

PUBLIC DISCLOSURE

June 17, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Gulf Coast Bank and Trust Company
Certificate Number: 32974

200 St. Charles Avenue
New Orleans, Louisiana 70130

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Region – Memphis Area Office

6060 Primacy Parkway, Suite 300
Memphis, Tennessee 38119

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.

INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Gulf Coast Bank and Trust Company ("Gulf Coast") is a \$940 million, commercial bank headquartered in New Orleans, Louisiana. For this evaluation, Gulf Coast was evaluated as an Intermediate Small Bank (ISB). The ISB procedures evaluate the bank's performance under two tests (Lending and Community Development) to arrive at an overall rating, with both tests weighted equally. The discussions below summarize the findings for the Lending and Community Developments, which is detailed in the following pages.

Lending Test

Gulf Coast demonstrated a satisfactory record regarding the Lending Test. This test evaluates the following five performance factors: average net loan-to-deposit ratio, lending in the assessment area, lending to borrowers of different income levels and businesses of different sizes, geographic distribution of loans, and response to complaints about the bank's performance in meeting assessment area credit needs. Typically, once a bank displays some level of satisfactory performance regarding its loan-to-deposit ("LTD") ratio and its lending concentration inside its assessment area, examiners will place more weight on the loan distributions, both geographically and by borrower profile, when arriving at the overall Lending Test rating.

The following points summarize the bank's Lending Test satisfactory record:

- The bank demonstrates an overall reasonable record regarding the LTD ratio performance factor. The average net loan-to-deposit ratio over the review period of 89 percent reflects reasonable responsiveness to the credit needs of its assessment areas, based on the bank size, financial condition, and the competition in the assessment areas.
- The bank made a majority of loans, by number and dollar volume, inside its assessment areas. The record of small business loans and home mortgage loans supports this conclusion.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels particularly, low- and moderate- income and businesses of different sizes. The bank's originated, on average, 7 of 10 small business loans to businesses with revenue less than \$1 million in the New Orleans-Metairie-Kenner, LA Metropolitan Statistical Area ("New Orleans, LA MSA"). The bank's performance for home mortgage loans remained relatively equal to or better than the aggregate lending performance.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's small business lending in low- income census tracts mirrored the percent of businesses, but lower performance was noted in moderate-income

2008 CRA Evaluation, when qualified investments represented 0.13 percent of average assets. Relative to the considerations previously noted, the current percent of average assets support that the institution displayed a poor record regarding its qualified investments.

Qualified Investments								
Qualifying Category	Activity Year							Totals Per Category
	Prior Period	2008	2009	2010	2011	2012	2013	
Affordable Housing:								
Number	0	0	0	0	0	0	0	0
Dollar Amount (000s)								
CD Organizations:								
Number	1	0	0	0	0	0	0	1
Dollar Amount (000s)	240							240
Economic Development:								
Number	0	0	0	0	0	0	0	0
Dollar Amount (000s)								
Revitalize or Stabilize*:								
Number	0	0	0	1	0	1	0	2
Dollar Amount (000s)				495	9	509	18	1,031
Abandoned/Foreclosed Homes:								
Number	0	0	0	0	0	0	0	0
Dollar Amount (000s)								
Totals Per Year:								
Number	1	0	0	1	0	1	0	3
Dollar Amount (000s)	240**			495	9	509	18	1,271

Source: Bank Records. * Low- or Moderate-Income, Disaster, Distressed, or Underserved. **includes previous period investments still outstanding.

The following describes examples of the bank's qualified investment activities:

- **Revitalization or Stabilization** – The bank holds a certificate of deposit at a federal credit union in the amount of \$240,000. The credit union promotes community reinvestment in distressed communities and low-income census tracts in the New Orleans, LA MSA.
- **Affordable Housing** – The bank holds a \$495,000 bond with Senior Housing Crime Prevention Foundation, Inc., purchased in 2010. An additional investment totaling \$500,000 was made in 2012. The bank directed both bonds to support 464 qualified low- and moderate-income senior residents throughout the assessment area. Although the total investment for the evaluation period is \$995,000, the bank also receives credit for the annual 1.875 percent yield on both investments. Thus, the total qualified amount of both these investments is \$1,031,000.

Community Development Services

The bank's performance proved poor at providing community development services. A reasonable record regarding the availability of services and the poor record regarding the types of services provided supports this conclusion.