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Comptroller of the Currency  
Administrator of National Banks

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Southwestern District  
1600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201-3394

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

June 6, 1996

Whitney National Bank  
Charter Number 14977  
228 St. Charles Avenue  
New Orleans, Louisiana 70130

<p>NOTE: 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.</p>
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## GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Whitney National Bank (Whitney) prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of June 6, 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 5 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:

Based on the findings presented below, this institution is rated: "Satisfactory Record of Meeting Community Credit Needs"

### Executive Summary

Whitney has established a good record of providing credit to individuals and businesses within its delineated communities in Louisiana. Its level of lending is reasonable, but is lower than its most direct competitors. The distribution of its lending is very good and shows the results of special efforts to provide credit to low- and moderate-income individuals and neighborhoods. Credit applications are encouraged from all community segments, and no illegal discrimination in lending has been found. Whitney is positioned to provide considerable assistance to the development and redevelopment of the communities in which it does business.

### Community Profile

During the substantial majority of the period considered for this evaluation, Whitney conducted business in three communities in Louisiana, as described below. In early 1996, Whitney effectively consummated a merger with First National Bank in St. Mary Parish, Morgan City, Louisiana. Activities in that community are not evaluated here, although certain effects of this merger are described from time to time in this document. The former First National Bank in St. Mary Parish received a Community Reinvestment Act rating of "Satisfactory Record of Meeting Community Credit Needs" on July 25, 1994.

The three Whitney communities are as follows:

**New Orleans:** The New Orleans community is part of the New Orleans MSA and consists of Orleans, Jefferson, and St. Tammany Parishes. The three parishes constituting this community have a combined population of approximately 1,090,000.

Orleans Parish encompasses the city of New Orleans. The parish is home to much of the activity of the Port of New Orleans and is a major center of commerce and a significant tourist and convention destination. The median family income in Orleans Parish (1990) is \$19,398. The parish is divided into 184 census tracts, of which 58 are low-income, 46 moderate-income, 35 middle-income, 37 upper-income, and 8 undefined. Households are approximately evenly distributed among the census tract groups, with 26% in low-income tracts, 27% in moderate-income, 25% in middle-income, and 23% in upper-income.

Jefferson Parish is located to the northwest of Orleans Parish, containing the city of Kenner and a large unincorporated area called Metairie. The parish is essentially suburban, with considerable small business activity. The New Orleans International Airport is located in the

parish. The median family income in Jefferson Parish (1990) is \$32,080. The parish contains 116 census tracts, of which 5 are low-income, 20 moderate-income, 47 middle-income, 43 upper-income, and one undefined. Households are distributed among these groups of census tracts as follows: 2% are located in low-income tracts, 16% in moderate-income, 41% in middle-income, and 40% in upper-income.

St. Tammany Parish is a suburban enclave on the northern shore of Lake Pontchartrain, some 25 miles from downtown New Orleans. St. Tammany, on average, is the most affluent of the three parishes delineated, with a median family income (1990) of \$32,660. There is no low-income census tract in St. Tammany. Of the 33 tracts, 4 are middle-income, 16 are moderate-income, and 13 are upper-income. Nine per cent of the households are located in the moderate-income tracts, 49% in middle-income, and 42% in upper-income.

Income level definitions for the delineated parishes are based upon the statistics for the New Orleans MSA which has a median family income (1990) of \$26,371 and an estimated median family income for 1995 of \$35,500.

Baton Rouge: The Baton Rouge community consists of East Baton Rouge Parish, constituting part of the Baton Rouge MSA. The parish population is approximately 380,100.

East Baton Rouge Parish contains Baton Rouge, the capital of Louisiana, and surrounding outlying areas. Besides the state government, Baton Rouge is home to large river port activities, significant petroleum refining and processing facilities, and to Louisiana State and Southern Universities. Median family income for the parish (1990) is \$30,386. Estimated median family income for the Baton Rouge MSA in 1995 is \$36,340. The parish contains 86 census tracts, of which 16 are low-income, 18 moderate-income, 22 middle-income, 29 upper-income, and one undefined. Household distribution finds 13% of the households in low-income tracts, 17% in moderate-income, 31% in middle-income, and 39% in upper-income.

Lafayette: The Lafayette community consists of Lafayette Parish, a part of the Lafayette MSA. The parish contains a population of approximately 164,800.

Lafayette Parish has an economy historically based upon oil field support enterprises. After a significant recession several years ago, the economy has now returned to a more stable base. The University of Southwestern Louisiana is a major factor in the local economy, as well. The median family income for the parish (1990) is \$29,878. The Lafayette MSA has an estimated median family income in 1995 of \$33,300. Lafayette Parish contains 41 census tracts, of which 4 are low-income, 3 moderate-income, 12 middle-income, and 22 upper-income. Five per cent of the households are located in low-income tracts, 8% in moderate-income, 26% in middle-income, and 60% in upper-income. (Note: Early in 1996, following Whitney's merger with First National Bank in St. Mary Parish, the delineation for the Lafayette community was amended to include the neighboring Iberia Parish.)

## Bank Profile

Whitney is a subsidiary of Whitney Holding Corporation, New Orleans, Louisiana. The Corporation owns one other banking affiliate, Whitney Bank of Alabama, Mobile, Alabama. Whitney had total assets slightly more than \$3 billion at year-end 1995. Deposits are somewhat more than \$2.4 billion. The assets of the bank consist primarily of loans totaling approximately \$1.32 billion and investment securities of approximately \$1.38 billion. Historically, Whitney has been predominantly a wholesale or commercial bank, but in recent years has moved to a more retail or consumer orientation. Whitney operates 58 banking locations, as follows:

New Orleans Community: Fifteen offices in Orleans Parish, 14 offices in Jefferson Parish, 5 offices in St. Tammany Parish;

Baton Rouge Community: Eleven offices in East Baton Rouge Parish (including 4 offices acquired through a merger with First National Bank in St. Mary Parish);

Lafayette Community: Six offices in Lafayette Parish and one office in Iberia Parish (the latter acquired in the St. Mary's merger); and,

Morgan City Community: Six branches in St. Mary Parish (acquired through a merger in early 1996 and not directly assessed in this evaluation).

There are no apparent constraints on CRA performance posed by the institution's financial condition, size, legal impediments, or other factors.

## Reasonableness of Delineated Community

The three delineated communities in which Whitney conducted business during the evaluation period (described above) are reasonable and do not exclude any low- or moderate-income areas that should be served. Adjustments made to the delineation for the Lafayette market and that of the new Morgan City market are also reasonable.

## I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

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.

- Whitney conducts ongoing and meaningful contacts with community-based organizations, public officials, and public/private partnerships to ascertain the credit needs of its community.

Whitney continues its formal program of establishing and maintaining contact with a wide variety of affordable housing organizations, city housing agencies, area Realtors and appraisers, for-profit housing developers and secondary market investors in affordable housing. Business contacts include local government officials and agencies, civic leaders, and small business and trade organizations. Information may be gathered from memberships, but the majority of contacts are made by branch managers and lending staff in their respective areas. The credit needs ascertainment program is administered by the Community Affairs Officer and supervised by the Community Reinvestment Act (CRA) Officer. They ensure contacts are made with a variety of community groups and track the information obtained. Information on identified community credit needs is compiled and submitted to area CRA committees where action plans are developed to address the needs.

Through these efforts, several community needs were noted and met. Two needs were most often cited and have been addressed in the following manner:

- **Small Business Lending.** Whitney is a Small Business Administration (SBA) preferred lender, and is active in small business lending. SBA-guaranteed loans outstanding as of March 31, 1996, total \$5.8 million. The bank is involved with area business development programs, including the Regional Loan Corporation, the New Orleans Small Business Industrial Development Corporation, and the Jefferson Parish Economic Development Commission. Loans closed in association with these entities aggregate \$6.1 million as of March 31, 1996. Another \$1.2 million has been lent through the Louisiana Small Business Linked-Deposit Program. Also, Whitney addressed the need for education on lending requirements and products for small businesses by conducting banking seminars in each area it serves.
- **Affordable Housing.** Whitney administers its Neighborhood Housing Program to meet this need. This program provides special underwriting criteria for low- and moderate-income persons, including flexible lending terms, lower income qualifications, reduced down payments and closing costs, and non-traditional methods of establishing credit histories. Program loans exceed \$12,000,000 as of March 31, 1996. In addition, the bank underwrites loans through the Neighborhood Housing Services of New Orleans and Lafayette, New Orleans Home Mortgage Authority programs, Federal Housing Administration (FHA) and Veterans Administration (VA) programs, and Inner City Vision. Loans to purchase, refinance and rehabilitate properties are offered.

In response to the May 8, 1995, flood in New Orleans, Whitney offered consumer and business loans to flood victims at special rates. "Loan by phone" was installed at this time, and the bank made 153 loans totaling \$544,089 under this special program. Bank branches also served as collection points for donations to the Salvation Army.

Other needs identified and addressed include: customer service telephone access, government check cashing, affordable consumer loans marketed as "Opportunity Loans", and overdraft protection.

During this examination, meetings were arranged with three representatives of the community in New Orleans and Baton Rouge. These discussions revealed that those persons believe that commercial banks are attempting to meet known credit needs, and are doing so successfully in many instances. The most commonly mentioned unmet need is credit for smaller businesses, especially those with limited capital. This is a type of credit which the community representatives acknowledge is not typically a function of commercial banks.

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 CRA is a priority in the directors' planning process. Directors have oversight through annual self-assessments and quarterly monitoring reports.

CRA goals and strategies play an important role in the bank's overall business strategy. The Board of Directors adopted a CRA strategic plan that outlines broad goals and objectives, and specific strategies to achieve them. It also provides for annual self-assessment. CRA committees have been empowered by the board to implement the strategy. A CRA Action Plan is developed each year for each market served by Whitney. The action plan provides guidelines on ascertainment efforts, the call program, working partnerships with community organizations, product development, CRA reporting, marketing efforts, and community project participation. The action plan incorporates information obtained through outreach activities. Progress in implementing the action plan is reported to the CRA committees and the board at least quarterly.

CRA training is provided to employees at all levels, and is actively supported by the board. Whitney continues to promote its Cultural Diversity Training Program, which is being required of all directors, officers, and employees. The CRA Officer works closely with the Organizational Development and Education Department to effectively address training needs.

## II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

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.

- Whitney's marketing program is designed to reach all segments of its delineated communities.

The bank uses traditional marketing media, including television, print, radio and billboards. Since the prior examination, Whitney has significantly increased product and service advertising in all media, most notably in print. The look of the advertisements has changed to show people in the community. Image advertising remains focused on Whitney's strong community ties and knowledge of the areas served.

The 1995 marketing plan adopted by the board stressed the goals of increasing the consumer loan portfolio and improving penetration in all markets including low- and moderate-income areas. Two major consumer loan campaigns promoting home equity loans were successfully completed in 1995. The combined originations as a direct result of these campaigns exceeded \$38 million in 3,300 loans. Other campaigns promoted ATM cards and overdraft protection accounts. Branch openings and expansions were also a major focus of the marketing plan. The 1996 plan is very similar.

While these marketing efforts are sound, Whitney places more reliance on its community outreach and officer call programs to promote awareness and usage of bank products and services. These programs are designed to reach non-customers personally. Employees participate in numerous bank fairs, educational workshops, trade shows and special events throughout the areas served. Some presentations made recently covered basic banking skills, mortgage lending and affordable housing programs, small business lending, and Whitney's own "Bank at School" program. Also, the marketing department has printed several booklets available in branches and provided during outreach and call activities. Examples include, Business Banking Guide, Affordable Housing, and Consumer Credit Product Guide.

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.

- Whitney lends a substantial majority of its funds within its delineated communities, and has taken steps to address credit needs it has identified in its communities.

The bank's lending levels reflect its responsiveness to community credit needs. A comparison of the loan portfolio at the last examination and as of March 31, 1996, as reported in the bank's Statement of Condition and Income, follows:

Whitney Loan Portfolio				
	6/30/94		3/31/96	
LOAN TYPE	AMOUNTS \$000'S	% OF TOTAL	AMOUNT S \$000'S	% OF TOTAL
REAL ESTATE:				
Construction & Dev.	23,684	2.39	75,039	5.16
Residential- 1st lien	98,696 (1st & 2nd liens)	9.95	178,624	12.29
Residential- 2nd lien			21,524	1.48
Open-end Home Equity	758	.08	6,928	.48
Multi-Family	9,677	.98	27,978	1.93
Commercial	253,757	25.56	337,286	23.21
Farm	520	.05	480	.03
CONSUMER:				
Open-end	12,429	1.25	17,977	1.24
All Other	70,720	7.12	82,435	5.67
COMMERCIAL & INDUSTRIAL	475,690	47.90	633,193	43.58
AGRICULTURAL	2,634	.27	1,523	.10
STATE & POLITICAL DIV.	9,154	.91	16,257	1.12
ALL OTHER	35,206	3.54	53,742	3.70
TOTAL LOANS	992,925	100%	1,452,986	100%

In 1995, Whitney experienced loan growth of 25%, and in the first quarter of 1996, loan growth equaled 10%. Whitney has increased its consumer and residential real estate loan portfolios significantly. Residential mortgages have doubled, to more than 14% of the portfolio. Home Equity Lines of Credit, a new product at the last examination, now total \$7 million. Multi-family residential loans have tripled. The volume of consumer loans has increased 20% since the prior examination, although consumer loans as a percent of total loans declined slightly. Consumer loan growth in 1995 was centered in overdraft protection

accounts (+30%), auto loans (+37%), and home improvement loans (+20%). Personal lines of credit declined 45%, and personal loans in general were static.

Whitney's own Neighborhood Housing Program (WNHP) is promoted by five loan originators dedicated solely to affordable housing loan production. Two originators serve the New Orleans market, and one originator is located in each of the communities of Baton Rouge, Lafayette, and Morgan City. The following chart shows loan volume (in thousands) under the WNHP in 1995 and year-to-date 1996:

Whitney Neighborhood Housing Program				
MARKET	1995		THROUGH 4/30/96	
	Number	Amount (000's)	Number	Amount (000's)
New Orleans	70	\$3,340	29	\$1,550
Baton Rouge	7	300	4	187
Lafayette	7	212	1	62
TOTAL	84	\$3,852	34	\$1,799

As of May 6, 1996, an additional 99 WNHP applications have been approved and are in process of closing.

The following table shows Whitney's level of lending in small loans to businesses, as of the latest compilation of this data.

Small Loans to Businesses				
Original Amount	at June 30, 1995		Produced Jan 1-Mar 31, 1996	
	Number	Balance (\$000's)	Number	Balance (\$000's)
<\$100,000	3,069	87,859	356	6,617
\$100,000-250,000	523	66,108	63	5,718
\$250,000-1,000,000	369	136,133	31	7,963
TOTALS	3,961	290,100	450	20,298

Whitney's loan to deposit ratio of 52% at December 31, 1995, and averaging 47% for the previous five quarters, remains well below that of local competitors with similar resources. At March 31, 1996, the loan to deposit ratio had increased to 53.44%.

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

- Whitney personnel and management demonstrate a high level of awareness of government-sponsored loan programs at the local and national level. Steps have been taken to meet business, housing and educational credit needs through government-enhanced programs.

Whitney offers a variety of small business loan products, through the Small Business Administration (SBA), city and state programs, and bond issues. The Economic Development Lending Department was established specifically to promote and process loans under these programs. Marketing has developed a booklet entitled Business Banking Guide to assist in increasing awareness of credit availability. As of March 31, 1996, guaranteed or subsidized small business loans in the bank's portfolio totaled \$34.5 million, representing 2.4% of total loans. Of these, \$5.8 million, or .4% of total loans, are SBA-related. It is estimated that more than 95% of the SBA loans are within the bank's delineated communities. Since August 1994, Whitney has made approximately \$3.1 million in SBA-guaranteed small business loans.

Affordable housing programs offered include the bank's internally developed program, Federal Housing Administration (FHA) and Veterans Administration (VA) loans, and other programs through local government housing organizations. A New Orleans Home Mortgage Authority (NOHMA) program includes closing cost and down payment assistance, and the bank has made 23 loans through NOHMA for \$979 thousand since the last examination. FHA and VA lending dramatically increased in 1995, and first quarter 1996 production is significantly higher than production in the same quarter of 1995. For the five quarters ended March 31, 1996, FHA and VA loans closed totalled \$4 million, and \$1.6 million in loans were closed in April 1996 alone.

Whitney also offers guaranteed student loans, and has made 6.2% of the volume of these loans produced by all lenders in the Louisiana market. The volume of student loans at March 31, 1996, in the delineated communities was \$20.4 million, or 73% of the total made by Whitney in Louisiana. Only 5% is outside the State of Louisiana. At the last examination, the total student loan volume was \$17.8 million.

### III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES.

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

#### Reasonableness of the bank's delineated community

- Whitney's delineated communities are reasonable and do not arbitrarily exclude low- and moderate-income areas.

Whitney has delineated its service area into four local communities. The New Orleans community consists of Orleans, Jefferson, and St. Tammany Parishes. The Baton Rouge community consists of East Baton Rouge Parish. The Lafayette community consists of Lafayette and Iberia Parishes. The Morgan City community consists of St. Mary Parish. Management added the parishes of St. Mary and Iberia to its delineated community following the acquisition of First National Bank in St. Mary Parish in February of 1996. The delineations recognize political boundaries and are considered reasonable. All of the bank's branches are located within the four local communities. The delineation is consistent with the bank's size and resources.

- The geographic distribution of the bank's loan applications, approvals, and denials reflects a reasonable penetration of all segments of its community, including low- and moderate-income areas.

Management prepares a quarterly geographic distribution analysis of loan extensions by census tract. This analysis is regularly reviewed by the bank's CRA committee. The March 31, 1996, analysis reflects concerted lending efforts in all areas of the community, including low- and moderate-income areas. Approximately 85% of the bank's number of outstanding loans are located within its delineated communities. Whitney has loans in 98% of all census tracts within its delineated communities. Approximately 95% of all low- and moderate-income census tracts have credit extensions. A breakdown of the number of the bank's loans by low, moderate, middle, and upper income census tracts for each parish is as follows:

Lending by Type of Census Tract (Number of Loans - All Types)				
Parish	Low-income	Moderate-income	Middle-income	Upper-income
Orleans	635	1,346	1,000	2,345
Jefferson	67	452	2,327	3,310
St. Tammany	N/A	74	491	947
East Baton Rouge	85	125	293	706
Lafayette	56	62	280	847
TOTALS	843	2,059	4,391	8,155

It is estimated that Whitney has lent \$375 million, or 38% of gross loans, to borrowers in low- and moderate-income census tracts. Approximately 19% of the number of loans in the bank's delineated communities have been made to borrowers in low- and moderate-income census tracts. It was noted that a significant portion of the bank's dollar amount of outstanding loans is located in census tract number 58 in Orleans Parish. This is a moderate-

income census tract in downtown New Orleans. The bank's main branch is located in this census tract, as are a number of its large commercial borrowers. Excluding census tract number 58, approximately 23% of the dollar volume of outstanding loans was made to borrowers in low-and moderate-income census tracts. Approximately 32% of the bank's delineated communities' population reside in low- and moderate-income census tracts.

Overall, the bank's loan to deposit ratio in low- and moderate-income census tracts is higher than in middle- and upper-income census tracts in its delineated communities. The bank's overall loan to deposit ratios in low- and moderate-income census tracts equal 81% and 100%, respectively. This compares favorably to the bank's loan to deposit ratios in middle- and upper-income census tracts of 55% and 39%, respectively.

The table below shows the aggregate levels of lending in low- and moderate-income census tracts in the bank's delineated communities at the date of the last CRA review and at this time. Not included are loans that could not be identified as to location and loans in the downtown moderate-income census tract where the bank's main office is located.

Lending (all types) in Low- and Moderate-Income Census Tracts				
Parish	June 30, 1994		March 31, 1996	
	Amount	Number	Amount	Number
Orleans	\$215.0million	1,780	\$305.0million	1,981
Jefferson	64.0million	459	61.0million	519
St. Tammany	2.9million	66	2.4million	74
East Baton Rouge	3.2million	209	3.4million	210
Lafayette	1.1million	86	3.1million	118
TOTALS	\$286.2million	2,600	\$374.9million	2,902

Whitney is a reporter under the provisions of the Home Mortgage Disclosure Act (HMDA). Information generated under the provisions of this act allows for analysis of any reporter's lending for residential purposes (acquisition, refinancing, improvement) and for certain comparisons between and among lender/reporters in a given marketplace. The most recent available comparative data is for the year 1994.

In 1994, among the 70 reporters making 100 or more loans in Whitney's delineated communities, Whitney ranked 21st, originating 500 loans. The largest number of loans originated by a single reporter was 2,716. Among the commercial banks reporting (excluding mortgage companies and thrift institutions), Whitney, which has the fourth largest deposit base, ranked ninth in the number of loans originated. These results provided Whitney a total market share of 1.26% (the largest reporter has a market share of 6.85%). In 1995, total originations by Whitney within its delineated communities increased to 919.

The following table shows Whitney's market share for each of its delineated communities by income level and location of borrowers. Although total residential lending volumes are not large in 1994, this demonstrates that in all of its markets, Whitney originates a larger portion of the total residential lending in lower income areas and to lower income persons than it does overall.

Market Share (percentage) of Residential Lending - 1994				
	All	New Orleans	Baton Rouge	Lafayette
All applications	1.39	1.85	0.31	0.91
All originations	1.26	1.75	0.14	0.87
Originations in low/moderate tracts	2.34	3.08	0.42	1.16
Originations to low-income borrowers	2.26	4.05	0.22	0.22
Originations to moderate-income borrowers	1.86	2.52	0.26	2.01
Originations to upper-income borrowers	0.93	1.30	0.11	0.45

As noted earlier, total lending by Whitney increased significantly from 1994 to 1995. The following table shows the levels of the increase, by market, in the number of residential loans granted within these markets.

Residential Lending Volume - 1994-1995			
Market	1994	1995	Change
New Orleans	450 loans	724 loans	61%
Baton Rouge	14 loans	124 loans	786%
Lafayette	36 loans	71 loans	97%
TOTAL	500 loans	919 loans	83%

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

- The bank has not closed any branches since the last CRA assessment. Existing branches are reasonably accessible to all segments of the community.

Whitney currently operates 58 banking locations. The New Orleans community has 34 offices (15 in Orleans Parish, 14 in Jefferson Parish, and 5 in St. Tammany Parish). The

Lafayette community has 6 offices in Lafayette Parish. Whitney recently acquired a national bank with 6 branches in St. Mary Parish and 1 in Iberia Parish. Because of this acquisition, the Baton Rouge community acquired 4 additional locations in East Baton Rouge Parish making a total of 11 offices. Since October 1994, Whitney has opened three new branches, one in Lafayette Parish and two in St. Tammany Parish (included in totals above).

Whitney has 39 automated teller machines (ATM's) at branch offices and multiple ATM's at remote areas throughout its delineated communities. The offices are reasonably accessible to all segments of the community, including low- and moderate-income areas. The bank has 18 branches that are located in or adjacent to low- and moderate-income areas in the New Orleans, Baton Rouge, and Lafayette communities. No branch closings have occurred since the previous CRA examination. The bank has a policy that requires an assessment of the potential adverse impact that an office closing would have on its community.

Banking hours and services are reasonable. Whitney offers a broad array of services and loan products at all locations. Some products are tailored to meet the credit needs of low- and moderate-income families. To make mortgage lending services more accessible to low- and moderate-income individuals, affordable housing originators were hired to service this market in all of the bank's delineated communities. Management performs periodic reviews of services and hours to ensure accommodation of all segments of the community.

#### IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

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

- Whitney affirmatively solicits applications for credit throughout its delineated community.

Applications for credit products are solicited from all segments of the community. No practices or policies were identified that would discourage individuals from applying for credit. Strong efforts are being made to increase the participation of minorities and low- and moderate-income individuals in the credit and home purchase process. Fair lending training has been provided to a substantial majority of all applicable employees of the bank to prevent illegal pre-screening or other inappropriate practices. Fair lending training for the remainder of the applicable staff is planned. In addition, the bank commenced a new diversity training program for the entire bank staff to increase awareness of personal biases.

Whitney has instituted a comprehensive anti-discrimination review process. The bank conducts a secondary and independent review of all denied applications for home purchase and home improvement loans, other consumer loans, and small business loans. This secondary review is conducted before any formal denial notification to the applicant to ensure that every effort is made to approve an application before a credit request is denied. In addition, the bank conducts quarterly comprehensive comparative analyses of all denied and approved home purchase and home improvement applications. Annually, internal audit

conducts comparative analyses, on a sample basis, of denied and approved applications for home purchase and home improvement loans. The annual internal audit also includes a review of compliance with other regulatory requirements regarding denials on consumer and small business applications.

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

- No evidence of illegal discrimination was found.

A fair lending examination was performed as part of the concurrent consumer compliance examination to test for illegal discriminatory activities or results. This review consisted of assessing and testing the bank's policies, procedures, and practices. This review noted a high level of compliance with applicable fair lending laws and regulations and no illegal discriminatory activities or results.

## V. COMMUNITY DEVELOPMENT

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

- Whitney has sought good opportunities to participate effectively in community development projects and has made numerous loans with community development impact.

In late 1995, Whitney's parent company, The Whitney Holding Corporation, formed the Whitney Community Development Corporation (WCDC), a for-profit community development corporation. The stated purpose of WCDC is to "develop housing, assist small businesses, including minority owned businesses, and support other community development initiatives." The intention is for this corporation to conduct such activities in the communities in which Whitney and its affiliate, Whitney Bank of Alabama, currently operate and in other areas in which The Whitney Holding Corporation may ultimately acquire banking assets.

The first major undertaking of this new corporation is in the preliminary stages at this writing. WCDC has a firm proposal in place to acquire approximately one and one-half blocks of property in the Central City section of New Orleans for the construction of sixteen new affordable homes and the development of adjacent park space.

These homes are planned to be architecturally compatible with the surrounding historical structures. Through a cooperative arrangement with two public housing residents associations, it is anticipated that many of these houses will be purchased by persons now residing in the nearby public housing, although availability will not be restricted to those individuals. Similar plans are in place to renovate an additional nine homes in the same neighborhood. WCDC is currently considering other proposals for projects in Whitney's communities.

For approximately twenty years, Whitney has extended a line of credit to a local contracting company in New Orleans for acquisition of houses for renovation. Since about 1988, this company has specialized in houses in lower-income neighborhoods. Several hundred homes have been renovated and sold to individuals using this line of credit. Analysis of the locations of 141 of the most recent of these renovations shows them to be distributed as follows:

Low-income census tracts	54.61%
Moderate-income census tracts	28.37%
Middle-income census tracts	9.93%
Upper-income census tracts	7.09%.

Whitney has provided financing through an organization called the Preservation Resource Center for inner city homes that they have renovated in a program called "Operation Comeback." Since June of 1994, Whitney has provided interim financing for fifteen houses in this program. Four of these houses are located in low-income census tracts, eight in moderate-income tracts, and three in middle-income tracts.

Whitney has made a number of commercial loans that have direct community development impact. These loans have included multi-family construction and rehabilitation and commercial projects, as well. Total investment in such projects since 1994 exceeds \$15 million. These projects include financing for affordable multi-family housing, commercial ventures, church-related community projects, and at least one school and one neighborhood health center. Projects have been financed in all of the bank's communities. In addition, Whitney has many millions of dollars invested in commercial loans that have identifiable positive community impact even while that may not have been a major consideration in the lending decisions.

Whitney finances two warehouse lines for locally based mortgage companies. These lines of credit allow those companies to make loans for residential housing and to assemble them into packages for sale into the secondary mortgage (permanent lender) market. Without such lines of credit, the mortgage lending industry would be considerably more restrictive. An analysis of the underlying mortgages for these lines shows that since January 1, 1995, the lines have financed 962 individual mortgages, of which 829 (86%) are located within Whitney's delineated communities. The properties securing these loans are located as follows:

Low-income census tracts	6.15%
Moderate-income census tracts	15.92%
Middle-income census tracts	41.50%
Upper-income census tracts	36.43%.

As noted above, a significant portion of the bank's asset structure consists of investment securities. As of March 31, 1996, the bank held a total of approximately \$63,882,000 in securities issued by various entities within Louisiana. Of those, approximately \$26,309,000 constitute investments within the parishes included in Whitney's delineated communities.

Whitney has been an active partner with the New Orleans office of the Neighborhood Housing Services. Vice President Richard Ainsworth has served for several years as president of the organization. Whitney has made residential loans for sale to NHS, although that activity has now diminished.

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.

- Whitney is well able to meet a variety of community credit needs and suffers no significant impediment to doing so.

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.

- Whitney has demonstrated support of various sorts for its communities.

Whitney has engaged, directly or through support of the efforts of its officers and employees, in a wide variety of community activities which may enhance its ability ultimately to provide credit services. The bank has also made numerous monetary contributions to a variety of charitable and civic endeavors within its communities.

## ADDITIONAL INFORMATION

Whitney serves communities located in the following MSAs:

New Orleans MSA 5560

Baton Rouge MSA 0760

Lafayette MSA 3880.

Additional information regarding the bank's service to its communities may be obtained from the bank at its main office or at branch offices in its communities.

## GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Metropolitan Statistical Area (MSA) - Area consisting of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas within a MSA. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Median Family Income - The median income determined by the United States Census Bureau. This amount is based upon estimates developed by the Department of Housing and Urban Development and is updated annually. For any given area, the median is the point at which half of the families have income above it and half below it.

Low- and Moderate-Income (LMI) - Income levels which are less than 80% of the median family income for the locality. Levels less than 50% of the median are considered low-income.

Community Reinvestment Act (CRA) - The statute that requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. The regulator must also evaluate whether the institution's defined community is reasonable. (This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2901, as amended, and 12 C.F.R. 25, as amended.)

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of applicant(s), the amount of loan requested, and its disposition (e.g., approved, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase and home improvement loans, residential refinancings or loans for the purchase of multi-family (5 or more units) dwellings. (This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2801, as amended, and 12 C.F.R. 203, as amended.)