



## **PUBLIC DISCLOSURE**

October 2, 2017

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

Florida Parishes Bank  
Charter Number 703862

1300 W. Morris Ave.,  
Hammond, LA 70403-4120

Office of the Comptroller of the Currency

3838 N. Causeway Blvd., Suite 2890, Metairie, LA 70002-8105

**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, and should not 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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## Overall CRA Rating

**The Lending Test is rated: Satisfactory.**

Florida Parishes Bank (FPB) has a satisfactory record of meeting its community needs based on the following:

- The average loan-to-deposit (LTD) ratio is reasonable given the bank's size, competition, and economic environment.
- The bank originated a majority of loans inside the assessment areas (AAs).
- Loan analysis indicates the distribution of loans to borrowers of different income levels exhibits a reasonable penetration.
- The geographic distribution of loans within low and moderate-income census tracts exhibits a reasonable dispersion throughout FPB's AAs.
- The bank did not receive any CRA related complaints during the evaluation period.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or

moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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.

**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, which 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).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily

(five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

# Description of Institution

Florida Parishes Bank (FPB) is a \$332 million, federally-chartered institution, headquartered in Hammond, Louisiana. FPB is wholly-owned by FPB Financial Corporation, which is a one-bank holding company. Hammond is the largest city in Tangipahoa Parish, Louisiana, located 45 miles northwest of New Orleans and 45 miles east of Baton Rouge. The bank’s strategic plan is to serve its AAs by primarily originating residential mortgage loans. In addition to FPB’s main office, there are six branch offices located in the cities of Hammond, Ponchatoula, Amite, Covington, Mandeville, and Metairie, Louisiana. The main office and six branches are full service facilities with traditional operating hours. FPB primarily offers residential mortgage loans; construction loans; commercial real estate loans and business non-mortgage loans. The Covington, Mandeville and Metairie branches were opened since the last examination. The bank has not made changes to its corporate structure, including merger or acquisition activities, since the previous CRA evaluation.

FPB has three AAs consisting of the entire Parish of Tangipahoa, which is the only parish included in the Hammond, LA MSA; the entire Parish of St. Tammany, LA and portions of Jefferson and Orleans Parishes. All three Parishes (St. Tammany, Jefferson and Orleans) are parts of the New Orleans-Metairie MSA.

As shown below in Table 1, the bank’s primary product includes 1-4 residential real estate loans:

Table 1 – FPB’s Loans by Type		
Loan Category	\$ (000)	%
1-4 Family Real Estate (includes Construction Loans)	\$92,172	56.06%
Commercial (including Small Business Loans)	\$65,395	40.01%
Consumer Loans	\$6,837	3.93%
<b>Total</b>	<b>\$164,404</b>	<b>100.00%</b>

Source: Call Report

data, as of 06/30/17

Competition among financial institutions in the AA remains strong, as FPB has to vie with several large, national and regional banks for loans. See Appendix B, Community Profiles of each AA for specific details.

There were no financial or legal impediments to prevent FPB from meeting the credit needs of the community.

At the last CRA Performance Evaluation, dated January 03, 2012, FPB received a “Satisfactory” CRA rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated the institution using small bank examination procedures, which only includes a lending test. The lending test evaluates the bank’s record of meeting the credit needs of its AAs through lending activities. The lending test evaluation included analyzing FPB’s mortgage loan data from January 1, 2015, to December 31, 2016. This period is representative of the bank’s primary lending strategy of originating residential mortgage loans.

### **Data Integrity**

Prior to conducting the CRA Evaluation, in August of 2017, the bank’s performance of its HMDA loans was assessed for the time period of January 1, 2015 through June 30, 2017. We concluded, the bank’s data was reliable.

### **Selection of Areas for Full-Scope Review**

FPB’s AAs chosen for full-scope reviews were Tangipahoa and St. Tammany Parishes, only. The bank acquired the branch located in the Jefferson/Orleans AA in March of 2017. The bank’s presence was not long enough to render sufficient mortgage data. See Appendix B for more information of each AA.

### **Ratings**

The bank’s overall rating is based primarily on the Tangipahoa and St. Tammany Parishes AAs.

FPB’s “Satisfactory” rating was based on the two aforementioned AAs of Tangipahoa and St. Tammany.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, 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. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of

Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

FPB’s lending test is reasonable. FPB’s loan-to-deposit, (LTD) ratio is reasonable. A majority of loans was originated within the bank’s AAs. The distribution of home loans among borrowers of different income levels, as well as the geographic distribution of loans, reflects reasonable penetrations.

#### Loan-to-Deposit Ratio

As of June 30, 2017, FPB’s quarterly average LTD ratio of approximately 71.3 percent is reasonable relative to the bank’s size, competition, and financial condition.

Since the previous CRA Performance Evaluation, the institution’s quarterly, average LTD ratio ranged from a low of 59.9 percent to a high of 84.6 percent. FPB’s overall average LTD ratio of 71.3 percent is reasonable when compared to similarly-situated financial institutions, which had a quarterly average LTD ratio of 76.3 percent during the same time period. Refer to Table 2 for details.

	Assets (000s) (as Of 3-31-17)	Quarterly, Average LTD Ratio
Florida Parishes Bank	\$332	71.3%
First Guaranty Bank	\$1,720	58.6%
First Bank & Trust	\$949	94.1%

Source: FFIEC Uniform Bank

Performance Reports

### Lending in Assessment Area

FPB originated a majority of its loans inside of the AAs. During the review period, the bank generated 581 of its 748 or 77.7 percent of loans inside of the AAs. See Table 3.

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Purchase	214	72.54	81	27.46	295	41,627	66.57	20,905	33.43	62,532
Improvement	71	83.53	14	16.47	85	1,443	36.10	2,554	63.90	3,997
Refinance	296	80.43	72	19.57	368	40,623	76.35	12,582	23.65	53,205
Totals	581	77.67	167	22.33	748	83,693	69.90	36,041	30.10	119,734

Source: Bank's HMDA reports for calendar years of 2015 and 2016

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

Overall, the distribution of home loans reflects a reasonable penetration among borrowers of different income levels in FPB's AAs.

#### Tangipahoa Parish

The distribution of home mortgage loans to borrowers reflects reasonable penetration among borrowers of different income levels in the Tangipahoa Parish AA.

Lending to low-income borrowers exceeded the percentage of 2016 peers within the same area; however, the bank's level of lending to moderate-income borrowers is less than 2016 peer percentages. See Table 4 for details:

Borrower Income Level	Low		Moderate		Middle		Upper		NA	
Loan Type	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data
Real Estate Loans	3.1	2.0	6.8	10.0	14.7	19.2	61.9	44.8	13.5	24.0

Source: Bank's HMDA reports for calendar years of 2015 and

2016

#### St. Tammany Parish

The distribution of home mortgage loans to borrowers reflects reasonable penetration among borrowers of different income levels in the St. Tammany Parish AA.

Lending to low-income borrowers exceeded the percentage of 2016 peers within the same area; however, the bank's level of lending to moderate-income borrowers is less than 2016 peer percentages.

See Table 5 for details:

Table 5 - Borrower Distribution of Residential Real Estate Loans in St. Tammany Parish										
Borrower Income Level	Low		Moderate		Middle		Upper		NA	
Loan Type	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data
Real Estate Loans	5.2	4.2	10.5	13.7	18.3	18.1	57.5	43.9	8.5	20.1

Source: Bank's HMDA reports for calendar years of 2015 and

2016

### Geographic Distribution of Loans

The overall geographic distribution of residential loans reflects a reasonable dispersion. While the distribution of loans in Tangipahoa Parish exceeds other peers within that parish, the distribution of loans in St. Tammany Parish is lower than the loans of other peers within the same parish.

#### Tangipahoa Parish

The percentage of FPB's home purchase and home refinance loans to borrowers in moderate-income geographies exceeded peers located in the same AA and is considered excellent. There are no low-income census tracts within the AA.

Table 6 details the performance:

Table 6 - Geographic Distribution of Residential Real Estate Loans in Tangipahoa Parish								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data
Real Estate Loans	0.0	0.0	15.2	13.1	68.5	67.7	16.3	19.2

Source: Bank's HMDA reports for calendar years of 2015 and

2016

#### St. Tammany Parish

The percentage of FPB's loans are less than the percentage of peers within this AA. There are only four moderate-income census tracts (CTs), and there are no low-income

CTs, within this AA. Three of the four census tracts are greater than 20 miles from any branch located in the AA. In addition, FPB has not been in the St. Tammany AA for a significant time span (three years in Covington and one year in Mandeville). Typically, it takes time to establish a presence and draw in applicants, especially, when the bank has to compete with large financial institutions, such as Capital One, JP Morgan Chase and Regions Bank, all located in this AA. Given the aforementioned, reasons, the distribution of residential loans reflects a reasonable dispersion.

Table 7 details the performance:

<b>Table 7 - Geographic Distribution of Residential Real Estate Loans in St. Tammany Parish</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data	% of Number of Bank's Loans	Peer Data
Real Estate Loans	0.0	0.0	2.0	4.2	26.8	35.9	71.2	59.9

Source: Florida Parishes HMDA Data for

calendar years of 2015 and 2016

### **Responses to Complaints**

There were no CRA-related complaints.

## Appendix A: Scope of Examination

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<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/15 to 12/31/16) Residential Mortgage Loans	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Florida Parishes Bank, (FPB) Hammond, LA		
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Hammond, LA MSA	Full-scope Review	Residential Mortgage Loans
St. Tammany Parish, LA	Full-scope Review	Residential Mortgage Loans

## Appendix B: Community Profiles for Full-Scope Areas

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### Tangipahoa Parish Assessment Area

Demographic Information for Full-Scope Area: (Name of Multistate Metropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	20	0	35%	50%	15%	
Population by Geography	121,097		26%	57%	17%	
Owner-Occupied Housing by Geography	29,177	0	23%	57%	20%	
Businesses by Geography	10,814	0	28%	56%	16%	
Farms by Geography	255	0	28%	57%	15%	
Family Distribution by Income Level	29,412	0	26%	54%	20%	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	29,412	26%	15%	18%	41%	
Median Family Income	= \$51,050	Median Housing Value		= \$135,761		
FFIEC Adjusted Median Family Income for 2016	= \$54,500	Unemployment Rate		= 5.9 %		
Households Below the Poverty Level	= 21.18%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2016 U.S. Census, and FFIEC updated MFI.

The Tangipahoa Parish assessment area (AA) encompasses the entire Hammond Metropolitan Statistical Area (MSA), and includes 20 contiguous census tracts of which 7 (35 percent) are moderate income, 10 (50 percent) are middle income and 3 (15 percent) are upper income. The AA meets regulatory guidelines by including whole geographies and does not arbitrarily excluding low-and moderate-income areas.

Tangipahoa Parish is the 11th largest parish in Louisiana. Hammond is the largest city, followed by Ponchatoula, and Amite, the parish seat. Tangipahoa Parish can be described as a “bedroom” community, as residents often commute west to Baton Rouge, east to Slidell, and south to the New Orleans MSA communities for employment and financial service needs. Major employers within the parish include: Tangipahoa School System, North Oaks Medical Center, Southeastern Louisiana University, Inner Parish Security Group, and Wal-Mart Distribution Center. These businesses have responded to the employment needs of a growing community, and have spurred significant new business development, including retail, hotel, distribution, and residential. The parish unemployment rate as of June 30, 2016 was 5.9 percent, compared to a state average of 6 percent.

FPB’s primary business focus is the origination of mortgage loans. FPB operates four branches within the AA, including a main office and branch in Hammond, and single branch offices in Ponchatoula and Amite. The AA has a total population of 121,097 individuals of which 26 percent reside in moderate income, tracts, 57 percent reside in middle income tracts, and 17 percent reside in upper income tracts. There are 29,412 families within the AA of which 25 percent are low income, 16 percent are moderate income, 18 percent are middle income, and 41 percent are upper income.

The Federal Financial Institutions Examination Council's (FFIEC) updated 2016 median family income for the AA was \$54,500. Low-income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the median income. Middle-income is defined as 80 percent to less than 120 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The following table depicts Income Categories.

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Income Categories- Tangipahoa Parish			
Low	Moderate	Middle	Upper
<\$27,250	\$27,250– \$43,599	\$43,600- \$65,399	>=\$65,400

Source: 2010 US Census data

Competition among financial institutions in the AA remains strong, with the bank vying for loans, amongst other large, national and regional banks. According to the June 30, 2016 FDIC Summary of Deposit Market Share Report, FPB holds an 11.26 percent market share within the AA, ranking the bank 3rd of 15 financial institutions operating in the AA. FPB's major competitors are First Guaranty Bank (8 offices, 35.31 percent market share), First National Bank of Commerce (4 offices, 15.13 percent market share), Whitney National Bank (8 offices, 10.89 percent market share), and Regions Bank (4 offices, 9.18 percent market share).

In conjunction with this examination, we conducted one community contact in the AA. This non-profit organization provides affordable housing opportunities and services to low-and moderate-income (LMI) individuals. The stated mission of the contact is to operate for the purpose of providing decent, safe and sanitary dwellings within the financial reach of families of LMI individuals. The organization identified a need for more affordable housing within this AA. In terms of financial services, the organization identified a need for credit counseling and home ownership counseling in this AA. Our contact stated that there are too few community development projects which target LMI individuals. The contact stated that perceptions of local financial institutions are the same, with no one institution viewed more or less favorably than the other.

### St. Tammany Parish Assessment Area

Demographic Information for Full-Scope Area: Saint Tammany Parish)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	43	0	10%	40%	50%	
Population by Geography	233,740	0	6%	43%	51%	
Owner-Occupied Housing by Geography	67,962	0	5%	43%	52%	
Businesses by Geography	27,714	0	9%	33%	58%	
Farms by Geography	559	0	5%	48%	47%	
Family Distribution by Income Level	61,398	0	5%	42%	53%	

Distribution of Low- and Moderate-Income Families throughout AA Geographies	61,398	16%	15%	18%	51%	
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$73,743 = \$60,000 = 9.86%	Median Housing Value Unemployment Rate				= \$ 206,534 = 4.2%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2016 FFIC updated MFI.

The St. Tammany Parish Assessment Area (AA) encompasses all of St. Tammany Parish, which is one of eight parishes comprising the New Orleans Metropolitan Statistical Area (MSA). The entire MSA is too large for the bank to reasonably serve, therefore its activities are focused in St. Tammany Parish, where the bank has two branches, one in Covington and one in Mandeville. The AA is made up of 42 contiguous census tracts of which 4 (10 percent) are moderate income, 17 (40 percent) are middle income and 21 (50 percent) are upper income. There are no low income census tracts. The AA meets regulatory guidelines by including whole geographies and does not arbitrarily excluding low-and moderate-income areas.

St. Tammany Parish is the 5<sup>th</sup> largest parish in Louisiana. Major cities include Covington (county seat), Mandeville and Slidell. Covington and Mandeville are considered bedroom communities, as many residents commute to Baton Rouge, Slidell, and other areas in and around the New Orleans MSA for employment and financial service needs. Major employers within the AA include: St. Tammany Parish Hospital Covington, Slidell Memorial Hospital, Lakeview Regional Medical Center Covington, Ochsner Medical Center North Slidell, and Chevron Production Covington. These businesses have responded to the employment needs of a growing community, and have spurred significant new business development, including retail, hotel, distribution, and residential. The parish unemployment rate as of June 30, 2016 was 5.9 percent, compared to a state average of 6 percent. .

FPB's primary business focus is the origination of mortgage loans, and providing a host of other financial services through its two branch locations in St. Tammany Parish. The St. Tammany Parish AA has a total population of 233,740 individuals of which 6 percent reside in moderate income tracts, 43 percent reside in middle income tracts, and 51 percent reside in upper income tracts. There are 61,398 families within the AA of which 16 percent are low income, 15 percent are moderate income, 18 percent are middle income, and 51 percent are upper income. Of the 9,689 low income families in the AA, 13 percent live in moderate income tracts, 54 percent live in middle income tracts, and 33 percent live in upper income tracts. Of the 8,903 moderate income families in the AA, low, 7 percent live in moderate income tracts, 52 percent live in middle income tracts, and 41 percent live in upper income tracts. Low and moderate income families, respectively represent 37.46 percent and 19.13 percent of families living in moderate income tracts, 20.49 percent and 18.04 percent of families living in middle income tracts, and 9.79 percent and 11.21% of families living in upper income tracts.

The Federal Financial Institutions Examination Council's (FFIEC) updated 2016 median family income for the AA was \$60,000. Low-income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the

median income. Middle-income is defined as 80 percent to less than 120 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The following table depicts Income Categories

Income Categories-St. Tammany Parish AA			
Low	Moderate	Middle	Upper
<\$30,000	\$30,000– \$47,999	\$48,000- \$71,999	>=\$72,000

Source: 2010 US Census data

Competition among financial institutions in the AA is strong, with the bank vying for loans, against numerous other financial institutions operating in the AA. According to the June 30, 2016 FDIC Summary of Deposit Market Share Report, FPB holds a 0.28 percent market share within the AA, the bank ranks 23<sup>rd</sup> of the 26 financial institutions operating in the AA. FPB’s major competitors are Capital One (9 offices, 17.36 percent market share), JP Morgan Chase (9 offices, 16.00 percent market share), Regions Bank (6 offices, 14.24 market share), Whitney Bank (11 offices, 13.73 percent market share), and First NBC Bank (10 offices, 12.90 percent market share).

In conjunction with this examination, we conducted one community contact interview with an organization serving in the AA. The organization serves the City of Covington and is a 501(c) (3) non-profit organization focused on building and restoring homeownership and community development by operating and advocating for affordable, mixed-income housing, supportive services and employment opportunities for individuals, families, seniors and people with special needs. The contact stated that current economic conditions have improved for the area in general over the past few years. However, not all individuals and families have benefited. People have moved to the North Shore as Orleans parish become less affordable, pushing home prices up. General banking and credit needs revolve around affordable housing. There are opportunities within the assessment area for financial institutions to get involved in community development. Local banks are good at participating in the community, especially smaller banks. It was noted that more financial literacy and first time home buyer counseling programs are needed. The availability of affordable housing stock is a real issue. Local banks are doing a good job of working with the local community to help in meeting the credit needs of residents.

### Orleans/Jefferson Parish Assessment Area

Demographic Information for Full-Scope Area: Orleans/Jefferson Parish AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	208	19%	23%	25%	30%	3%
Population by Geography	464,964	12%	22%	32%	33%	1%
Owner-Occupied Housing by Geography	97,205	21%	30%	51%	55%	6%
Businesses by Geography	59,410	9%	19%	26%	45%	1%

Farms by Geography	574	6%	18%	31%	44%	1%
Family Distribution by Income Level	99,935	11%	20%	34%	35%	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	99,935	24%	16%	18%	42%	
Median Family Income	= \$65,137	Median Housing Value =220,393 Unemployment Rate = 5.38%				
FFIEC Adjusted Median Family Income for 2016	= \$63,000					
Households Below the Poverty Level	28,133 or 15.77%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2016 FFIEC updated MFI.

The Orleans-Jefferson Assessment Area (AA) encompasses a portion of the New Orleans-Jefferson Parish Metropolitan Statistical Area (MSA). The MSA is centered around New Orleans and encompasses an eight-parish area. The entire MSA is too large for the bank to reasonably serve, management chose portions of Orleans and Jefferson parishes as the assessment area. The Mississippi River bisects the parishes into two parts that are locally referred to as the Eastbank and the Westbank. Given the location of its newly acquired single branch on the Eastbank, in the City of Metairie (Jefferson Parish), the bank chose portions of the Eastbank of Orleans and Jefferson Parish. The designated AA is made up of 208 contiguous census tracts of which 40 (19 percent) are low income, 48 (23 percent) are moderate income, 51 (24 percent) are middle income and 62 (30 percent) are upper income, and 7 (3 percent) are N/A. The AA meets regulatory guidelines by including whole geographies and does not arbitrarily excluding low-and moderate-income areas.

The Orleans-Jefferson MSA is largest in Louisiana, and includes eight parishes: Orleans, Jefferson, Plaquemines, St. Bernard, and St. Charles, St. John the Baptist, St. Tammany, and Tangipahoa. Major cities include: New Orleans, Metairie, and Kenner. The MSA is dominated by four major business sectors: oil/gas and related activities, tourism, the port, and ship building, and aerospace manufacturing. While tourism continues to be the primary driver of the economy, the higher education, medical, legal/accounting, and other professional sectors are significant and growing areas that add to a diverse economic base. Major employers in the MSA include: Ochsner Health System. St. Tammany Parish Public School System, Jefferson Parish Public School System, Northrop Grumman, and LSU Health Sciences Center New Orleans. These businesses have responded to the employment needs of a growing community, and have spurred significant new business development, including retail, hotel, distribution, and residential. The Orleans-Jefferson assessment area unemployment rate as of June 30, 2016 was 5.38 percent, compared to a state average of 6 percent. .

FPB's primary business focus is the origination of mortgage loans, and providing a host of other financial services through a single branch in Metairie and 6 other locations within the MSA. The designated AA has a total population of 464,964 individuals of which 12 percent reside in low income tracts , 22 percent reside in moderate income tracts, 32 percent reside in middle income tracts, 33 percent reside in upper income tracts, and 1 percent reside in tracts designated N/A. There are 99,935 families within the AA of which 24 percent are low income, 16 percent are moderate income, 18 percent are middle income, and 42 percent are upper income.

The Federal Financial Institutions Examination Council's (FFIEC) updated 2016 median family income for the AA was \$63,000. Low-income is defined as less than 50 percent of the median family income. Moderate income is defined as 50 percent to less than 80 percent of the median income. Middle-income is defined as 80 percent to less than 120 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The following table depicts Income Categories.

Income Categories-Orleans/Jefferson Parishes AA			
Low	Moderate	Middle	Upper
<\$31,500	\$31,500– \$50,399	\$50,400- \$75,599	>=\$75,600

Source: 2010 US Census data

Competition among financial institutions in the AA is strong, with the bank vying for loans, against numerous other financial institutions operating in the AA. According to the June 30, 2016 FDIC Summary of Deposit Market Share Report, FPB holds a 0.09 percent share within the AA and, the bank ranks 22<sup>nd</sup> of the 25 financial institutions operating in the AA. FPB's major competitors are Capital One (27 offices, 29.3 percent market share), Whitney Bank (44 offices, 25.76 percent market share), JP Morgan Chase (24 offices, 15.21 percent market share), Iberia Bank (20 offices, 7.36 percent market share), and Regions Bank (22 offices, 5.71 percent market share).

In conjunction with this examination, we conducted one community contact interview with an organization serving in the AA. The organization serves the entire AA and is a 501(c) (3) non-profit organization whose primary purpose is to investigate fair housing complaints. The organization also educates clients about fair lending practices. The organization has a Policy Team that advocates on behalf of clients for local, state and federal regulations. The organization's sources of funding are from the U.S. Department of Housing and Urban Development (HUD), and the Federal FHI program. Most clients are LMI renters and first time home buyers. The interviewee provided the following information. The city of New Orleans demographics are as follows: African Americans-58 to 59 %; Caucasians-33 %; Hispanic-5% and Asians-3 %. He said the population has decreased in Orleans parish by approximately 10 percent, and increased by approximately 15 percent, since Hurricane Katrina, which was in 2005. He further noted that, Jefferson is more expensive and more diverse. Affordable housing is the number one need in Orleans and Jefferson Parishes. Also, homeownership and rental programs are needed in both parishes. The interviewee stated renters make up 54 % of the city of New Orleans. The number of renters has increased, but unaffordable housing has literally forced folks out of the city. New Orleans has always had a high percentage of homeownership in which it was passed down from previous generations. He said his agency sued HUD and the State of Louisiana's "Road Home" program, and won. The suit alleged that the formula used to allocate grants to homeowners through the Road Home program (the single largest housing recovery program in U.S. history) had a discriminatory impact on thousands of African-American homeowners. Road Home data showed that African Americans were more likely than Whites to have their Road Home grants, based upon the much lower, pre-storm market value of their homes, rather than the estimated cost to repair damages. He could not express an opinion concerning the opportunities for participation by local institutions or FPB specifically.



