

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PUBLIC DISCLOSURE

Central Bank

Name of Institution
Monroe

City
Louisiana

State
Mary A. Clouthier

Examiner-in-Charge

300 DeSiard Street

Street
Ouachita

County
71201

Zip Code

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Central Bank, Monroe, Louisiana, by the Federal Reserve Bank of Dallas, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of October 21, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under five performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

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

Needs to Improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial Noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

This institution is rated **Outstanding** based on the findings presented below.

COMMUNITY PROFILE

The bank's delineated community is comprised of Ouachita, Lincoln, Morehouse, and recently delineated Caddo Parishes. Prior to December 1995, the delineation included Rapides Parish.

OUACHITA PARISH

Ouachita Parish is located in the northeastern portion of the state of Louisiana. The population according to 1990 U.S. Census Bureau data is 142,191. Since the 1980 Census, the population has grown by 2,950 or 2.12 percent. The ethnic breakdown for the parish is 68 percent White, 31 percent Black, and 1 percent Other. Known as the Twin Cities, Monroe and West Monroe are two of the largest cities in the parish. The majority (19) of Central Bank's financial centers and automated teller machines are located in Monroe and West Monroe. The respective population numbers for Monroe and West Monroe are 54,909 and 14,096.

Major employers for the area include the Ouachita Parish School System, Riverwood International (paper products), St. Francis Medical Center, Monroe city School System, Northeast Louisiana University, city of Monroe, Delphi Lighting and Interior - GM (auto headlights), State Farm Insurance, and the city of West Monroe. Agriculture harvested in the area include cotton, forest products, vegetable crops, pecans, peaches, hay, cattle, and horses.

The Monroe Metropolitan Statistical Area ("MSA") is comprised solely of Ouachita Parish. Of the 42 census tracts in the parish, eight or 42.9 percent are tracts in which the average income is less than 80 percent of the median family income for the MSA (defined as low- and moderate-income).

LINCOLN PARISH

Ruston, Louisiana, located 30 miles east of Monroe, is in Lincoln Parish. The city's population based on the 1990 census is 20,027; whereas the parish has a population of 41,745. Also, there are approximately 13,500 households in Lincoln Parish. Of the total households in the parish, 36 percent of Black households and 69 percent of White households have incomes which exceed \$15,000 annually.

Lincoln Parish is home to two major universities, which are principal employers in the area. Louisiana Tech University (Ruston and Barksdale campuses) has an enrollment of 10,263, and Grambling State University, which is located about five miles from Ruston in Grambling, Louisiana has an enrollment of 7,533.

Because Lincoln Parish is not situated in an MSA, no information regarding individual census tracts is applicable.

CADDO PARISH

Shreveport is the county seat of Caddo Parish. The population is 248,253, which represents a 10 percent increase over the 1970-1980 ten year period. According to 1990 Census data, the unemployment rate was 6.7% compared to a Louisiana state average of 6.5%. The top ten employers are the state of Louisiana, Caddo Parish School Board, Louisiana State University Medical Center, city of Shreveport, General Motors Corporation, and AT&T Consumer Products. Furthermore, additional income is derived from Louisiana Downs, a Class "A" Track which is the highest rating for a thoroughbred race track available. More than \$16 million is pumped into the local economy during the regular season which includes the Super Derby with a million dollar purse for three-year-olds. In addition to the many other services and retail establishments available in the parish, Shreveport also has two four-year colleges - Louisiana State University in Shreveport and Centenary College. Furthermore, there are two junior colleges, one four-year Bible college, two schools of nursing, three technology schools, and one vocational school.

Although Rapides Parish is not included in the bank's delineated community at this time, the analysis performed on the bank's HMDA data was based on information received from Rapides Parish as well.

RAPIDES PARISH

Rapides Parish is the crossroads for commerce and industry in Central Louisiana. According to the 1990 census, the parish has a population of 131,556, representing a 2.8 percent decrease since 1980. This slight decrease is primarily attributed to the closing of England Air Force Base. The MSA of Alexandria includes all of Rapides Parish. Based on the 1990 census, there are 35 census tracts in Rapides Parish, of which thirteen or 37 percent are low- and moderate-income. According to the U.S. Department of Housing and Urban Development, the 1991 median family income for the Alexandria MSA was \$28,700.

BANK PROFILE

Central Bank's main office is located in the heart of downtown Monroe, Louisiana, with ten other offices and a mortgage branch located in the city. The bank's operation center is located across the Ouachita River in West Monroe. The bank has a total of 21 full service branches in Ouachita, Lincoln, Morehouse, and Caddo Parishes, and one loan production office in Natchitoches, Louisiana, 120 miles south of Monroe in Natchitoches Parish. Additionally, the bank has five free-standing Automatic Teller Machines ("ATMs"), including three in Monroe, one on the campuses of Louisiana Tech University and one on of Grambling State University.

The institution's Report of Condition as of June 30, 1996, indicates total assets of \$728 million, a loan-to-deposit ratio of 87 percent, and a loan-to-asset ratio of 76 percent. Central Bank is a subsidiary of First Commerce Corporation, a regional multi-bank holding company.

ASSESSMENT OF RECORD

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Under this category, the bank is evaluated on the effectiveness and suitability of its means of gathering information regarding the credit needs of its entire community. The criteria is set forth in the assessment factors below with the respective supporting comments and conclusions.

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

The Statement of the Federal Financial Supervisory Agencies regarding the Community Reinvestment Act (Policy Statement) indicates that an effective CRA process must include methods to ascertain community credit needs on an ongoing basis through outreach efforts to local governments, businesses, and community members and organizations. This ascertainment effort should include a system that facilitates dialog with these individuals and groups and enables them to communicate their concerns to an officer of the financial institution.

The bank's primary method of discerning credit needs of the community is through the ongoing and personal involvement of staff, officers and directors in various organizations throughout the community. Through the frequent interaction with community members, bank management is kept apprised of community perceptions about the bank and indications of new products or services needed, as well as improvements to existing products. A partial list of organizations in which bank representatives are active includes:

- Ouachita Enterprise Corporation - Board of Directors
- Northeast Louisiana Home Builders Association Board of Directors
- Monroe Chamber of Commerce
- Bastrop Chamber of Commerce
- Louisiana Bankers Association Community Development Task Force
- City of Monroe Revitalization Task Force
- Opportunities Industrialization Center of Ouachita, Inc.
- Louisiana Association of Financial Aid Administration
- Monroe Homeownership, Inc.
- West Monroe Chamber of Commerce
- Ruston Lincoln Chamber of Commerce
- Greater Bossier Economic Development Foundation

Furthermore, focus groups are periodically utilized to determine how the bank is perceived by the community and how Central Bank matches up with the competing banks in their delineation. In addition, the bank continues to utilize market share surveys to aid in formulating its marketing plan and product development. The results of the market surveys conducted in May of 1996 revealed that of the 500 survey respondents, almost 41 percent of them carried their primary bank accounts with Central. The market share survey also revealed that of the 191 persons responding to the survey with auto loans, almost 20 percent of them had their loans with Central Bank. In terms of the respondents' satisfaction with the overall quality of service during the last six months, approximately 62 percent indicated satisfaction with the bank, which is a slight increase over the almost 59 percent who responded favorably in February 1996. The level of satisfaction percentage for the bank was lower than those for other banks in the area. For example, Regions Bank received the highest approval rating at 84.1 percent. The average for the total sample was 73.6 percent. This decline in the satisfaction with the overall quality of service could be explained by the community's perception that with new ownership, the quality and availability of services and approval time will decline. Meetings with several community contacts indicated there was a feeling that since the bank was no longer locally-owned, the ability to receive approvals for requests would be affected by the change in ownership, although no one indicated they had specifically experienced a lag in approval time or services available.

The bank continues to utilize an automated officer call tracking system (OCTS) which allows officers to document each call made and track the results of their efforts. Officers make calls weekly and document the calls on the OCTS. Meetings which are identified as CRA-related, meaning they are made to businesses and/or in areas which are low- and moderate-income or minority or women-owned businesses, or those businesses which specifically serve these segments of the community are reported to the Community Reinvestment Committee ("CRC") quarterly. These calls enable management to designate them by census tract to analyze the bank's activity in low- and moderate-income areas.

To further enhance the bank's ascertainment efforts, bank personnel participate in various church-based seminars which are referred to as Community Banking Days. These sessions allow bank personnel to go to various low- and moderate-income areas to present the services and products available at the bank. At the same time, bank personnel speak one-on-one with church and community members to familiarize them with Central Bank and get feed-back from them.

The bank's ascertainment efforts are notable.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The Policy Statement states that banks are encouraged to develop a CRA plan to ensure an affirmative effort on the part of the bank to comply with the act. It further states that the duty to coordinate and monitor the CRA process should be assigned to a senior

officer or a committee charged with the responsibility to report periodically to the board of directors about the bank's CRA efforts, performance, and areas for improvement, where appropriate. An employee training program should be established which addresses information about those policies of the bank designed to help meet community credit needs including the needs of low- and moderate-income areas and small businesses. Procedures should be implemented to assure that files are maintained, as required by the regulation, for purposes of receiving public comments and for reviewing and responding to the comments.

Regardless of how the bank organizes itself to implement its CRA plan, seeing that the institution has taken the steps necessary to help meet the community's credit needs is the responsibility of the entire organization, beginning with the board of directors and continuing through line management.

In an effort to ensure involvement by directors, the board has delegated responsibility for direct oversight of the CRA program to the Examining Committee which is chaired by one of the board members. The actual management of the program is vested in the CRC, which is appointed annually by the board. The CRC is composed of managers from all functional areas within the bank who have a significant role in the ongoing CRA function. During quarterly meetings of the CRC, a thorough review and assessment of the bank's community reinvestment activities are conducted. In addition, the CRC also assists in the coordination of training activities for bank staff regarding the requirements of the CRA. Most training is conducted through the use of in-house videos and materials presented to all associates in positions which require customer contact. Education in the areas of CRA as well as fair lending and diversity are included in the information available to employees.

The position of Community Development Manager and CRA Officer is an integral part of the bank's CRA program. The officer in this position has been very proactive in developing and implementing programs which cater to the needs of low- and moderate- income members of the bank's community.

The Policy Statement states that the bank's CRA statement should accurately reflect the types of lending and other services that the bank is willing to offer the community. This statement must be reviewed at least annually to ensure its accuracy. The services that the bank chooses to offer should be clearly articulated and reasonably related to community needs.

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The extent of the board of directors participation in the banking CRA program is significant and overall performance for this category is excellent.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Under this category, the bank is evaluated on its marketing efforts to promote the types of credit it is prepared to offer to its community, programs utilized for product implementation, and the effectiveness of the overall delivery of those credit services included in the bank's CRA statement.

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

The Policy Statement indicates that an effective CRA plan should include marketing and advertising programs for lending products and services that are responsive to the needs of the community and that will inform and stimulate awareness of those products and services throughout the community, including low- and moderate-income areas.

Marketing of the bank's products and services is achieved through the use of video, print, and audio media. To ensure all members of the community are reflected in the bank's advertising, minority models are used from time to time. The Monroe Dispatch and the Free Press are minority-owned local daily publications and are used to advertise programs which target low- and moderate-income and minority neighborhoods. Furthermore, radio advertising also incorporates advertisements which are directed to minority listeners of radio stations KALA and KYEA. Billboards which are located around the bank's financial center locations also ensure the bank's advertising reaches all segments of the community, including low- and moderate-income residents. In addition to the previously mentioned print media, the following publications are also used: Monroe News-Star and Quachita Citizen - Monroe; Ruston Daily Leader - Ruston and The Morning Paper - Ruston; Bastrop Daily Enterprise - Bastrop. Most of the bank's radio advertising were sixty second spots which were aired during local talk radio shows. Additional radio stations utilized include: KNOE-AM and FM, KJLO-FM, KMGC-FM, and KXKZ-FM and KOCH-FM in Ruston.

The 1995 advertising campaign continued the theme which was initiated in 1994 utilizing animals in advertising entitled "If We Were You, We'd Bank With Central". Furthermore, television

and radio advertising for 1996 took on a very personalized approach and focused on specific segments of the bank's community. Many of these ads used officers to focus on various topics such as SBA loans, business loans, entrepreneurs and banking relationships, risk taking, convenience banking, women-owned companies, etc.

The bank's marketing efforts are superb.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

A review of the bank's Consolidated Reports of Condition as of June 30, 1996, revealed a loan-to-deposit ratio of 87.27 percent and a loan to asset ratio of 76.31 percent. The distribution by loan type was as follows:

LOAN TYPE	DOLLAR AMOUNT	PERCENT OF TOTAL LOANS
REAL ESTATE:		
Construction	\$ 10,926	1.97
Residential 1-4	43,071	7.75
Open-end Home Equity	2,561	.46
Multifamily		
Commercial	120,263	21.64
Agricultural	12,132	2.18
CONSUMER:		
Open-end credit	3,563	.64
All other	265,126	47.71
COMMERCIAL/ INDUSTRIAL:	46,442	8.36
AGRICULTURAL:	23,399	4.21
STATE/POLITICAL OBLIG:	8,508	1.53
OTHER:	14,579	2.62
Total	\$555,754	100.00%

The chart above reveals a significant concentration of loans in the consumer/retail lending category, which represents 56.10 percent of the total portfolio including 1-4 family residential loans (a 2.4 percent decrease since the last assessment). Furthermore, the data indicates that commercial lending, including commercial real estate loans represent 30.93 percent of the bank's total loan portfolio. Agricultural lending experienced a significant increase over the numbers at the last assessment. A significant decrease in the open-end credit is attributable to the bank's transfer of its credit card portfolio to an affiliate bank. This analysis indicates that the bank extends credit, by general type, consistent with its CRA statement of credits.

According to the Uniform Bank Performance Report (UBPR) as of June 30, 1996, the bank's loan mix compared to peer was as follows:

LOAN TYPE	BANK Loan Mix	PEER Loan Mix
Construction/Development	1.36	3.28
1-4 Family Residential	7.83	27.55
Home Equity Loans	0.47	2.68
Other Real Estate Loans	24.99	21.62
Total Real Estate:	34.19	56.69
Financial Institution Loans	1.51	0.00
Agricultural Loans	3.61	.32
Commercial/Industrial Loans	9.82	16.13
Loans to Individuals	46.34	17.09
Municipal Loans	1.64	0.55
Acceptances of Other Banks	0.00	0.00
Foreign Office Ln and Ls	0.00	0.00
All Other Loans	2.90	0.36

The data above indicates the bank is more active as a retail lender with a higher volume of consumer lending and less real estate and commercial lending as compared to peer. The bank's 1-4 family residential lending of 7.83 percent is significantly lower when compared to peer of 27.55 percent. This percentage, however, does not reflect the volume of 1-4 family home purchase loans the bank sells in the secondary market, nor

the interim construction loans funded by the bank. Management is aware of the need for housing in its community and has tried to meet that need by offering interim construction, home improvement, refinance and purchase loans. Furthermore, since the previous assessment, the bank has funded approximately 27 interim construction loans for \$2.6 million. The examiners' analysis of the loans extended by the bank revealed that the majority of the loans are located within the bank's delineation.

In addition, the bank's net loan to deposit ratio compared to peer was as follows:

NET LOANS/LEASES TO DEPOSITS

<u>Bank</u>	<u>Peer</u>
87.51%	74.21%

Central Bank continues to be a leader in the Monroe Homeownership, Inc., which is a housing program it was instrumental in developing. The program is designed to combine federal housing funds with credit extended by the bank to help persons in low- and moderate-income communities become home owners. The program offers 95 percent financing to qualified applicants who complete a credit and home ownership course and pay a three percent down payment. The organization provides the remaining two percent down payment and closing costs. Since the previous assessment, Central Bank has funded 39 loans (52 percent of the 75 loans approved) for \$1.2 million.

Bank management is aware of the need for housing and business loans in the community and continues to provide a variety of loan products to accommodate those needs.

The bank's performance under this factor is significant.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

The bank has maintained its status as a certified lender with the Small Business Administration ("SBA"). In 1995, the bank funded 22 loans for \$1.2 million and in 1996, seven loans totalling \$795 thousand were originated. In addition, the bank continues to participate in FHA, VA, FmHA loan programs and originated 89 loans totalling approximately \$5.4 million. As a now-approved VA lender, bank management feels their ability to approve loans will be easier and less time-consuming. The bank also participates in the state of Louisiana Linked Deposit Program and has made 18 loans for \$1.2 million and the state of Louisiana Guarantee Loan program has yielded one loan for \$1.1 million.

The bank's level of participation in providing student loans targeting area universities such as Louisiana Tech, Northeast Louisiana, and Grambling State is exceptional. In 1995, bank originated 4,060 loans totalling \$10.8 million. So far, in 1996, the bank has funded 6,740 loans totalling \$12.3 million.

In addition to the SBA loans, the bank also originated small business loans which are not guaranteed. Currently 481 loans totalling almost \$95 thousand are outstanding.

The performance under this assessment factor is commendable.

Overall performance in this category is admirable.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Under this category, the bank is evaluated on the reasonableness of its community delineation, the geographic distribution of its loans and on the effects of opening and closing offices.

Reasonableness of Delineated Community

The regulation requires state member banks to prepare, and at least annually review, a delineation of the local community or communities that comprise its entire community, without excluding low- to moderate-income neighborhoods. Maps are required to be used to portray community delineations. The regulation requires Federal Reserve System examiners to review the reasonableness of the delineations.

The regulation states that a local community shall consist of the contiguous areas surrounding each office or groups of offices, including any low- and moderate-income neighborhoods in those areas. In preparing its delineation, a bank may use any one of the three bases, as stipulated in the regulation: (1) existing boundaries, such as those of a Metropolitan Statistical Area or counties in which the bank's office or offices are located, (2) the bank's effective lending territory, which is defined as that local area or areas where it makes a substantial portion of its loans and all other areas equidistant from its offices, or (3) any other reasonably delineated local area that meets the purposes of CRA and does not exclude low- and moderate-income areas.

Central Bank has designated Ouachita, Lincoln, Morehouse and Caddo Parishes of Louisiana as its delineated community. Prior to December 1995, the bank's delineation also included Rapides Parish. This delineation is considered reasonable. An analysis of the consumer and commercial loans originated during the month of August, 1996 indicates a majority of the loans were within the bank's delineation.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

The Policy Statement states that the services the bank chooses to offer should be distributed within the bank's community in a fair and nondiscriminatory manner, in keeping with the bank's general approach to its business.

Management has procedures in place to identify its credit extensions, credit applications and credit denials. Centrax software system was purchased to assist in the tracking of consumer, business and mortgage loans by census tract. The system provides the data necessary to perform monthly Home Mortgage Disclosure Act ("HMDA") analysis and allows comprehensive reporting capabilities to assess and generate reports demonstrating the bank's CRA efforts. The system is also used to help the bank monitor approved HMDA loans in the low- and moderate-income areas compared with set goals. The reports are generated monthly and results are reported quarterly to the CRC and Examining Committees. In addition, Peertrax software allows the bank to compare its lending activity with similar size institutions in the same market.

A review of the 1995 HMDA data was conducted to determine the distribution of the bank's mortgage applications, originations, and denials. A comparison to 1994 performance revealed the following:

TOTAL HMDA LENDING ACTIVITY DENIALS, ORIGINATIONS, APPLICATIONS		
APPLICATIONS	1,220	1,508
ORIGINATIONS	848	1,065
DENIALS	186	230

TOTAL HMDA LENDING ACTIVITY DENIAL RATE VS. ORIGINATION RATE		
DENIAL RATE	15.2	16.05
ORIGINATION RATE	69.5	70.73

MARKET HMDA LENDING ACTIVITY LOW AND MODERATE INCOME DENIALS, ORIGINATIONS, APPLICATIONS		
APPLICATIONS	180	284
ORIGINATIONS	102	158
DENIALS	46	78

The bank's level of participation in the Homeownership program reflects a commitment to providing loan opportunities in low- and moderate-income areas. The bank is encouraged to continue to provide innovative and flexible lending programs which reach all segments of the community.

The bank's performance under this factor is acceptable.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

The bank provides services and products which are accessible and convenient to all community members. The bank has 21 branch locations, with a new location opened in Shreveport, including six in-store facilities, and 25 ATMs. Of the bank's branch and ATM locations, 13 or 50 percent are located in low- and moderate-income areas. Since the prior assessment, one branch in Ruston has been closed and three other locations in Alexandria and Pineville have been transferred to affiliate banks. The bank's hours are as follows:

Lobby Hours:

Monday-Thursday 9:00 a.m. - 4:00 p.m.
 Friday 9:00 a.m. - 6:00 p.m.

Drive-Thru:

Monday-Friday 9:00 a.m. - 6:00 p.m.

(Ruston Main, West Monroe, and 18th Street)

Monday-Friday 7:30 a.m. - 6:00 p.m.

In-Store Locations:

Monday-Friday 9:00 a.m. - 7:00 p.m.
Saturday 9:00 a.m. - 7:00 p.m.

Management periodically reviews the adequacy of its banking hours and adjusts them according to community needs.

The bank's performance under this factor is good and overall performance for this category is noteworthy.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Under this category, the bank is evaluated on its compliance with anti-discrimination and other related credit laws, including efforts to avoid illegal prescreening of potential applications.

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA statement(s).

No evidence of any discriminatory acts or practices was noted which would discourage applications from protected classes for the types of credit listed in the bank's CRA statement. A second review program through First Money, Inc. (FMI) has been implemented to ensure all applicants are given an opportunity to provide additional information which might enable them to qualify for a loan. Furthermore, if the applicant does not meet the bank's credit standards, a loan may be granted through FMI, a finance company subsidiary of First Commerce Corporation albeit at a higher interest rate than offered by Central Bank. Applicants with no credit history, or those lacking adequate employment or residency terms are examples of persons who might not be approved through Central Bank, but would be approved through FMI. The CRA/Community Development Lending Officer is an African American whose role is that of a liaison between the minority community and the bank. In this position, she has initiated programs/seminars to educate minority and low- and moderate-income people on the processes of budgeting, financial planning, applying for loans and maintaining a good credit rating.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

No evidence of intentional discriminatory acts or practices were noted regarding any violations of the fair lending laws or regulations. There were, however, substantive violations cited under Regulation B - The Equal Credit Opportunity Act, and Regulation C - Home Mortgage Disclosure Act. Examiners' analysis revealed the denial rates for African-American applicants were higher than those for White applicants. Regression analysis indicated, however, that no discrimination was evident in the review of mortgage

loans. Files were adequately documented to explain any discrepancies in lending decisions. The tables below detail the origination and denial rates:

TOTAL HMDA LENDING ACTIVITY ORIGINATION RATES BY RACE VS. AGGREGATE				
BLACK	54.44%	49.83%	48.77%	53.7%
WHITE	79.80%	64.48%	77.73%	73.00%

TOTAL HMDA LENDING ACTIVITY DENIAL RATES BY RACE VS. AGGREGATE				
BLACK	31.66%	35.11%	31.15%	32.1%
	6.67%	22.14%	11.07%	14.7%

Analysis of the HMDA data indicates that the number of minority approvals is 9.25 percent higher than the aggregate. Furthermore, the denial rate for Black applicants increased slightly, but was lower than the aggregate.

V. COMMUNITY DEVELOPMENT

Under this category, the bank is evaluated on its participation in community development and/or other factors relating to meeting community credit needs.

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

The officers and directors continue to be very involved in several community and governmental organizations as part of its community investment activity. Bank representatives are involved in a variety of organizations and programs, a portion of which includes:

- ! Neighborhood Revitalization Task Force - organized to develop a plan to improve a neighborhood in a designated low- and moderate-income area, including improving available housing stock, neighborhood relations, and improving overall neighborhood spirit and pride;
- ! Active supporter of Habitat for Humanity;
- ! Leadership role in the city's attempt to receive Enterprise Zone designation;
- ! Originated six church loans totalling \$650 thousand to minority churches located in low- and moderate-income and minority areas;
- ! Bank and other local financial institutions are joining forces with the city of Monroe to receive a Homeownership Zone designation from the Department of Housing and Urban Development ("HUD") to provide opportunities for home ownership for 300 people in the zone and encourage small businesses to locate in the area.

The bank's performance under this factor is exceptional.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

No hindrances were noted which would restrict the bank's ability to meet its community's needs.

For additional information, please refer to the community and bank profiles at the beginning of this assessment to better understand the local economic conditions of the communities in which the bank is represented.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

Bank personnel have participated in several Community Banking Days conducted at various churches to inform residents in low- and moderate-income areas of the financial products and services available through the institution. The bank is also credited with sponsorship of a

month-long workshop for small businesses (targeting businesses/persons in low- and moderate-income areas and minority-owned) to provide information on starting a business, preparing a business plan, and obtaining financing. In addition, the CRA/Community Development Officer also teaches a budgeting class to a division of the state of Louisiana Project Independence students on at least a quarterly basis as well as at local churches and community group meetings. Bank officers are active participants in the planning and training program for Monroe Homeownership, Inc.

Furthermore, the bank supports various civic and charitable organizations through not only volunteering their time, but also through financial contributions. For 1995 and 1996, the bank has donated approximately \$130 thousand to local organizations and charities.

The bank's performance in this factor is excellent. In this category, overall performance is commendable.