



## **PUBLIC DISCLOSURE**

September 12, 2016

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Progressive National Bank  
Charter Number 17735

300 Washington Street  
Mansfield, LA 71052

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 Outstanding.**

- The bank’s loan-to-deposit ratio is reasonable.
- A substantial majority of the bank’s loans are extended to borrowers within the assessment area.
- The distribution of loans to borrowers of different income levels is excellent given the overall demographics of the assessment area.
- The geographic distribution of loans reflects an excellent dispersion throughout the bank’s assessment area.

**SCOPE OF EXAMINATION**

The scope of the examination was to assess the bank’s ability to meet the credit needs of the communities in which it operates. The bank was evaluated under the Small Bank Community Reinvestment Act (CRA) performance criteria. The examination included an evaluation of one assessment area (AA) that included all of DeSoto Parish and Caddo Parish. Conclusions regarding the bank’s lending performance are based on the bank’s primary products, which include consumer and residential real estate loans originated from January 1, 2014, through June 30, 2016. Bank management agreed with this period of data analysis.

**DESCRIPTION OF INSTITUTION**

Progressive National Bank is a \$43 million institution, which is wholly owned by Progressive National Financial Corporation. The bank has three full service locations; the main office located at 300 Washington Avenue, Mansfield, LA 71052, DeSoto Parish, a branch in Stonewall, LA, DeSoto Parish, and a branch in Shreveport, LA, Caddo Parish. Automated teller machines are available at each location. As of June 30, 2016, loans totaled \$18.3 million representing 42 percent of total assets. The bank offers traditional loan products. The following table provides information on the breakdown of the bank’s loan portfolio by loan type:

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Residential Real Estate	\$12,179	66.55%
Commercial Real Estate	\$3,552	19.41%
Commercial	\$1,012	5.53%
Consumer	\$1,499	8.19%
Other	\$59	0.32%
<b>Total</b>	<b>\$18,301</b>	<b>100.00%</b>

There are no other legal impediments or other factors which inhibit the bank's ability to meet the credit needs of the community. The bank was rated "Satisfactory" at the prior CRA examination dated August 9, 2011.

## **DESCRIPTION OF ASSESSMENT AREA(S)**

The board has designated one AA which includes DeSoto Parish and Caddo Parish in their entirety. DeSoto Parish and Caddo Parish are part of the Shreveport-Bossier City metropolitan statistical area (MSA). Primary communities in DeSoto Parish include Mansfield, Stonewall, Logansport, and Grand Cane. Primary communities in Caddo Parish includes Shreveport, Blanchard, and Greenwood. There are 71 census tracts in the AA with 12 low-income census tracts, 19 moderate-income census tracts, 26 middle-income census tracts, and 14 upper-income census tracts. The AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income geographies.

The total population for DeSoto Parish and Caddo Parish is 281,625 based on 2010 Census data. The distribution of families by income level, regardless of census tract location, consists of the following: 25.73 percent are low income, 17.19 percent are moderate income, 18.47 percent are middle income, and 38.61 percent are upper income.

Major employers in the AA include International Paper, General Electric, Libby Glass, casinos, the service and retail industry, and the local school systems. Competition in the AA is strong with several credit unions as well as several large regional banks.

A representative from the Chamber of Commerce in Mansfield, LA stated that the local economy has declined with the slowing of oil and gas production in the Haynesville Shale. The travel and service industry has felt the most impact. However, the core economy in the area has remained relatively stable. The representative also stated that the local institutions have done a good job meeting the needs of the community.

The following table reflects the demographic data for the AA:

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS</b>	
<b><i>Population</i></b>	
Number of Families	67,984
Number of Households	107,414
<b><i>Geographies</i></b>	
Number of Census Tracts/BNA	71
% Low-Income Census Tracts/BNA	16.90%
% Moderate-Income Census Tracts/BNA	26.76%
% Middle-Income Census Tracts/BNA	36.62%
% Upper-Income Census Tracts/BNA	19.72%
<b><i>Median Family Income (MFI)</i></b>	
2010 MFI for AA	\$53,000
2015 HUD-Adjusted MFI	\$57,700
<b><i>Economic Indicators</i></b>	
Unemployment Rate	5.66%
2015 Median Housing Value	\$108,088
% of Households Below Poverty Level	18.85%

*Source: 2010 Census Data*

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The bank's overall lending performance is outstanding. The bank's loan-to-deposit ratio is reasonable and a substantial majority of loans are within the AA. Additionally, the distribution of loans demonstrates an excellent dispersion throughout the AA and the penetration among borrowers of different income levels is excellent.

### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the AA credit needs. The bank's quarterly average loan-to-deposit ratio is 50.57 percent since September 30, 2011. The average loan-to-deposit ratio of banks within the AA, regardless of size, for the same time period was 48.51 percent.

Institution	Assets (000s) (as of 6/30/2016)	Average LTD Ratio
Progressive National Bank of DeSoto Parish	\$41,422	50.57%
Jackson Parish Bank	\$68,655	30.48%
First National Bank of Benton	\$56,499	61.63%
The Bank of Oak Ridge	\$52,521	9.78%
Peoples Bank	\$50,150	92.16%

**Lending in Assessment Area**

A substantial majority of the bank’s lending activity is located within the AA. We reviewed consumer and residential real estate loans that were originated from January 1, 2014, through June 30, 2016. The break down by loan category is illustrated in the following table:

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer	17	85%	3	15%	20	\$52	55.35	\$42	44.65	\$94
Residential	11	55%	9	45%	20	\$832	44.13	\$1,054	55.87	\$1,886
Totals	28	70%	12	30%	40	\$896	44.98	\$1,096	55.02	\$1,980

Source: Loan Sample

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

The distribution of loans to borrowers of different income levels represents an excellent penetration given the overall demographics of the AA.

The penetration of consumer loans by borrower income level is excellent. Loans extended to low- and moderate-income borrowers significantly exceeded the demographic and represent 35 and 30 percent, respectively.

Borrower Distribution of Consumer Loans									
Borrower Income Level	Low		Moderate		Middle		Upper		Unavailable
	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans	% of # of Loans
% of Total	28.12%	35.00%	16.32%	30.00%	16.20%	10.00%	39.35%	5.00%	20.00%

Source: Loan Sample, US Census data

The distribution of residential real estate loans represents an excellent penetration among borrowers of different income levels. While lending to low-income borrowers is below the demographic, lending to moderate-income borrowers significantly exceeds the demographic.

Borrower Distribution of Residential Real Estate Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans	% of AA Families	% of # of Loans
% of Total	25.17%	20.00%	17.19%	30.00%	18.47%	10.00%	38.61%	40.00%

Source: Loan Sample, US Census data

### Geographic Distribution of Loans

The overall geographic distribution of loans reflects excellent dispersion given the demographics of the AA. There are 12 low-income census tracts and 19 moderate-income census tracts located in DeSoto Parish and Caddo Parish.

The geographic distribution of consumer loans represents excellent dispersion. The distribution of loans in the low-income census tracts is 20 percent, compared to 8.53 percent of AA households. The distribution of loans in the moderate-income census tracts is 45 percent compared to 25.55 percent of AA households.

Geographic Distribution of Consumer Loans								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans	% of AA House holds	% of # of Loans
% of Total	8.53%	20.00%	25.55%	45.00%	42.44%	30.00%	23.47%	5.00%

Source: Loan Sample, US Census data

The geographic distribution of residential loans represents excellent dispersion. The distribution of loans in the low-income census tracts is 5 percent compared to 5.53 percent of owner occupied housing in the AA and the distribution of loans in moderate-income census tracts is 30 percent compared to 21.83 percent of owner occupied housing in the AA.

Geographic Distribution of Residential Real Estate Loans								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of # of Loans	% of AA Businesses	% of # of Loans	% of AA Businesses	% of # of Loans	% of AA Businesses	% of # of Loans
% of Total	5.53%	5.00%	21.83%	30.00%	45.54%	55.00%	27.11%	10.00%

Source: Loan Sample, US Census data

**Responses to Complaints**

There have been no complaints received regarding the CRA during the evaluation period.

**Fair Lending or Other Illegal Credit Practices Review**

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

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