

# COMMUNITY REINVESTMENT ACT STATEMENT

ADOPTED BY THE

BOARD OF DIRECTORS, PATTERSON STATE BANK

PATTERSON, LOUISIANA

In compliance with the Community Reinvestment Act of 1977, enacted as Title VIII of the Housing and Community Development Act of 1977 on October 12, 1977, and which has been amended by the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), the Board of Directors of Patterson State Bank does hereby issue this statement and resolution.

Patterson State Bank, Patterson, Louisiana, is a full-service bank with assets of over \$200 million with three full-service banking locations in the Parish of St. Mary, Louisiana. The primary objective of this bank is to maintain public confidence and its reputation as a sound financial institution, while bringing to this area, the best and newest banking services available. The objectives require a reasonably conservative lending policy and an aggressive loan administration program so that we can continue to maintain portfolios of commercial, real estate, and consumer loans.

To satisfy these objectives we must operate the bank profitably and maintain a base from which the bank can operate profitably in the future. Our loan operations must be limited by the factors of risk, liquidity, flexibility, and customer considerations.

The management of the bank believes that a sound loan policy combined with sound loan administration by its officers will result in a sound loan portfolio. A sound loan portfolio is a desirable and profitable means of employing shareholder and depositor funds. Management realizes that the lending of money includes the assumption of reasonable business risk. In the soundness of lending programs, losses will occur; but it is our belief that the bank profits will not be significantly affected by the assumption of reasonable business risk. A no-loss loan policy would be too restrictive and would severely inhibit our future growth and our ability to serve the credit needs of our community. We will minimize loan losses through lending policies established by senior management, under the guidance and direction of the Board of Directors. In view of the foregoing, it is hereby resolved by this board that:

I. The primary area served by this bank shall be generally defined as Eastern St. Mary Parish, which is comprised of Amelia, Morgan City, Berwick, Bayou Vista, and Patterson. Occasionally, the bank will extend credit to borrowers who do not reside in this established market area; but such extensions of credit will be limited to borrowers who exhibit exemplary creditworthiness.

II. The bank shall endeavor to help meet the needs of the area it serves, including both low and moderate income neighborhoods, offering the various loans reflected on

pages four and five. These loans shall be offered in a manner that is consistent with safe and sound banking practices. The bank does not and will not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, handicap, or familial status, (provided the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income is derived from public assistance programs, or because the applicant resides in, or is affiliated with, what is considered to be a low or moderate income area.

The bank also provides financial support to community groups or organizations, such as the local housing authorities, that assist first-time homebuyers and also holds mortgage-backed securities that may include a pool of loans to low and moderate-income homebuyers.

III. The management of the bank is hereby directed to keep informed of the credit needs of St. Mary Parish; and, in particular, management should involve itself in organizations through personal involvement or through interviews of people involved in organizations that may reflect the needs of the parish.

V. Opportunities to better serve the community are vital. Ongoing programs will be maintained to make the officers and employees aware of the needs of the community, financially and/or otherwise.

VI. The complete staff of the bank is being trained to become aware that problems do exist in our community. When they become aware of problems that the bank can help solve, they are to bring these problems to the attention of management.

VII. At the present time the directors, officers and employees are investing their time in service to the community by being involved in various organizations and schools.

- The bank actively donates to schools and local businesses any used equipment that it may replace.
- Employees volunteer their time and service to local festival organizations and fairs when needed.
- Patterson State Bank constantly involves itself in regular meetings of the community leaders to determine what the needs of the community are and how the bank can help satisfy those needs.

VIII. The bank will continue to be involved with the community and the needs of its people.

IX. The bank shall continue to invest (when the bank's resources allow) in local bond issues.

### **Distribution of Branches**

Patterson State Bank has three full-service branches, which include an ATM, available to serve our customers as listed below:

<u>Branch/ATM Address</u>	<u>Drive-up Facility</u>	<u>ATM</u>
Main Branch 1130 Hwy 90 West Patterson LA 70392	Yes	Drive-up (24 hr. accessible)
801 Victor II Blvd. Morgan City LA 70380	Yes	Drive-up (24 hr. accessible)
4741 Hwy 182 accessible) Berwick LA 70342	Yes	Drive-up (24 hr.

All three locations maintain full-service office hours as follows:

	<u>Lobby</u>	<u>Drive-Up</u>
Monday – Friday	9:00 a.m. to 5:00 p.m.	8:00 a.m. to 5:00 p.m.

In 1975, PSB was the first to make the 24-hour banking card available to this area and its customers. The above locations serve the Cirrus and Pulse networks, making it possible for travelers to access their accounts elsewhere while at the same time allowing our customers the ability to be able to do the same from almost anywhere in the state and in numerous other states.

In 2011, PSB became a member of “Community Cash”. This network gives the public access to a large ATM network, located throughout Louisiana, without paying any ATM surcharge fees. All member banks will have the community cash logo located on their ATM machines.

### **Available Deposit Products & Services**

- Free Checking
- Patterson Club
- Patterson Club Plus
- Patterson Club 50—special account for senior citizens
- Faculty—special account offered to educators in our area
- Captain’s Club—offered to any retired, active, or reserve military personnel
- Non-Profit Organization
- Direct Deposit

- Now
- Imma
- Savings
- Christmas Club
- Commercial Account
- Business Plus
- Certificates of Deposit/IRA Accounts
- HSA (Health Savings Accounts)
- Overdraft Privilege
- Remote Deposit Capture

### **Loan Products**

The two main requirements for extending credit to customers and non-customers are repayment ability and credit worthiness. Patterson State Bank offers the following various types of consumer and commercial loans, but is not limited to:

#### Consumer Loans

- Vehicle Loans
- Certificates of Deposit/Savings
- Personal
- Mobile Home
- Overdraft Protection
- Convenient Cash Line (CCL)

#### Real Estate

- 1<sup>st</sup> Mortgage Purchase for 1-4 Family Dwelling
- Home Construction
- Consumer Equity Line
- Home Improvement
- Land and Lot Acquisition

#### Real Estate: Secondary Market

- Fast credit approval
- Pre-Qualified certificates
- Less than perfect credit
- Little or no down payment
- 100% LTV Financing
- No out-of-pocket expenses (closing costs financed)
- Fixed competitive interest rates
- Choice of rate, term, and origination fee

#### Commercial Loans

- Asset Based
- Accounts Receivable
- Seafood
- Inventory Financing
- Floor Plans (Wholesale Financing)
- Chattel Loans
- Aircraft
- Equipment
- Furniture & Fixtures
- Vehicles
- Line of Credit
- Real Estate Loans
- Acquisition
- Construction
- Expansion
- Improvement
- Term (Mini-Permanent)

#### Participations

#### Letters of Credit

#### Additional Services Offered

- PREPAID GIFT CARD
- CREDIT CARDS

### **MARKETING OF SERVICES OFFERED & EXTENDED**

Patterson State Bank's marketing and advertising programs are approved, reviewed, and monitored by senior management. The programs inform all segments of the community of general financial products and services offered, including those that have been developed to meet the identified needs of the community.

All marketing and advertising materials are reviewed for compliance prior to implementation.

PSB's methods of informing the community about product availability and rate information includes, but is not limited to:

- Internet Banking—Launched in 1999
  - Internet address: [www.pattersonstatebank.com](http://www.pattersonstatebank.com)
  - Access to Bank by Internet
  - Account balance information—deposit and loan accounts
  - Funds transfer
  - Account histories

- Bill payment
- Check images
- E-Statements
  
- Mobile Banking
  - Mobile Website
  - Text Banking
  - Mobile Apps
  - Remote Deposit Capture
  
- PSB Web Site
  - Provides posting of bank information including various products and service descriptions, bank news and bank history and helpful tools such as financial calculators.
  - Provides online account opening for deposit accounts and provides easy access to online loan applications.
  
- PSB Infoline
  - Automated telephone banking
  - 24-hour accessible
  - Account information - deposit and loan products
  - Funds transfer
  - No charge for service
  
- Bank By Mail  
Complementary self-addressed envelopes provided to customers at no charge with 24-hour night drops at all facilities for after-hour transactions and bank-by-mail.
  
- Newspaper Ads  
PSB maintains a consistent advertising program in the local daily newspaper publication (The Daily Review) that reaches consumers throughout our marketing area. Deposit products and credit offerings are primarily promoted in these advertisements.
  
- Social Media  
PSB utilizes social media sites to reach consumers throughout the marketing area to engage in community building, provide instantaneous customer service and support, and to market and promote various banking products.
  
- Customer Statements  
Inserts are regularly placed in deposit account statements to inform customers about deposit and credit products, services, and/or promotions.
  
- Teller Receipts  
PSB also has the capability to place specific messages on customer teller receipts.

In addition to offering different services to the communities in our area as a financial institution, our officers, and employees as a whole give of themselves to help where and whenever possible. The bank is well known for its civic contributions.

Under the Federal Community Reinvestment Act (CRA), Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of our delineated assessment area, consistent with safe and sound operations.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA including, for example, information about our branches, such as their location and services provided to them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the FDIC, 6060 Primacy Parkway, Suite 300, Memphis, TN 38119. You may send written comments about our performance in helping community needs to Stephanie Callas, 1130 Highway 90 West, Patterson, LA 70392, and FDIC, 6060 Primacy Parkway, Suite 300, Memphis, TN 38119. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC. You may also request from the FDIC an announcement of our applications covered by the CRA filed with the FDIC.

Revised and Reaffirmed by the Board of Directors on May 28, 2013  
Revised and Reaffirmed by the Board of Directors on May 27, 2014  
Revised and Reaffirmed by the Board of Directors on May 26, 2015  
Revised and Reaffirmed by the Board of Directors on May 25, 2016  
Revised and Reaffirmed by the Board of Directors on May 23, 2017  
Revised and Reaffirmed by the Board of Directors on May 22, 2018  
Revised and Reaffirmed by the Board of Directors on May 28, 2019  
Revised and Reaffirmed by the Board of Directors on May 26, 2020  
Revised and Reaffirmed by the Board of Directors on May 25, 2021  
Revised and Reaffirmed by the Board of Directors on May 22, 2022  
Revised and Reaffirmed by the Board of Directors on May 23, 2023

# **PUBLIC DISCLOSURE**

December 20, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Patterson State Bank  
Certificate Number: 12609

1130 Highway 90  
Patterson, LA 70392

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 loan-to-deposit (LTD) ratio is reasonable, taking into account lending related activities, given the institution's size, financial condition, and the assessment area credit needs.
- The institution originated a majority of its loans outside its assessment area. A majority of small business, and home mortgage loans, by number and dollar volume, were concentrated outside the bank's assessment area.
- The geographic loan distribution reflects reasonable dispersion throughout the assessment area.
- 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.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Patterson State Bank (PSB), headquartered in Patterson, Louisiana, began operations in 1925. Patterson Bancshares, Inc., Patterson, Louisiana, a one-bank holding company, wholly owns PSB. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated June 29, 2019, based on Interagency Small Institution Examination Procedures.

PSB functions as a retail bank focusing on residential and commercial loans from its three full-service offices located in southern Louisiana. The bank did not open or close any full-service offices and did not participate in any merger or acquisition activity since the prior evaluation. The Description of Assessment Area depicts the full-service offices' specific locations.

The bank offers a variety of loan products including residential, consumer, commercial, and construction loans. The bank also offers a variety of consumer and commercial deposit services, including checking accounts, savings accounts, money market accounts, individual retirement accounts, and certificates of deposit. The bank maintains hours typical for its assessment area and the industry. Alternative banking services include online banking, mobile banking, telephone banking, and three automated teller machines (ATMs).

PSB's assets totaled approximately \$312.4 million as of September 30, 2022, and included total loans of \$175.5 million and total deposits of \$291.0 million. Since the previous evaluation, assets

increased 34.4 percent, loans increased by 11.9 percent, and deposits increased 44.2 percent. The following table details the mix of outstanding loans as of September 30, 2022.

<b>Loan Portfolio Distribution as of 09/30/2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	12,039	6.9
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	111,591	63.6
Secured by Multifamily (5 or more) Residential Properties	468	0.3
Secured by Nonfarm Nonresidential Properties	18,814	10.7
<b>Total Real Estate Loans</b>	<b>142,912</b>	<b>81.5</b>
Commercial and Industrial Loans	20,652	11.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4,852	2.8
Obligations of State and Political Subdivisions in the U.S.	1,500	0.8
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	5,570	3.2
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>175,486</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

### ***Small Business Administration (SBA) Paycheck Protection Program (PPP) Loans***

The bank's willingness to meet the credit needs of businesses of varying sizes, including small businesses, by originating PPP loans through the SBA during the COVID-19 pandemic further supports reasonable performance under the borrower profile criterion.

The Coronavirus Aid, Relief and Economic Security Act, signed into law on March 27, 2020, established the temporary PPP. The SBA, with support from the Department of the Treasury, implements the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA to retain employees through the COVID-19 pandemic and includes loan forgiveness subject to certain conditions. The FDIC encourages financial institutions to consider using such programs in a prudent manner as they actively work with business borrowers, including small businesses, with less financial flexibility to withstand near-term operational and economic challenges due to the COVID-19 pandemic.

The bank generated 423 PPP loans totaling \$35.6 million since the previous examination. This equates to approximately 12.6 percent of the average total assets since the prior evaluation. These loans reflect the bank's responsiveness to the COVID-19 pandemic to address community needs, which played a role in job retention and funding payrolls for area businesses, including small businesses.

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

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas for which examiners will evaluate its CRA performance. Patterson State Bank designated St. Mary Parish, Louisiana as its assessment area, which is a single assessment area that is part of the Mississippi Non-Metropolitan Statistical Area. The assessment area delineation conforms to the CRA regulation and does not arbitrarily exclude any low- or moderate-income census tracts. The following sections discuss demographic and economic information for the assessment area.

### **Economic and Demographic Data**

The bank's assessment area contains eight census tracts out of 15 census tracts in St. Mary Parish, located in southcentral Louisiana. These tracts reflect the following income designations according to the 2015 ACS Census:

- One moderate-income tracts,
- Five middle-income tracts, and
- Two upper-income tracts.

There have been no changes to the assessment area since the prior CRA evaluation. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	12.5	62.5	25.0	0.0
Population by Geography	33,357	0.0	9.3	60.5	30.2	0.0
Housing Units by Geography	14,248	0.0	10.7	62.2	27.1	0.0
Owner-Occupied Units by Geography	8,123	0.0	6.9	62.2	30.8	0.0
Occupied Rental Units by Geography	4,651	0.0	14.6	64.8	20.6	0.0
Vacant Units by Geography	1,474	0.0	19.2	53.7	27.1	0.0
Businesses by Geography	3,411	0.0	14.2	48.4	37.4	0.0
Farms by Geography	33	0.0	9.1	63.6	27.3	0.0
Family Distribution by Income Level	8,341	22.3	12.6	17.9	47.2	0.0
Household Distribution by Income Level	12,774	22.9	12.8	12.5	51.8	0.0
Median Family Income Non-MSAs - LA		\$46,614	Median Housing Value			\$97,938
			Median Gross Rent			\$712
			Families Below Poverty Level			17.9%
Source: 2015 ACS and 2021 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.						

Major employers in the area include Ochsner Lafayette General, Opelousas Lafayette General, University of Louisiana, Oceaneering International, and Island Operating. Data obtained from the U.S. Bureau of Labor Statistics reported, based on the annual average, an unemployment rate at 6.7 percent for St. Mary Parish, LA, which is higher than the State of Louisiana's unemployment rate of 5.5 percent and the national unemployment rate of 5.3 percent for the same period.

Examiners used the applicable Federal Financial Institutions Examination Council's (FFIEC's)-estimated median family income to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the MS Non-MSA.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2021 (\$50,100)	<\$25,050	\$25,050 to <\$40,080	\$40,080 to <\$60,120	≥\$60,120
<i>Source: FFIEC</i>				

### **Competition**

The assessment area reflects a high competitive environment. According to FDIC Deposit Market Share data as of June 30, 2022, six financial institutions operate 14 branches within the assessment area. Of these institutions, PSB ranked second with 21.9 percent of the deposit market share.

### **Community Contact(s)**

As part of the evaluation process, examiners contacted a third party active in the assessment area to assist in identifying the credit needs. This information helps determine local financial institution's responsiveness to these needs. It also shows what credit opportunities are available.

Examiners contacted a representative from an organization that focuses on economic development and bringing businesses together with community stakeholders, like governments, utility systems, and civic organizations to promote growth. The contact mentioned that residents typically describe the community as a place for people to retire or raise a growing family. The parish has a mixture of Industries, with manufacturing and the local school district representing the larger sectors. In addition, examiners noted that institutions have been involved in the community and have been helpful with being sponsors and providing donations for community activities. However, the contact did stress there is much room and opportunities for participation by all local financial institutions to provide financial literacy for children and adults, home mortgage and small business financing.

### **Credit Needs**

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded the primary credit needs of the assessment area include small business and home mortgage loans.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from July 29, 2019, to December 20, 2022, the date of the previous evaluation to this evaluation's date. To assess performance, examiners applied Interagency Small Institution Examination Procedures, which includes the Lending Test. The Appendix lists the applicable test's criteria.

### Activities Reviewed

Interagency Small Institution Examination Procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the lending activity for 2021:

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	7,004	11.1	30	4.6
Secured by Farmland	0	0	0	0.0
Secured by 1-4 Family Residential	26,442	41.7	114	17.8
Multi-Family (5 or more) Residential	274	0.4	1	0.2
Commercial Real Estate Loans	2,298	3.6	9	1.4
Commercial and Industrial Loans	20,198	31.9	287	44.7
Agricultural Loans	0	0.0	0	0.0
Consumer Loans	2,751	4.3	175	27.3
Other Loans	4,411	7.0	26	4.0
<b>Total Loans</b>	<b>63,378</b>	<b>100.0</b>	<b>642</b>	<b>100.0</b>
<i>Source: Bank Records 01/01/2021 through 12/31/2021</i>				

Examiners determined the bank's major product lines include home mortgage and commercial lending, as they comprise a majority of the lending activity. This conclusion considered the bank's business strategy, loan composition, and the number and dollar volume of loans originated during the evaluation period. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. No other loan types, including agricultural or consumer loans, represent major product lines. Therefore, this evaluation does not include a review of small farm or consumer loans.

This evaluation considers a sample of 47 home mortgage loans totaling \$9.9 million from a universe of 115 home mortgage loans totaling \$26.7 million. Demographic data from the 2015 American Community Survey (ACS) for 2021 serves as a standard of comparison. In addition, this evaluation considers a sample of 55 small business loans totaling \$2.8 million from a universe of 291 small business loans totaling \$13.0 million originated or purchased in 2021, the most recent full calendar year of available data. Data from 2021 D&B will serve as a standard of comparison.

Examiners considered the universes of the dollar volume and number of loans for loan products reviewed as well as management's stated business strategy when weighing each product's effect on

overall conclusions for the applicable performance factors. Consequently, small business and home mortgage loans received equal weighting when arriving at conclusions.

Examiners reviewed both the number and dollar volume of small business and home mortgage loans. While this 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 households served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

PSB demonstrated satisfactory performance under the Lending Test. Reasonable records regarding the average net loan-to-deposit ratio, geographic distribution and borrower profile as well as a majority of loans originated inside the assessment area, for both small business and home mortgage lending, support this conclusion.

#### Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. For the 13 quarters since the previous evaluation, PSB recorded a 62.9 percent average, net loan-to-deposit ratio. The ratio decreased since the previous evaluation and ranged from a low of 51.6 percent on December 31, 2021 to a high of 76.3 percent on September 30, 2019.

The following table includes similarly situated institutions that operate in or near the assessment area and reflect similar asset sizes. PSB's average, net loan-to-deposit ratio trails the similarly situated institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 09/30/2022 (\$000s)	Average Net LTD Ratio (%)
Patterson State Bank, Patterson, LA	312,369	62.9
Bank of Zachary, Zachary, LA	380,816	67.1
The National Bank of Jeanerette, Jeanerette, LA	432,811	71.7
Source: Reports of Condition and Income 09/30/2019 – 09/30/2022		

#### Assessment Area Concentration

The institution originated a majority of its loans outside its assessment area. As shown in the following table, by number, the bank-originated a majority of the home mortgage loans outside its assessment area, and for small business, it shows a majority of the loans originated inside the assessment area. The table further shows that by the other measure, the percentage of dollar volume, the bank originated a majority outside its assessment area, thereby reflecting a very poor level. PSB originated a small number of loans right outside the assessment area and originated a small number larger dollar loans, which affects the performance by dollar volume.

Weighing both measures equally, combined they show that the bank originated a majority of its home mortgage and small business loans outside its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage	54	47.0	61	53.0	115	7,612	28.5	19,123	71.5	26,735
Small Business	37	67.3	18	32.7	55	828	27.4	2,192	72.6	3,020
Source: Bank Data; Due to rounding, totals may not equal 100.0%										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The reasonable records of home mortgage and small business lending support this conclusion. Since the assessment area does not contain any low-income census tracts, examiners focused on performance in moderate -income census tracts inside the assessment area.

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

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's level of lending in moderate- income tracts falls within a reasonable range of demographic data, at 3.2 percentage points below.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	6.9	2	3.7	129	1.7
Middle	62.2	36	66.7	4,809	63.2
Upper	30.8	16	29.6	2,674	35.1
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>7,612</b>	<b>100.0</b>
<i>Source: 2015 ACS, Bank Data; Due to rounding, totals may not equal 100.0%</i>					

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

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's level of lending in moderate- income tracts is similar to that of demographic data, at just 0.7 percentage points below.



Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	14.2	5	13.5	234	28.3
Middle	48.4	19	51.4	227	27.5
Upper	37.4	13	35.1	367	44.3
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>	<b>828</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data; Bank Data; Due to rounding, totals may not equal 100.0%</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable performance in the small business primarily supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with gross annual revenues of \$1 million or less.

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

As shown in the following table, the bank made no home mortgage loans to low-income borrowers, typically reflecting very poor performance. For moderate-income borrowers, the bank's performance by number falls 8.9 percentage points less than demographic data, representing a poor performance. When considering additional performance context factors such as 17.9 percent of the assessment area's families live below the poverty level, coupled with a median housing value of \$97,938 and a low-income family earning less than \$25,050, low- and moderate- income families' may not have the ability to qualify for conventional home mortgage loans. Therefore, upon considering this additional information, the bank's lending to low-and moderate- income borrowers is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	22.3	0	0.0	0	0.0
Moderate	12.6	2	3.7	68	0.9
Middle	17.9	9	16.7	623	8.2
Upper	47.2	40	74.1	6,621	87.0
Not Available	0.0	3	5.6	300	3.9
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>7,612</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data; Due to rounding, totals may not equal 100.0%</i>					

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

The distribution of small business loans reflects reasonable penetration of loans to businesses of different sizes. In 2021, loans under the SBA PPP implemented as a response to the COVID-19 pandemic, comprised a significant portion of the bank's 2021 small business loans, at 73.0 percent. Reported revenue was not available for most PPP loans given the program requirements. The following table shows 5.0 percent of the sampled loans were to businesses reporting gross annual revenues of \$1 million or less.

<b>Detailed Distribution of Small Business Loans by Gross Annual Revenues</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	50.5	2	5.4	21	2.5
\$100,000 - \$249,999	26.5	0	0.0	0	0.0
\$250,000 - \$499,999	4.7	0	0.0	0	0.0
\$500,000 - \$1,000,000	2.9	0	0.0	0	0.0
<b>Subtotal &lt;= \$1,000,000</b>	<b>84.6</b>	<b>2</b>	<b>5.0</b>	<b>21</b>	<b>3.0</b>
>\$1,000,000	5.0	8	21.6	167	20.1
Revenue Not Available	10.5	27	73.0	640	77.3
<b>Total</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>	<b>828</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, Bank Data; Due to rounding, totals may not equal 100.0%</i>					

Additionally, examiners evaluated PPP loans using loan size as a proxy for those with revenues not available. As shown in the table below, a majority of PPP loans, by number, had original amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of the smallest businesses in the assessment area.

<b>Distribution of PPP Loans by Loan Size</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	26	100.0	483	100.0
\$100,000 - \$249,999	0	0.0	0	0.0
\$250,000 - \$1,000,000	0	0.0	0	0.0
<b>Total</b>	<b>26</b>	<b>100.0</b>	<b>483</b>	<b>100.0</b>
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%</i>				

### **Response to Complaints**

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

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

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs; therefore, this consideration did not affect the overall rating.

## **APPENDICES**

### **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).

## 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.

**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.

**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.

**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.

**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 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.

**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.

PATTERSON STATE BANK

WRITTEN COMMENTS

No written comments from the public have been received regarding unfair lending practices or any other discriminatory act since the Community Reinvestment Act went into effect in 1977.



PATTERSON STATE BANK

LOCATIONS AND HOURS

Three offices are available to serve our customers:

**MAIN OFFICE**

1130 Highway 90 West  
Patterson, Louisiana 70992  
Census Tract: 0407.00  
Full Services & ATM

**MORGAN CITY BRANCH**

801 Victor II Blvd.  
Morgan City, Louisiana 70380  
Census Tract: 0402.00  
Full Service & ATM

**BERWICK BRANCH**

802 Highway 182  
Berwick, Louisiana 70342  
Census Tract: 0405.00  
Full Services & ATM

**Lobby**

9:00 am to 5:00 pm Monday-Friday

**Drive-Up**

8:00 am to 5:00 pm Monday-Friday

PATTERSON STATE BANK  
OPEN AND CLOSED BRANCHES

2022 No open or closed branches

2023 No open or closed branches

2024 No open or closed branches

## PATTERSON STATE BANK

### PRODUCTS & SERVICES

#### **Deposit Products**

- Free Checking
- Patterson Club
- Patterson Club Plus
- Patterson Club 50-special account for senior citizens
- Faculty-special account offered to educators in our area
- Captain's Club-offered to any retired, active, or reserve military personnel
- Student
- Non-Profit Organization
- Direct Deposit
- Now
- Insured Money Market Account
- Savings
- Christmas Club
- Commercial Account
- Business Account
- Certificates of Deposit/IRA Accounts
- Health Savings Accounts
- Overdraft Privilege
- Remote Deposit Capture
- ACH Origination

#### **Loan Products**

The two main requirements for extending credit to customers and non-customers are repayment ability and credit worthiness. Patterson State Bank offers the following various types of consumer and commercial loans, but is not limited to:

##### Real Estate

- 1<sup>st</sup> Mortgage Purchase for 1-4 Family Dwelling
- Home Construction
- Home Equity Line of Credit
- Home Improvement
- Land and Lot Acquisition
- Low Down Payment Options w/PMI

## Real Estate: Secondary Market

- Fast credit approval
- Pre-Qualified certificates
- Less than perfect credit
- Little or no down payment
- 100%LTV Financing
- No out-of-pocket expenses (closing costs financed)
- Fixed competitive interest rates
- Choice of rate, term, and origination fee

## Consumer Loans

- Consumer secured and unsecured credit
- Consumer lines of credit
- Chattel loans

## Commercial Loans

- Asset based
- Accounts receivable
- Seafood
- Inventory financing
- Floor plans (wholesale financing)
- Chattel loans
- Aircraft
- Equipment
- Furniture & fixtures
- Vehicles
- Line of credit
- Real estate
- Acquisition
- Construction
- Expansion
- Improvement term (mini-permanent)

## Participations

## Letters of Credit

## **Other Available Services**

Credit Cards

Prepaid Gift Cards

eWire

#### ATMs

- PSB ATMs at 3 convenient locations
- 24 hour accessible by automobile
- Member of Community Cash Network

#### Internet Banking

- Internet address: [www.pattersonstatebank.com](http://www.pattersonstatebank.com)
- Access to Bank by Internet
- Account balance information-deposit and loan accounts
- Funds transfer
- Account histories
- Bill payment
- Check images
- E-statements

#### Mobile Banking

- Mobile website
- Text banking
- Mobile apps
- Remote Deposit Capture

#### PSB Web Site

- Provides posting of bank information including various products and services descriptions, bank news, bank history, and helpful tools such as financial calculators.
- Provides online account opening for deposit accounts and provides easy access to online loan applications.

#### PSB Infoline

- Automated telephone banking
- 24 hour accessible
- Account information-deposit and loan products
- Funds transfer
- No charge for service

#### Bank By Mail

Complementary self-addressed envelopes provided to customers at no charge with 24 hour night drops at all facilities for after-hour transaction and bank-by-mail.



PATTERSON STATE BANK

ASSESSMENT AREA EASTERN ST. MARY PARISH LOUISIANA

Tract#	City
0401.00	Amelia & Stephenville
0402.00	Morgan City
0403.00	Morgan City
0404.00	Morgan City
0405.00	Berwick
0406.00	Morgan City (Bayou Vista) Unincorporated
0407.00	Patterson
0408.00	Patterson

PATTERS STATE BANK  
NET LOAN TO DEPOSIT RATIO

	(4b)	(13a)	
	Loans	Deposits	Ratio
3/31/2020	148,336	211,021	70.29%
6/30/2020	172,963	254,390	67.99%
9/30/2020	173,762	253,345	68.59%
12/31/2020	171,843	283,830	60.54%
3/31/2021	176,772	255,481	69.19%
6/30/2021	170,292	252,156	67.53%
9/30/2021	156,002	254,618	61.27%
12/31/2021	154,536	295,000	52.39%
3/31/2022	153,251	281,221	54.49%
6/30/2022	164,642	291,514	56.48%
9/30/2022	175,486	291,041	60.30%
12/31/2022	175,918	328,993	53.47%
3/31/2023	173,416	285,455	60.75%
6/30/2023	175,526	282,381	62.16%
9/30/2023	180,560	285,658	63.21%
12/31/2023	184,345	319,267	57.74%



**Main Office**  
1130 Highway 90 West  
Patterson, LA 70392

801 Victor II Blvd.  
Morgan City, LA 70380

Boudreaux St. at Highway 182  
Berwick, LA 70342

**Internet & Mobile Banking**  
[www.pattersonstatebank.com](http://www.pattersonstatebank.com)

**InfoLine**  
(24 hours a day)  
985.395.BANK  
or  
877.395-BANK

**Hours**  
**Lobby**  
Monday – Friday .....9am to 5pm

**Drive-up**  
Monday – Friday .....8am to 5pm



Member FDIC

## Deposit Accounts



## Schedule of Fees

Account activity printout.....	\$5
Account balancing assistance.....	\$20/hour
Account research.....	\$30/hour + \$1 per copy
Debit card replacement.....	\$5 per card
Debit card PIN replacement.....	\$5 per PIN
Cashier's checks .....	\$8
Chargeback fee .....	\$10 per item
Check cashing (non-PSB check by non-PSB customer) .....	3%
Check printing .....	varies per style ordered
Collection item less than \$500.....	\$10
Collection item \$500 and above.....	\$20
Dormant checking account fee.....	\$12/month
Dormant savings account fee .....	\$2/month
<i>*An account is dormant if for 2 years you have made no deposits or withdrawals to the account</i>	
Faxes for customers.....	\$3 first page/\$1 after
Garnishments.....	\$108.00
Irrevocable bank letter of guaranty.....	\$25
Levies.....	\$108.00
Night deposit bags.....	\$30 each
NSF/Overdraft fee .....	\$32/item
Daily overdraft fee.....	\$5 after 5 days and every 5 days consecutively overdrawn
Notary services.....	\$25
Photocopies.....	\$1/copy
Safe deposit box drilling fee.....	Quote on request
Safe deposit box key replacement.....	\$15 each
Safe deposit box rental .....	Quote on request
Stop payments.....	\$30
Wire transfers foreign	
Incoming .....	\$45
Outgoing .....	\$75
Wire transfers domestic	
Incoming .....	\$15
Outgoing .....	\$25
Zippered deposit bag.....	\$3

	Patterson Free Checking	Patterson Club 50	IMMA	Savings	Free Business Checking
<b>Designed for</b>	Low Cost Solutions	Age 50 & Over	Insured Money Market Account	Savings without Locking In Funds	Business Checking
<b>Minimum to open</b>	None	None	\$2,500.00	\$50.00	None
<b>Minimum Balance to Avoid Service Fee</b>	N/A	\$100.00	\$2,500.00	\$200.00	No Minimum Balance Required
<b>Service Fee</b>	None	\$10.00	\$15.00	\$3.00	No Service Charge
<b>Transaction Limitations</b>	None	None	\$15.00 per item in excess of 3 checks or 6 preauthorized transactions per statement cycle	Two free withdrawals per month; \$2.00 per withdrawal thereafter. No more than 6 preauthorized withdrawals per month	No Per Item Fee
<b>Earns Interest</b>	No	Yes	Yes	Yes	No
<b>Account Statement</b>	Monthly	Monthly	Monthly	Quarterly	Monthly
<b>Optional Benefits:</b> Internet Banking, Direct Deposit, Automatic Transfer  <b>For Qualified Applicants:</b> Ready Reserve, Convenient Cash Line, Overdraft Privilege	<b>Free Services:</b> Visa Debit Card with unlimited withdrawals at all PSB ATM's	<b>Free Services:</b> Visa Debit Card with unlimited withdrawals at all PSB ATM's, Personalized checks		<b>Note:</b> A \$20.00 fee will be imposed on savings accounts closed within 90 days of opening	<b>Free Services:</b> Business Visa Debit Card with unlimited withdrawals at all PSB ATM's  <b>Note:</b> Business Checks/ Deposit Tickets Not Included