credit needs. This rating is based on the following:

- The bank's loan-to-deposit ratio is reasonable based on its size and complexity.
- A majority of the institution's lending is extended within the assessment area.
- The distribution of loans to borrowers of different income levels is excellent throughout the assessment area.

SCOPE OF EXAMINATION

This Performance Evaluation (PE) is an assessment of First National Bank's ability to meet the credit needs of the communities in which it operates. The bank was evaluated under the small bank performance criteria. Conclusions' regarding the bank's lending performance is based on all residential real estate loans originated from 2009 through 2011.

DESCRIPTION OF INSTITUTION

First National Bank is a \$57 million bank that serves the northern portion of Bossier Parish through one branch and one ATM. FNB is wholly owned by Northwest Bancshares Corporation. The bank offers a full range of loan and deposit services. A majority of the bank's lending activities is 1-4 family home loans. Commercial and commercial real estate loans did not represent a major portion of loans made during the evaluation period. Therefore, these products were not included in the scope of the examination. There are no financial or legal obstacles affecting the bank's ability to meet community credit needs.

The bank was rated satisfactory during the prior Community Reinvestment Act (CRA) Examination dated December 03, 2007. The following chart reflects the distribution of the bank's loan portfolio as of December 31, 2012.

Loan Category	\$(000)	%
1-4 Family Mortgages	14,076	54.73
Business Loans	7,594	29.52
Agricultural Loans	3,317	12.90
Consumer Loans	732	2.85
Total	25,719	100

DESCRIPTION OF ASSESSMENT AREA(S)

The Board has designated the northern portion of Bossier Parish, which includes census tracts 111.03, 111.07, 111.08 and 113, as the bank's assessment area. This assessment area meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude any low and moderate-income geographies.

The assessment area has a total population of 20,613 and consists of two middle-income tracts and two upper-income tracts. It does not contain any low or moderate-income tracts. The unemployment rate is 4.83 percent. The local economy is growing with most of the growth concentrated between Benton and Bossier City. FNB along with a branch of First Guaranty Bank are the only financial institutions located in Benton. Major employers in the assessment area include Bossier Parish (courthouse), Town of Benton, Bossier Parish Sherriff's Department, Benton School District and K Pro Manufacturing. Other residents are employed by the hospitals and casinos located adjacent to the assessment area. Benton is a bedroom community and many residents work in either Bossier City or Shreveport.

Contact with a local government official revealed area financial institutions are meeting the credit needs of the community.

The following table provides a description of the assessment area based on census data and 2011 Department of Housing and Urban Development (HUD) information.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
Population	
Number of Families	5,947
Number of Households	7,454
Geographies	
Number of Census Tracts	4
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	0.00%
% Middle-Income Census Tracts	50.00%
% Upper-Income Census Tracts	50.00%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$40,445
2011 HUD-Adjusted MFI	\$54,300
Economic Indicators	
Unemployment Rate	4.83%
2000 Median Housing Value	\$95,614
% of Households Below Poverty Level	13.35%

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank has demonstrated satisfactory performance in meeting the credit needs of the community. All performance criteria of the lending test are documented below.

Loan-to-Deposit Ratio

The loan-to-deposit ratio of FNB is reasonable given the bank's size, financial condition and assessment area credit needs. The bank's quarterly average loan-to-deposit ratio was 42.83 percent since the prior CRA examination in December of 2007. The average loan-to-deposit ratio of all banks within the assessment area, regardless of size, was 51.57 percent.

Institution	Assets (000s)	Average LTD Ratio
Citizens National Bank, Bossier City	691,895	81.56%
Citizens Bank and Trust of Vivian	144,521	77.37%
Progressive National Bank Mansfield	35,336	49.42%
First National Bank of Benton	55,663	42.83%
Community Bank of Louisiana	385,730	42.30%
Tri-State Bank and Trust	35,739	15.92%

Lending in Assessment Area

A majority of the bank's lending activity by number of loans is located within its assessment area. We reviewed all residential loans originating between 2007 and 2011. The breakdown by loan category is illustrated in the following table.

Lending in Shreveport –Bossier MSA AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	9	56.25	7	43.75	16	872	44.42	1,091	55.58	1,963
Home Improvement	18	72.00	7	28.00	25	362	35.08	670	64.92	1,032
Refinance	7	46.67	8	53.33	15	767	30.17	1,775	69.83	2,542
Totals	34	60.71	22	39.29	56	2,001	36.14	3,536	63.86	5,537

Source: Data reported under HMDA

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

FNB's distribution of loans by borrower income level is excellent given the demographics of the bank's assessment area. The number of home improvement loans extended to low and moderate-income borrowers significantly exceed the number of low and moderate-income families within the assessment area. In addition, the number of home purchase loans extended to low income borrowers is near to the assessment area demographics, while the number of home purchase loans to moderate-income borrowers significantly exceeds the assessment area demographics. Finally, the number of refinanced loans to low-income borrowers significantly exceeds the assessment area demographics.

Borrower Distribution of Residential Real Estate Loans in Shreveport –Bossier MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	16.19	11.11	11.00	22.22	18.35	33.33	54.46	33.33
Home Improvement	16.19	44.44	11.00	33.33	18.35	5.56	54.46	16.67
Refinance	16.19	28.57	11.00	0.00	18.35	0.00	54.46	71.43

Source: Data reported under HMDA; U.S. Census data.

Geographic Distribution of Loans

A geographic analysis of lending activity was not performed. There are no low or moderate-income geographies located in the assessment area; therefore, an analysis would not be meaningful.

Responses to Complaints

First National Bank has not received any complaints or public comments regarding CRA performance during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank’s (bank) or Federal savings association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.