



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 13, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Progressive National Bank of Desoto Parish
Charter Number 17735
Small Bank**

**300 Washington Street
Mansfield, Louisiana 71052**

**Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Progressive National Bank of DeSoto Parish** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 13, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Progressive National Bank has a Satisfactory record of meeting community credit needs. This Satisfactory rating is based upon:

- ▶ The bank's average loan-to-deposit ratio of 76.29% exceeds the ratio of other area banks.
- ▶ A significant portion of the bank's core loan products are extended within its assessment area.
- ▶ Credit activity is reasonably distributed to borrowers of different income levels.
- ▶ Geographic distribution of loans within the assessment area reflects a reasonable penetration throughout the assessment area.

The following table indicates the performance level of **Progressive National Bank of DeSoto Parish** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	PROGRESSIVE NATIONAL BANK PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio	X		
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints have been received since the previous CRA examination.		

DESCRIPTION OF INSTITUTION:

Progressive National Bank is a small community bank with assets of \$14 million. Outstanding loans on September 30, 1998 totaled \$11 million. Loan products offered include 1- 4 family residential (interim construction and permanent), home improvement, home equity, consumer, commercial, and agricultural loans. The primary business focus is consumer lending. Composition of the loan portfolio by type is as follows: consumer related 34.23%; commercial loans 29.11%; residential real estate 36.04%; and other 0.62%. There are no legal impediments which limit the bank's ability to meet the credit needs of the assessment area. The financial institution's main office is located at 300 Washington Street, Mansfield, Louisiana. The bank operated two mortgage production offices located at 2109 South Burnside Avenue, Gonzales, Louisiana, and 3618 Youree Drive, Shreveport, Louisiana. These offices were both closed in 1997. The bank's CRA performance was rated Satisfactory at the previous CRA examination dated October 25, 1996.

DESCRIPTION OF THE ASSESSMENT AREA:

The Board designated the bank's assessment area as DeSoto Parish. The designated assessment area is not part of a Metropolitan Statistical Area and includes block numbering areas (BNA) 9501.00, 9502.00, 9503.00, 9504.00, 9505.00, 9506.00, and 9507.00. This area includes the communities of Mansfield, Grand Cane, Logansport, Longstreet, Pelican, Keatchie, Oxford, Stonewall, Frierson, Benson, Gloster, Naborton, and Stanley. The block numbering areas within the bank's assessment area include one moderate income area, five middle income areas, and one upper income area. The assessment area's population is 25,346 according to 1990 Census Bureau data. According to 1997 Housing and Urban Development (HUD) data, the median family income in the assessment area is \$28,000. Approximately 25% of the families are low income, 17% are moderate income, 17% are middle income, and 41% are upper income. The area economy is stable with an unemployment rate of approximately 5%. Local employment opportunities are centered in the following industries: services, government, manufacturing, retail trade, and agriculture. Major employers are International Paper Company, Louisiana Pacific Corporation, and local school districts.

A recent contact with a local government official indicated that there continues to be a need for affordable housing. Over the past two years, there has been approximately \$4,850,000 in new business construction and \$400,000 in affordable housing

renovation in the Mansfield area. The official stated area financial institutions have the opportunity to offer funding for these projects and have been responsive in trying to meet these community needs.

Financial services are provided by four banking institutions. The main offices of two of these financial institutions are located in Mansfield, with the main offices of the other two banks located in New Orleans and Many, Louisiana. There are also several credit unions and finance companies located within the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN TO DEPOSIT RATIO:

The loan-to-deposit ratio of Progressive National Bank exceeds the ratios of other area banks. The financial institution's loan-to-deposit ratio has averaged 76.29% since our previous assessment of the bank's CRA activities dated October 25, 1996. The average loan-to-deposit ratio of the other national and state chartered banks located in the financial institution's designated assessment area was 61.51% during the same time period. Individual loan-to-deposit ratios for these banks averaged from a low of 38.03% to a high of 85.97%.

LENDING IN ASSESSMENT AREA:

A majority of the bank's lending activity is located within its assessment area. We reviewed a sample of 17 1-4 family residential mortgages, 26 consumer loans, and 21 business loans originated in 1997 and year-to-date 1998. The combined sample reflected that approximately 75% of loans by number and 65% of loans by dollar amount were extended within the bank's assessment area. The breakdown by loan category is illustrated in the tables below.

Residential Mortgages	Number	Percent	Dollar Amt. (000's)	Percent
Inside Assessment Area	12	71%	\$285	52%
Outside Assessment Area	5	29%	\$258	48%

Consumer Loans	Number	Percent	Dollar Amt. (000's)	Percent
Inside Assessment Area	20	77%	\$216	68%
Outside Assessment Area	6	23%	\$100	32%

Business Loans	Number	Percent	Dollar Amt. (000's)	Percent
Inside Assessment Area	16	76%	\$626	71%
Outside Assessment Area	5	24%	\$251	29%

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES:

The distribution of loans within the assessment area reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. We performed an analysis based on a sample of consumer, residential, and business loans originated within the bank's assessment area in 1997 and 1998. The distribution of loans within each income category generally approximates the income characteristics of the assessment area's population. The following table details the results of our income analysis.

Lending to Borrowers of Different Income Levels										
	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Total	
Area Demographic Characteristics	25%		17%		17%		41%		100%	
Loan Types:	#	%	#	%	#	%	#	%	#	%
Mortgage	1	8%	2	17%	3	25%	6	50%	12	100%
Consumer	5	25%	0	0%	6	30%	9	45%	20	100%
Revenue Ranges	Less than \$100,000		\$100,000-\$500,000		\$500,000-\$1,000,000		Over \$1,000,000			
Commercial	12	75%	3	19%	1	0.06	0	0	16	100%

GEOGRAPHIC DISTRIBUTION OF LOANS:

The geographic distribution of loan originations reflects a reasonable distribution throughout the census tracts within the assessment area. Based on addresses of borrowers, we were able to determine in which census tracts our sample of consumer, real estate, and business loans were originated. The following table reflects the distribution by number of loan originations in the assessment area:

Geographic Distribution of Loans										
	Low Income Tracts		Moderate Income Tracts		Middle Income Tracts		Upper Income Tracts		Total	
Area Demographic Characteristics	0%		15%		65%		20%		100%	
Count	0		1,417		5,900		1,848		9,165	
Loan Types:	#	%	#	%	#	%	#	%	#	%
Mortgage	0	0%	2	17%	10	83%	0	0%	12	100%
Consumer	0	0%	3	15%	16	80%	1	5%	20	100%
Commercial	0	0%	2	13%	14	88%	0	0%	16	100%

RESPONSE TO COMPLAINTS:

Management has not received any written complaints related to CRA performance since the prior CRA Examination. A Fair Lending Examination was performed in conjunction with this examination. Based on the samples reviewed, no discriminatory practices were noted. Furthermore, we did not identify any substantive violations involving anti-discrimination laws or regulations.