

# **PUBLIC DISCLOSURE**

April 22, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Community Bank of Louisiana  
Certificate Number: 13951

118 Jefferson Street  
Mansfield, Louisiana 71052

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Regional Office

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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 RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

#### The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

#### The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its assessment areas through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's assessment areas.

## DESCRIPTION OF INSTITUTION

Community Bank of Louisiana (CBL), headquartered in Mansfield, Louisiana, began operations in 1901. Mansfield Bancshares, Inc., Mansfield, Louisiana, a one-bank holding company, wholly owns CBL. No affiliates or subsidiaries exist relevant to this CRA evaluation since the institution did not ask for consideration of any activities from such. CBL received a Satisfactory rating at its previous performance evaluation, dated May 10, 2021, based on Federal Financial Institutions Examination Council (FFIEC) Intermediate Small Institution CRA Examination Procedures, as performed by the Federal Deposit Insurance Corporation (FDIC).

CBL functions as a retail bank with a primary business focus, unchanged since the last evaluation, on commercial and residential loans. The bank did not participate in any merger or acquisition activity since the prior evaluation. The institution operates 12 full-service offices, all in the State of Louisiana. CBL opened one but did not close any full-service offices since the last evaluation. The applicable descriptions of the assessment areas list the offices' specific locations and any effects on low- or moderate-income geographies.

The bank offers a variety of loan products, including residential, commercial, and consumer loans. It also provides a variety of consumer and commercial deposit services, including checking and savings accounts. Service hours remain consistent with area and industry norms and include extended lobby hours on Fridays at some locations. Alternative delivery systems include online, mobile, and telephone banking, as well as electronic bill pay, person-to-person payments, and mobile wallet. Such systems also include 12 automated teller machines (ATMs).

As of the December 31, 2023, Report of Condition and Income, the bank reported total assets of \$810.6 million, net loans of \$264.3 million, and total deposits of \$769.6 million. Since the last CRA evaluation, total assets increased by 10.1 percent. Additionally, net loans decreased by 4.5 percent, while total deposits increased 13.7 percent. The following table shows a distribution supportive of the institution's primary business focus, with commercial loans (secured by nonfarm nonresidential properties and commercial and industrial) representing the largest portion of the loan portfolio, followed by home mortgage loans.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	41,262	15.5
Secured by Farmland	9,258	3.5
Secured by 1-4 Family Residential Properties	53,755	20.2
Secured by Multifamily (5 or more) Residential Properties	3,250	1.2
Secured by Nonfarm Nonresidential Properties	114,848	43.2
<b>Total Real Estate Loans</b>	<b>222,373</b>	<b>83.6</b>
Commercial and Industrial Loans	29,675	11.2
Agricultural Production and Other Loans to Farmers	524	0.2
Consumer Loans	7,012	2.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	6,102	2.3
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>265,686</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREAS**

CBL designates two assessment areas, both in the State of Louisiana: 1) Shreveport Metropolitan Statistical Area Assessment Area (Shreveport MSA AA), and 2) Louisiana Nonmetropolitan Area Assessment Area (LA Non-MSA AA). All areas conform to CRA regulatory requirements. The individual assessment area sections of this performance evaluation provide information on each area.

According to the 2020 U.S. Census data, the bank's overall assessment area consists of 125 census tracts with the following income designations: 33 upper-, 42 middle-, 35 moderate-, 9 low-, and 6 tracts with no income designation. The bank did not add any new or eliminate any assessment areas since the prior evaluation. The individual assessment area sections of this performance evaluation provide additional information on each area.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Parishes in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Shreveport MSA	Caddo, Bossier, and DeSoto	116	10
LA Non-MSA	Sabine	9	2

*Source: Bank Data*

## SCOPE OF EVALUATION

### General Information

Examiners evaluated performance based on FFIEC Intermediate Small Institution CRA Examination Procedures, which include the Lending Test and Community Development Test. The appendix details each tests' criteria. This evaluation covers the period from the previous evaluation dated May 10, 2021, to the current evaluation dated April 22, 2024.

The following table shows the Shreveport MSA AA generated the largest percentage of loans originated inside the assessment areas, contained the largest percentage of deposits gathered, and included the largest percentage of offices operated. Consequently, examiners performed a full-scope review and weighed performance in the Shreveport MSA AA substantially heavier when arriving at applicable conclusions. The LA Non-MSA AA received a limited-scope review.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Shreveport MSA	27,997	91.0	688,085	95.5	10	83.3
LA Non-MSA	2,762	9.0	32,382	4.5	2	16.7
<b>Total</b>	<b>30,759</b>	<b>100.0</b>	<b>720,467</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>

Source: Bank Data; FDIC Summary of Deposits (06/30/2023)

### Activities Reviewed

For the Lending Test, CRA Intermediate Small Institution procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

As seen in the following table, considering the dollar volume and number of loans originated or purchased as well as management's stated business strategy, examiners determined that the bank's major product lines consist of small business and home mortgage loans. Since small farm and consumer loans do not represent major product lines and would not materially affect any conclusions or ratings, this evaluation does not include a review of them. The institution's records indicate the lending focus and product mix remained generally consistent throughout the evaluation period.

Loans Originated or Purchased				
Loan Category	\$ (000s)	%	#	%
Construction and Land Development	42,849	34.5	120	12.2
Secured by Farmland	8,056	6.5	5	0.5
Secured by 1-4 Family Residential Properties	20,333	16.4	155	15.8
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	27,126	21.8	49	5.0
Commercial and Industrial Loans	20,773	16.7	177	18.1
Agricultural Loans	398	0.3	8	0.8
Consumer Loans	4,641	3.7	466	47.5
Other Loans	77	0.1	1	0.1
<b>Total Loans</b>	<b>124,253</b>	<b>100.0</b>	<b>981</b>	<b>100.0</b>

Source: Bank Data (01/01/2023- 12/31/2023)

Consequently, this evaluation includes a review of 2023 small business loans. Examiners used the universe of 218 small business loans totaling \$25.9 million to evaluate the Assessment Area Concentration performance factor. Examiners used the universe of small business loans originated within the AAs to evaluate the Geographic Distribution performance factor. Finally, examiners randomly sampled 55 small business loans totaling \$6.9 million to evaluate the Borrower Profile criterion. D&B data for 2023 provided a standard comparison for small farm and small business loans.

In addition, this evaluation includes a review of all home mortgage loans listed below reported on the bank's Home Mortgage Disclosure Act (HMDA) LARs for all full calendar years since the prior evaluation.

- 2021 – 167 such loans totaling \$21.6 million
- 2022 – 102 such loans totaling \$11.1 million
- 2023 – 106 such loans totaling \$12.8 million

Examiners did not identify any trends between the different years' data that materially affect conclusions. Therefore, this evaluation presents HMDA data for 2022, the most recent year for which aggregate data exists as of this evaluation data. HMDA aggregate data for 2022 provided the primary standard of comparison for home mortgage loans.

Examiners considered the universes of the dollar volume and number of loans originated for the loan categories reviewed, as well as management's stated business strategy, to determine the weighting applied when evaluating the applicable performance factors. The following table shows that, among the loan categories reviewed, small business loans comprise a majority by number and dollar volume. Consequently, examiners weighed small business loans heavier than home mortgage loans when arriving at applicable conclusions.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	102	11,185	102	11,185
Small Business	218	25,950	218	25,950

*Source: Bank Data (2023); HMDA (2022)*

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans better indicates the number of businesses and individuals served.

For the Community Development Test, this evaluation considers applicable current period CD activities, including CD loans, QIs, and CD services. Current period activities involve those generated since the previous May 10, 2021, evaluation. This test further encompasses prior period QIs, those purchased prior to the evaluation but that remain outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period QIs.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

CBL demonstrated a satisfactory record regarding the Lending Test. Reasonable borrower profile and geographic distributions primarily support this conclusion. A reasonable record regarding the bank's loan-to-deposit ratio and a majority of loans originated in the assessment areas further support this conclusion.

#### Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs. For the 11 quarters since the previous evaluation, the bank recorded a 37.1 percent average net LTD ratio. The ratio decreased from the 50.9 percent average net LTD ratio reported at the previous evaluation. The bank's quarterly net LTD ratio ranged from a low of 32.7 percent on December 31, 2022, to a high of 46.9 percent on June 30, 2021, with a decreasing trend. Overall, net loans decreased since the last evaluation but has increased each quarter over the past calendar year. In addition, examiners considered that CBL has \$216 million in public funds deposits when arriving at applicable conclusions.

The following table includes comparable institutions operating in or near CBL's assessment area, reporting similar asset sizes, and reflecting similar lending emphases. The following table shows that CBL posted the lowest ratio listed.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
<b>Community Bank of Louisiana, Mansfield, LA</b>	<b>810,672</b>	<b>37.1</b>
Citizens National Bank, N.A., Bossier City, LA	1,600,952	68.7
Sabine State Bank and Trust Company, Many, LA	1,289,822	72.8
Home Federal Bank, Shreveport, LA	654,574	76.9

*Source: Reports of Condition and Income 06/30/2021 - 12/31/2023*

### Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's assessment areas. The following table shows a substantial majority of home mortgage loans and majority small business loans, by both number and dollar, originated inside the bank's assessment areas.

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside	Outside				
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2021	149	89.2	18	10.8	167	17,887	82.5	3,802	17.5	21,689	
2022	95	93.1	7	6.9	102	10,411	93.1	774	6.9	11,185	
2023	98	92.5	8	7.5	106	11,623	90.6	1,205	9.4	12,828	
<b>Subtotal</b>	<b>342</b>	<b>91.2</b>	<b>33</b>	<b>8.8</b>	<b>375</b>	<b>39,921</b>	<b>87.4</b>	<b>5,781</b>	<b>12.7</b>	<b>45,702</b>	
Small Business	152	69.7	66	30.3	218	19,136	73.7	6,814	26.3	25,950	

*Source: HMDA Reported Data (2021-2023); Bank Data (2023)*

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Consistent performance in the Shreveport MSA AA and LA Non-MSA AA support this conclusion. Examiners considered the bank's performance relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans in low- and moderate-income geographies within the assessment areas when arriving at conclusions.

### Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Consistent performance in the Shreveport MSA AA and LA Non-MSA AA support this conclusion. Examiners considered the bank's performance relative to the available comparative data and any performance context issues. They focused on the percentage by number of loans to businesses with gross annual revenue of \$1 million or less and to low- and moderate-income individuals within the assessment areas when arriving at conclusions.

## **Response to Complaints**

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance demonstrates adequate responsiveness to CD needs in its assessment areas through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's assessment areas.

### **Community Development Loans**

Since the prior evaluation, the bank granted 6 CD loans totaling over \$9.0 million. The total dollar amount equates to 1.2 percent of average total assets of \$732.2 million since the previous evaluation and 3.6 percent of average net loans of \$252.8 million for the same period. These levels reflect a decrease from the 3.1 percent of average total assets and 6.8 percent of average net loans noted at the last evaluation. The responsiveness of the loans address identified needs in the assessment area primarily targeted to revitalization and stabilization efforts but also benefit affordable housing. The following table illustrates the CD loans by year and purpose.

Community Development Lending Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021*	2	1,809	0	0	0	0	0	0	2	1,809
2022	0	0	0	0	0	0	2	3,332	2	3,332
2023	0	0	0	0	0	0	2	3,956	2	3,956
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1,809</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>7,288</b>	<b>6</b>	<b>9,097</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024); \*Since the prior evaluation.*

The following table contains the distribution of CD loans by assessment area.

Community Development Lending by Assessment Area Institution										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Shreveport MSA	1	77	0	0	0	0	3	5,288	4	5,365
LA Non-MSA	0	0	0	0	0	0	1	2,000	1	2,000
Statewide Activities	1	1,732	0	0	0	0	0	0	1	1,732
<b>Total</b>	<b>2</b>	<b>1,809</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>7,288</b>	<b>6</b>	<b>9,097</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024)*

The following point provides a notable example of the bank's statewide CD lending.

- **Affordable Housing:** In 2021, the bank refinanced a \$1.7 million loan for an apartment complex that provides rental rates below the Department of Housing and Urban Development's fair market rents for the area. Thus, the activity provides affordable housing primarily to low- and moderate-income families.

### **Qualified Investments**

Since the prior evaluation, the bank made use of 19 QIs totaling over \$3.1 million. The total dollar amount equates to 0.4 percent of average total assets since the prior evaluation and 0.7 percent of average securities of \$418.1 million for the same period. These levels reflect a decrease from the 0.9 percent of average total assets and 2.0 percent of average securities recorded at the last evaluation. The responsiveness of the QIs addresses identified needs of the assessment area primarily for community services to low- and moderate-income individuals. The following table illustrates the QIs by year and purpose.

Qualified Investments Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	0	0	5	2,337	0	0	0	0	5	2,337
2021*	0	0	0	0	0	0	0	0	0	0
2022	0	0	2	752	0	0	0	0	2	752
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3,089</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3,089</b>
Qualified Grants & Donations	0	0	5	9	7	4	0	0	12	13
<b>Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>3,098</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>3,102</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024); \*Since the prior evaluation.*

The following contains the breakdown of QIs by assessment area.

Qualified Investments by Assessment Area Institution										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Shreveport MSA	0	0	6	1,683	6	4	0	0	12	1,687
LA Non-MSA	0	0	3	3	1	<1	0	0	4	3
Statewide Activities	0	0	3	1,412	0	0	0	0	3	1,412
<b>Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>3,098</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>3,102</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024)*

The following point provides a notable example of a QI at the statewide level.

- **Community Service:** The bank invested \$1.4 million in three bonds for a school district in the State of Louisiana where the majority of the students are economically disadvantaged and receive free and reduced-priced lunches under the U.S. Department of Agriculture's National School Lunch Program, thereby qualifying as a community service. The funds assist the school district in maintaining, constructing, renovating, acquiring, and equipping school buildings.

### **Community Development Services**

The bank provided 51 CD services since the prior evaluation. This reflects a decrease from the 77 CD services noted at the prior evaluation. The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations. The following table illustrates the CD services by year and purpose.

Community Development Services Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	0	1	0	0	<b>1</b>
2022	0	14	0	0	<b>14</b>
2023	0	17	0	0	<b>17</b>
YTD 2024	0	19	0	0	<b>19</b>
<b>Total</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>51</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024). \*Since the prior evaluation.*

The following contains the distribution of CD services by assessment area.

Community Development Services by Assessment Area Institution					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Shreveport MSA	0	41	0	0	<b>41</b>
LA Non-MSA	0	10	0	0	<b>10</b>
<b>Total</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>51</b>

*Source: Bank Records (May 10, 2021, to April 22, 2024)*

Regarding its delivery systems, the following table shows that the bank's full-service offices in low-income census tracts land within a reasonable range of the percentage of the population residing in those areas. The bank's level rises 2.8 percentage points higher. The table also shows that, in moderate-income geographies, the bank's percentage of full-service offices lands within a reasonable range of the population percentage, given the ratios' overall levels. The bank's level falls 9.6 percentage points lower than the population percentage.

<b>Branch and ATM Distribution by Geography Income Level</b> <b>Institution</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	9	7.2	22,856	5.5	1	8.3	1	8.3
Moderate	35	28.0	109,293	26.3	2	16.7	2	16.7
Middle	42	33.6	135,057	32.5	5	41.7	5	41.7
Upper	33	26.4	140,875	33.9	4	33.3	4	33.3
NA	6	4.8	7,480	1.8	0	0.0	0	0.0
<b>Total</b>	<b>125</b>	<b>100.0</b>	<b>415,561</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data*

Furthermore, the bank provides alternative delivery systems that help avail the bank's services to low- and moderate-income individuals. Those systems include the bank's ATMs, three of which operate in low- and moderate-income census tracts. Besides its ATMs, the bank provides other alternative delivery systems, including online and mobile banking, as well as electronic bill pay capabilities available to all individuals throughout all portions of the assessment areas.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

### **SHREVEPORT MSA AA – Full-Scope Review**

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN SHREVEPORT MSA AA**

The Shreveport MSA AA, unchanged since the prior evaluation, consists of 116 contiguous census tracts in the following three parishes that make up the entire Shreveport MSA, located in northwest Louisiana.

- Bossier Parish – all 33 census tracts
- Caddo Parish – all 74 census tracts
- DeSoto Parish – all 9 census tracts

This area ranks first among the two reviewed areas by accounting for 91.0 percent of the bank's loans, while also gathering 95.5 percent of its deposits and operating 83.3 percent of the bank's full-service offices in the assessment areas considered.

The following table shows that the bank operates ten full-service offices in this area. It also operates ten ATMs. As noted, the bank did not open or close any full-service offices in this area since the prior evaluation. The offices maintain hours consistent with the area and the industry.

The bank's delivery systems and range of products and services remain consistent with those reflected at the institution level. The bank did not participate in any merger or acquisition activity in this area since the prior evaluation.

Office Locations Shreveport MSA AA				
Parish/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<b>Bossier Parish:</b> Benton- 4008 Benton Rd. South Bossier- 1815 Jimmy Davis Hwy.	Branch Branch	0111.20 0108.05	Upper Upper	No No
<b>Caddo Parish:</b> Shreveport- 114 E Bert Kouns Shreveport- 3000 Fairfield Ave. Shreveport- 400 Travis St. Shreveport- 9201 Walker Rd.	Branch Branch Branch Branch	0239.03 0210.00 0253.00 0241.11	Middle Middle Low Middle	No No No No
<b>DeSoto Parish:</b> Gloster- 4237 Hwy 171 Logansport- 211 Main St. Mansfield- 118 Jefferson St. Stonewall- 1067 Hwy 171	Branch Branch Main Office Branch	9501.01 9502.00 9504.00 9501.03	Middle Middle Moderate Upper	No No No No

*Source: Bank Records; 2020 U.S. Census.*

### Economic and Demographic Data

During the evaluation period, the income classifications of the census tracts within the assessment area changed. According to 2015 ACS data, the assessment area's 93 census tracts reflect the following income designations: 15 low-, 25 moderate-, 30 middle-, and 22 upper-income census tracts, and 1 tract with no income designation. According to 2020 U.S. Census data, the assessment area's 116 census tracts reflect the following income designations: 9 low-, 33 moderate-, 36 middle- and 32 upper-income census tracts, as well as 6 census tracts with no income designation.

According to Moody's Analytics, major employers in the area include: Barksdale Air Force Base, Bossier Parish School Board, Caddo Parish Public Schools, Horseshoe Bossier City, and Willis-Knighton Medical Center.

Examiners use the applicable FFIEC median family income (MFI) levels to analyze home mortgage loans under the borrower profile criterion. The following table shows the 2022-2023 MFI ranges for the Shreveport MSA.

Median Family Income Ranges – Shreveport MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$65,500)	<\$32,750	\$32,750 to <\$52,400	\$52,400 to <\$78,600	≥\$78,600
2023 (\$69,500)	<\$34,750	\$34,750 to <\$55,600	\$55,600 to <\$83,400	≥\$83,400

*Source: FFIEC (2020)*

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area Shreveport MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	116	7.8	28.4	31.0	27.6	5.2
Population by Geography	393,406	5.8	26.5	30.4	35.4	1.9
Housing Units by Geography	184,148	6.6	27.7	30.4	32.9	2.4
Owner-Occupied Units by Geography	98,488	3.3	19.5	34.7	40.6	1.9
Occupied Rental Units by Geography	58,106	10.9	39.3	23.4	23.5	2.9
Vacant Units by Geography	27,554	9.5	32.1	29.7	25.4	3.2
Businesses by Geography	61,606	5.6	25.3	26.2	36.0	6.9
Farms by Geography	1,882	3.8	20.7	35.5	36.7	3.3
Family Distribution by Income Level	97,194	24.9	14.8	17.9	42.4	0.0
Household Distribution by Income Level	156,594	26.3	15.4	15.8	42.5	0.0
Median Family Income MSA - 43340 Shreveport-Bossier City, LA MSA	\$59,467	Median Housing Value			\$147,465	
Families Below Poverty Level	16.2%	Median Gross Rent			\$866	

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%.  
(\*) The NA category consists of geographies that have not been assigned an income classification.

## **Competition**

The Shreveport MSA AA contains a high level of competition from other chartered banks. According to FDIC Deposit Market Share data as of June 30, 2023, 24 institutions operate 113 offices in the assessment area. Mortgage companies, credit unions, and finance companies also compete for loans in the area adding to the competition level. CBL ranks 6<sup>th</sup> in deposit market share by capturing 6.9 percent of the area's deposits.

## **Community Contact(s)**

Examiners contacted a community member knowledgeable of the area's economic, demographic, and business environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area.

The contact expressed the need for housing development for all income levels, not just low- and moderate-income. Additionally, there continues to be opportunities for financial institutions to collaborate with commercial entities to help with general operating efforts or for expansion into the community. Overall, the contact believes banks remain involved in the community and are meeting the needs of the area, including CD.

## **Credit and Community Development Needs and Opportunities**

Considering information obtained from bank management, the community contact, and demographic and economic data, examiners determined that residential lending and commercial lending, especially for small businesses, represents the primary credit needs of the area.

With respect to the area's CD needs, demographic data shows that 39.7 percent of the area's families reported low- or moderate-incomes and 16.2 percent of families reported incomes below the poverty level, suggesting a need for activities that benefit projects or organizations that provide community services targeted to those families. In addition, demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, also suggests a need for affordable housing. The area's businesses in low- or moderate income geographies suggest a need for revitalization or stabilization activities, such as those that support job creation and retention for low- or moderate-income persons or geographies.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN SHREVEPORT MSA AA**

### **LENDING TEST**

CBL demonstrated a satisfactory record regarding the Lending Test in the Shreveport MSA AA. Reasonable borrower profile and geographic loan distributions support this conclusion. The appendices list the Lending Test's criteria.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Shreveport MSA AA. A reasonable record regarding small business loans insufficiently lifted by an excellent record regarding home mortgage loans supports this conclusion. As noted, small business loans received heavier weighting when arriving at this conclusion.

### ***Small Business Loans***

The geographic distribution of small business loans reflects a reasonable record in the Shreveport MSA AA. Reasonable performances in low- and moderate-income geographies support this conclusion. The following table shows that, in low-income census tracts, the bank's level of lending falls 4.1 percentage points lower than demographic data, reflecting reasonable performance. The table further shows that, in moderate-income census tracts, the bank's level of lending rises 5.8 percentage points higher than demographic data, reflecting a reasonable performance.

<b>Geographic Distribution of Small Business Loans Shreveport MSA AA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	5.6	2	1.5	48	0.3
Moderate	25.3	41	31.1	4,862	27.5
Middle	26.2	45	34.1	4,553	25.7
Upper	36.0	32	24.2	5,147	29.1
Not Available	6.9	12	9.1	3,081	17.4
<b>Totals</b>	<b>100.0</b>	<b>132</b>	<b>100.0</b>	<b>17,691</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data (2023)*

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

The geographic distribution of home mortgage loans reflects an excellent record in the Shreveport MSA AA. Excellent performance in moderate-income census tracts lifted the reasonable performance in low-income census tracts to support this conclusion. The following table shows that the bank's level of lending in low-income census tracts rises 3.0 percentage points higher than aggregate data, reflecting reasonable performance. The table further shows that in moderate-income census tracts, the bank's level of lending rises 15.6 percentage points higher than aggregate data, reflecting excellent performance. Examiners placed more weight on the bank's performance in the moderate-income census tracts given more lending opportunities in this census tract income category.

<b>Geographic Distribution of Home Mortgage Loans Shreveport MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	3.3	1.7	4	4.7	338	3.6
Moderate	19.5	13.8	25	29.4	2,632	27.8
Middle	34.7	33.4	34	40.0	3,415	36.0
Upper	40.6	50.3	21	24.7	3,071	32.4
Not Available	1.9	0.9	1	1.2	21	0.2
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>9,477</b>	<b>100.0</b>

*Source: 2020 U.S. Census; HMDA Data (2022), HMDA Aggregate Data (2022)*

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes in the Shreveport MSA AA. Reasonable records regarding small business and home mortgage loans support this conclusion.

### ***Small Business Loans***

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes in the Shreveport MSA AA. Reasonable performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The following table shows that, in the Shreveport MSA AA, the bank originated over seven out of ten loans to businesses with gross annual revenues of \$1 million or less, thereby reflecting a reasonable level. The table further shows that the bank originated over four out of every ten loans to businesses with gross annual revenues in the smallest two revenue categories, further supporting a reasonable level.

<b>Distribution of Small Business Loans by Gross Annual Revenues Shreveport MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	69.7	9	25.7	1,162	20.9
\$100,000 - \$249,999	16.3	8	22.9	391	7.0
\$250,000 - \$499,999	3.5	4	11.4	327	5.9
\$500,000 - \$1,000,000	1.8	4	11.4	121	2.2
<b>Subtotal &lt;= \$1,000,000</b>	<b>91.3</b>	<b>25</b>	<b>71.4</b>	<b>2,001</b>	<b>36.0</b>
>\$1,000,000	2.1	10	28.6	3,552	64.0
Revenue Not Available	6.6	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>5,553</b>	<b>100.0</b>

Source: 2023 D&B Data, Bank Data (2023)

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

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) in the Shreveport MSA AA. Reasonable performances to low- and moderate-income borrowers support this conclusion. The following table shows that, to low-income borrowers, the bank's level of lending rises 1.0 percentage points higher than aggregate data, reflecting reasonable performance. The table further shows that, to moderate-income borrowers, the bank's level of lending falls 4.2 percentage points lower than aggregate data, reflecting reasonable performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Shreveport MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	24.9	3.7	4	4.7	144	1.5
Moderate	14.8	13.6	8	9.4	333	3.5
Middle	17.9	18.6	8	9.4	682	7.2
Upper	42.4	36.5	24	28.2	2,643	27.9
Not Available	0.0	27.7	41	48.2	5,675	59.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>9,477</b>	<b>100.0</b>

Source: 2020 U.S. Census; HMDA Data (2022), HMDA Aggregate Data (2022)

## COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrates adequate responsiveness to CD needs in the assessment area through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's Shreveport MSA AA.

### Community Development Loans

Since the prior evaluation, the bank originated four CD loans totaling \$5.3 million in the Shreveport MSA AA. The dollar amount reflects a decrease in number and dollar volume from the 13 CD loans totaling nearly \$15.6 million reported for this area in the prior evaluation. The current dollar amount equates to 59.0 percent of the bank's total CD loans, compared to this assessment area capturing 91.0 percent of the bank's total loans. As seen in the following table, the bank's CD loans primarily benefitted revitalization or stabilization efforts, which reflect responsiveness to a need in the assessment area.

Community Development Lending Shreveport MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021*	1	77	0	0	0	0	0	0	1	77
2022	0	0	0	0	0	0	2	3,332	2	3,332
2023	0	0	0	0	0	0	1	1,956	1	1,956
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5,288</b>	<b>4</b>	<b>5,365</b>

Source: Bank Records (May 10, 2021, to April 22, 2024); \*Since prior evaluation.

The following points are examples of the bank's CD loans in the Shreveport MSA AA:

- **Revitalize or Stabilize** – In 2023, the bank originated a \$1.9 million loan to purchase and renovate a hotel for a business located in a moderate-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping attract new, or retain existing, businesses or residents.
- **Revitalize or Stabilize** – In 2022, the bank originated a \$1.3 million loan to purchase a restaurant for a business located in a moderate-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping attract new, or retain existing, businesses or residents.

### Qualified Investments

Since the prior evaluation, the bank made use of 12 QIs totaling over \$1.6 million in the Shreveport MSA AA. This level reflects a decrease from the 25 QIs totaling \$3.2 million reported at the prior evaluation. The current dollar amount equates to 54.4 percent of the bank's total QIs, whereas this assessment area captured 95.5 percent of the bank's total deposits. Examiners also considered that

45.5 percent of the bank's QIs were in the statewide area. The bank's QIs primarily benefitted community services, which reflects responsiveness to identified needs in the assessment area.

Activity Year	Qualified Investments Shreveport MSA AA									
	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	0	0	2	925	0	0	0	0	2	925
2021*	0	0	0	0	0	0	0	0	0	0
2022	0	0	2	752	0	0	0	0	2	752
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,677</b>
Qualified Grants & Donations	0	0	2	6	6	4	0	0	8	10
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1,683</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>1,687</b>

Source: Bank Records (May 10, 2021, to April 22, 2024); \*Since prior evaluation.

The following points provide notable examples of QIs in the Shreveport MSA AA.

- **Community Service** – The bank invested \$925,000 in two bonds for a school district in the State of Louisiana where the majority of the students are economically disadvantaged and receive free and reduced-priced lunches under the U.S. Department of Agriculture's National School Lunch Program, thereby qualifying as a community service. The funds assist the school district in maintaining, constructing, renovating, acquiring, and equipping school buildings.
- **Community Service** – The bank invested \$752,000 in two bonds for a school district in the State of Louisiana where the majority of the students are economically disadvantaged and receive free and reduced-priced lunches under the U.S. Department of Agriculture's National School Lunch Program, thereby qualifying as a community service. The funds assist the school district in maintaining, constructing, renovating, acquiring, and equipping school buildings.
- **Community Service** – The bank donated \$5,000 to an organization that provides need-based scholarships to low- and moderate-income individuals. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

### **Community Development Services**

Since the prior evaluation, the bank made use of 41 CD services in the Shreveport MSA AA. This reflects a decrease from the 77 CD services recorded at the prior evaluation. The current level of 41 CD services represents 80.4 percent of the bank's total volume of services. Comparatively, this AA contains 83.3 percent of the bank's total branches. The services involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as

defined by CRA regulations. Therefore, the bank exhibited responsiveness to the needs of the Shreveport MSA AA through its CD services.

Community Development Services Shreveport MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	0	0	0	0	<b>0</b>
2022	0	11	0	0	<b>11</b>
2023	0	14	0	0	<b>14</b>
YTD 2024	0	16	0	0	<b>16</b>
<b>Total</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>41</b>

Source: Bank Records (May 10, 2021, to April 22, 2024); \*Since prior evaluation.

The following provides examples of CD service activities in the Shreveport MSA AA.

- **Community Service** – One bank employee served on the Board of two different organizations during the review period. Both organizations provide healthcare services to low- and moderate-income residents in the area.
- **Community Service** – In 2024, a bank representative provided financial literacy education at a school where the majority of students receive free or reduced lunch. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

As shown in the following table, the bank operates one of its full-service offices in a low-income census tract and one office in a moderate-income census tract. Additionally, each of its office locations in the designated assessment areas provides access to ATM machines. The table below reflects those offices and ATMs located within the Shreveport MSA AA.

Branch and ATM Distribution by Geography Income Level Shreveport MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	9	7.8	22,817	5.8	1	10.0	1	10.0
Moderate	33	28.4	104,253	26.5	1	10.0	1	10.0
Middle	36	31.0	119,595	30.4	5	50.0	5	50.0
Upper	32	27.6	139,266	35.4	3	30.0	3	30.0
NA	6	5.2	7,475	1.9	0	0.0	0	0.0
<b>Total</b>	<b>116</b>	<b>100.0</b>	<b>393,406</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>

Source: 2020 U.S. Census; Bank records.

The previous table shows an ATM distribution equal to that discussed for the bank's full-service offices. Besides its ATMs, the bank provides other alternative delivery systems, which include the same systems provided at the institution level.

## LA NON-MSA AA – Limited-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN LA NON-MSA AA

The LA Non-MSA AA consists of nine contiguous census tracts in the following nonmetropolitan parish, located in northcentral Louisiana, adjacent to and south of the bank's Shreveport MSA AA.

- Sabine Parish – all 9 census tracts

This area ranks second among the two reviewed areas by accounting for 9.0 percent of the bank's loans, while also gathering 4.5 percent of the deposits and operating 16.7 percent of the bank's offices in the LA Non-MSA AA. The following table shows that the bank operates two full-service offices in this area. It also operates two ATMs. As noted, the bank opened one but did not close any full-service offices in this assessment area since the prior evaluation.

Office Locations LA Non-MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<b>Sabine Parish:</b> Many Office- 540 San Antonio Ave. Toledo Office- 12054 Texas Hwy.	Branch Branch	0005.00 0007.02	Moderate Upper	No Opened

*Source: Bank Records; 2020 U.S. Census.*

### CONCLUSIONS ON PERFORMANCE CRITERIA IN LA NON-MSA AA

#### LENDING TEST

The institution's lending performance in the LA Non-MSA AA is consistent with the institution's lending performance overall. The following tables provide quantitative data regarding the loan distribution performance factors.

#### Geographic Distribution

##### *Small Business Loans*

Geographic Distribution of Small Business Loans LA Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	29.8	2	10.0	50	3.5
Middle	59.9	15	75.0	1,231	85.2
Upper	10.2	3	15.0	164	11.3
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>1,445</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data (2023)*

## ***Home Mortgage Loans***

<b>Geographic Distribution of Home Mortgage Loans LA Non-MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Low	0.0	0.0	0	0.0	0	0.0
Moderate	20.8	10.0	1	10.0	136	14.6
Middle	73.8	73.9	7	70.0	580	62.1
Upper	5.4	16.2	2	20.0	218	23.3
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>934</b>	<b>100.0</b>

*Source: 2020 U.S. Census; HMDA Data (2022), HMDA Aggregate Data (2022)*

## **Borrower Profile**

### ***Small Business Loans***

<b>Distribution of Small Business Loans by Gross Annual Revenues LA Non-MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
< \$100,000	65.8	6	30.0	483	33.4
\$100,000 - \$249,999	20.2	4	20.0	116	8.0
\$250,000 - \$499,999	3.2	2	10.0	48	3.3
\$500,000 - \$1,000,000	1.8	4	20.0	216	14.9
<b>Subtotal &lt;= \$1,000,000</b>	<b>91.0</b>	<b>16</b>	<b>80.0</b>	<b>863</b>	<b>59.7</b>
>\$1,000,000	1.9	4	20.0	582	40.3
Revenue Not Available	7.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>1,445</b>	<b>100.0</b>

*Source: 2023 D&B Data, Bank Data (2023)*

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

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b> <b>LA Non-MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	20.7	1.8	1	10.0	11	1.2
Moderate	16.4	9.7	0	0.0	0	0.0
Middle	20.5	18.4	3	30.0	125	13.4
Upper	42.5	53.1	3	30.0	114	12.2
Not Available	0.0	17.0	3	30.0	684	73.2
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>934</b>	<b>100.0</b>

*Source: 2020 U.S. Census; HMDA Data (2022), HMDA Aggregate Data (2022)*

### **COMMUNITY DEVELOPMENT TEST**

The institution's CD performance in the LA Non-MSA AA is consistent with the institution's CD performance overall. The bank originated 1 CD loan totaling \$2.0 million; made use of 4 QIs totaling \$3,000; and provided 10 CD services in the LA Non-MSA AA.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**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 metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract 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 statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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 metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.