

# **PUBLIC DISCLOSURE**

**August 10, 2009**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Crescent Bank & Trust  
Certificate Number: 33492**

**1100 Poydras Street, Suite 100  
New Orleans, Louisiana 70161**

**Federal Deposit Insurance Corporation  
Division of Supervision and Consumer Protection  
Dallas Region – Memphis Area Office  
5100 Poplar Avenue, Suite 1900  
Memphis, Tennessee 38137**

**NOTE:**

**This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Crescent Bank & Trust, New Orleans, Louisiana** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **August 10, 2009**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

## INSTITUTION RATING

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

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

**The Community Development Test is rated:** Satisfactory.

Crescent Bank & Trust received a Satisfactory rating based on Intermediate Small Bank performance criteria at its previous FDIC evaluation dated June 12, 2006. For this evaluation, examiners reviewed those tests and performance factors applicable to Intermediate Small Bank Examination Procedures.

The FDIC evaluates Intermediate Small Banks under the Lending and Community Development Tests. Examiners weigh both tests equally when arriving at the overall rating. Individual ratings for the Lending and Community Development Tests are summarized below and detailed elsewhere in this document.

### Lending Test

Crescent Bank & Trust demonstrated a satisfactory record regarding the Lending Test. Once the bank performed at least adequately regarding its net loan-to-deposit ratio and its lending inside the assessment area, examiners focused on performance, first by the loan dispersion based on the borrowers' profiles and then by the loans' geographic distribution, when arriving at the test's rating.

Examiners reviewed the bank's records regarding consumer loans when arriving at conclusions. The bank exhibited the following records regarding the performance criteria used to evaluate this test.

- The average quarterly net loan-to-deposit ratio is good given the institution's size, financial condition, and the assessment areas' credit needs.
- A majority of loan originations since the last evaluation are within the bank's assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, strong penetration among borrowers of different income levels.
- The geographic distribution of loans shows a reasonable dispersion throughout the assessment areas.

## Community Development Lending

The number and dollar volume of qualified community development loans reflect a reasonable responsiveness to community development needs in the bank's assessment areas. As noted by the level of community development loans originated during this evaluation, the bank has demonstrated a good record. Many of the loans are for revitalization and stabilization of designated disaster areas. The bank reported four loans totaling \$11,929,939 or 2.42 percent of average assets and 2.12 percent of net loans since the previous evaluation consisting of the following:

- In January 2007, the bank originated a \$2,400,000 loan for the purpose of providing funds for repairing a 60 unit apartment complex in the New Orleans-Metairie-Kenner, Louisiana MSA that sustained major damage from Hurricane Katrina. The property is located in the "GoZone." This loan provides revitalization and stabilization of a designated disaster area. The Gulf Opportunity Zone Act of 2005, (GoZone) signed into law by President Bush on December 21, 2005, contains significant economic incentives to rebuild the Gulf Coast, as well as to attract new investments to Federally-designated disaster areas.
- In June 2008, the bank originated a \$6,000,000 loan to purchase and renovate a 21-story building containing 250 apartments, a parking garage and retail space. The property was included in the "GoZone" in New Orleans, Louisiana. This loan provides revitalization and stabilization of a designated disaster area and employees approximately 275 construction workers.
- In May 2009, the bank originated a \$2,029,939 loan to purchase a 68-unit apartment building in New Orleans. The property was included in the "GoZone." This is a Housing and Urban Development project utilizing both historic and new market tax credits. This loan provides revitalization and stabilization of a designated disaster area.
- In July 2009, the bank originated a \$1,500,000 loan to a non-profit organization, whose sole objective is to reduce crime in senior housing facilities in the New Orleans-Metairie-Kenner, Louisiana MSA assessment area. The program provides ongoing, effective crime prevention programs that ensure the safe, secure and high quality living environments for senior housing residents, the majority of which are low-to-moderate income individuals.

## Community Development Investments

Crescent Bank & Trust has established an outstanding responsiveness to the community development needs by dollar volume of qualified investments reviewed. Since the last evaluation, the bank has purchased qualified investments throughout their assessment areas. Average assets for the past 12 quarters ending March 31, 2009 are \$493,518,000. The bank's qualified investments as of June 30, 2009 total \$11,091,223 or 2.25 percent of average assets and 18.32 percent of total investments.

### Qualified Investments

- **Mortgage Backed Securities** – The bank reported 15 investments totaling \$10,336,483 that address affordable housing needs. These investments are securitized by loan pools consisting of home mortgage loans made almost entirely to low- and moderate-income borrowers. Additionally, approximately 42 percent of the properties are located in low and moderate-income census tracts.