

- 3. Describe any issues regarding the permissibility of the proposal with regard to applicable state or Federal laws or regulations (for example, nonbank activities, branching, qualified thrift lender's test).**

We are unaware of any issues regarding the permissibility of the proposal under applicable state or federal law.

- 4. Describe any nonconforming or impermissible assets or activities that Applicant or Resultant Institution may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.**

We are unaware of any nonconforming or impermissible assets held by either party to the merger or the Resulting Institution.

- 5. Provide the indicated financial information and describe the assumptions used to prepare the projected statements, including those about the effect of the merger transaction. Material changes between the date of the financial statements and the date of the application should be disclosed. If there are no material changes, a statement to that effect should be made.**

- a. **Pro Forma Balance Sheet, as of the end of the most recent quarter and for the first year of operation after the transaction. Indicate separately for the Applicant and Target Institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the balance sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the balance sheet.**
- b. **Projected Combined Statement of Income for the first year of operation following consummation.**
- c. **Pro Forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and for the first year of operation, indicating:**
 - **Each component item for Tier 1 (Core) and Tier 2 (Supplementary) Capital, Subtotal for Tier 1 and Tier 2 Capital (less any investment in unconsolidated or nonincludable subsidiaries), Total Capital (*include Tier 3 if applicable*).**
 - **Total risk-weighted assets.**

- **Capital Ratios: (1) Tier 1 capital to total risk-weighted assets; (2) Total capital to total risk-weighted assets; and (3) Tier 1 capital to average total consolidated assets (leverage ratio).**

The responses to this question are confidential and the Pro Forma financial documents are separately enclosed as Exhibit 3.

Further, there have been no material changes between the date of the financial statements and the date of the application.

- 6. List the directors and senior executive officers of the Resultant Institution and provide the name, address, position with and shares held in Resultant Institution or holding company, and principal occupation (if a director).**

Directors with Jeff Davis Bank & Trust Company and Jeff Davis Bancshares, Inc.

| <u>Name and Address</u> | <u>Position</u> | <u>Principal Occupation</u> | <u>No. of Shares</u> |
|---|-------------------------|-----------------------------|----------------------|
| G. Vincent Bailey 1914 Johnson Street Jennings, LA 70546 | Director | Physician | 23,399 |
| Clarence A. Berken 9201 Highway 380 Lake Arthur, LA 70549 | Director | Farmer | 2,041 |
| Boyd R. Boudreaux 806 Alice Street Jennings, LA 70546 | Pres. & CEO Director | Holding Co. Bank | 2,000 |
| Daryl V. Burckel 3287 Gleneagle Drive | | | |

| | | | |
|--|---------------------------|--|---------|
| Lake Charles, LA 70605 | Director | Professor at MSU | 2,000 |
| Andrew Cormier 17014 Highway 102 Jennings, LA 70546 | Director | Oilfield Equipment Sales | 35,000 |
| Milton Ray Crochet 230 Shell Beach Drive Lake Charles, LA 70601 | Director | Owner/Pres. Calcasieu Rentals & SWD, Inc. | 2,000 |
| Dan L. Donald, Jr. P.O. Box 675 Jennings, LA 70546 | Director Chairman | Holding Co. Bank | 142,072 |
| David B. Donald 515 East Division St. Jennings, LA 70546 | Director Vice Chairman | Holding Co. Bank | 92,545 |
| Ray Hines 863 Chiltern Road Hillsborough, CA 94010 | Director | Owner-Scoboco, Inc. Oilfield Svcs. Co. | 14,038 |
| Thomas E. Leger 703 Cary Avenue Jennings, LA 70546 | Director | General Dentistry | 3,200 |
| Sara A. Roberts P.O. Box 1725 Lake Charles, LA 70601 | Director Secretary | Holding Co. & Bank Partner-Dunn, Roberts and Co.-CPA | 2,000 |
| Victor T. Stelly P.O. Box 12725 Lake Charles, LA 70612 | Director | Retired/State Farm Retire/State Representative | 5,000 |
| Terry J. Terrebonne 4024 Evergreen Avenue Lake Charles, LA 70605-2312 | Director | Retired/Hospital Administrator | 10,098 |
| Fred B. Trahan 703 Alice Street | | | |

Jennings, LA 70546 Director Retired 5,133

Senior Management-Jeff Davis Bank & Trust Company

| | | |
|---------------------|-------------------------------|-------------------------|
| Boyd R. Boudreaux | Pres. & CEO | Jeff Davis Bank & Trust |
| Bobby St. John | EVP/Chief Credit Officer | Jeff Davis Bank & Trust |
| Paul E. Brummett II | EVP/Chief Financial Officer- | Jeff Davis Bank & Trust |
| Carly Leonards | EVP/Chief Operations Officer- | Jeff Davis Bank & Trust |
| Brent Courrege | EVP/Chief Information Officer | Jeff Davis Bank & Trust |
| Judy Duhon | SVP/Human Resource Officer | Jeff Davis Bank & Trust |
| Ramona Louviere | VP/Compliance | Jeff Davis Bank & Trust |
| Tyler Williams | VP/Marketing | Jeff Davis Bank & Trust |
| Beth Parker | VP/Auditor | Jeff Davis Bank & Trust |
| Nancy A. Hayes | SVP/Pres. Associate/Cashier- | Jeff Davis Bank & Trust |

7. Describe how the proposal will meet the convenience and needs of the community. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction. If any services or products will be discontinued, describe and explain the reasons.

Jeff Davis Bank & Trust Company (“JD Bank”) will be as determined and motivated to meet the needs of the post-merger community as it is to meet the needs of the community it currently serves. A review of the combining institutions’ services and products will be performed in combination with a review of community needs to determine the services and products that will be most beneficial post-merger. This review will concentrate on the needs of the low-to-moderate income communities and individuals. JD Bank expects that combining these two institutions will further expand the services and products currently available; and is committed to better services and product offerings. JD Bank expects that the merger will promote continued growth and prosperity of the post-merger community, increased housing and economic opportunities, and commitment to the customers it serves.

JD Bank will offer modern conveniences and products not currently available at Guaranty Bank, such as: Home mortgage loans (fixed rate), mobile home loans, interim construction loans, Kasasa checking accounts, ACH origination, online bill pay, mobile banking, remote deposit capture, investment services, trust services, and insurance products (JD Bank Insurance, LLC). JD Bank is excited about the opportunity to offer these products and services to the Guaranty Bank customers. We believe expanding the product line will provide an environment in which the merged bank can better compete with the other commercial banking institutions in the current Guaranty Bank area markets.

8. Discuss the programs, products, and activities of the Applicant or the Resultant Institution that will meet the existing or anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) regulation, including the needs of low and moderate-income geographies and individuals. For an Applicant or Target Institution that has received a CRA composite rating of "needs to improve" or "substantial noncompliance" institution-wide or, where applicable, in a state or a multi-state MSA, or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the combination, describe the specific actions, if any, that have been taken to address the deficiencies in the institution's CRA performance record since the rating.

Jeff Davis Bank & Trust Company ("JD Bank") continues to earn overall 'Satisfactory' CRA ratings, with a 'Satisfactory' lending rating and an 'Outstanding' Community Development rating earned in its 2011 CRA examination. JD Bank consistently demonstrates a reasonable dispersion of loans throughout its assessment areas, including low-to-moderate income geographies. JD Bank has an outstanding record of community development lending, an outstanding level of investment performance, and an outstanding record of participating in community development services which promote revitalization and stabilization of our communities. As noted above, JD Bank will offer fixed rate mortgage loans, mobile home loans and residential construction loans which are currently not available at Guaranty Bank. JD Bank anticipates bringing all that it has to offer, allowing more robust CRA programs, products, and activities for the post-merger community it would serve as a result of this acquisition.

- 9. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 imposes additional considerations for certain interstate mergers between insured banks. Savings associations are not subject to 12 U.S.C. 1831u. If subject to these provisions, discuss authority; compliance with state age limits and host state(s) filing requirements; and applicability of nationwide and statewide concentration limits. In addition, discuss any other restrictions that the states seek to apply (including state antitrust restrictions).**

The transaction does not involve interstate banking or branching. Jeff Davis Bank & Trust Company and Guaranty Bank are both located exclusively in Louisiana. As a result, the requirements contained in the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 are not applicable.

- 10. List all offices that (a) will be established or retained as branches, including the main office, of the Target Institution, (b) are approved but unopened branch(es) of the Target Institution, including the date the current federal and state agencies granted approval(s), and (c) are existing branches that will be closed as a result of the proposal to the extent the information is available and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and ZIP code.**

- (a) All four offices of Guaranty Bank will be retained as branches, as listed:
- (1) "Mamou Office" - 609 Main Street, Mamou, LA 70554 (Main Office)
 - (2) "Eunice Office" - 300 W. Park, Eunice, LA 70535
 - (3) "Vidrine Office" - 5557 Vidrine Road, Ville Platte, LA 70586
 - (4) "Ville Platte Office" - 1311 W. Lasalle, Ville Platte, LA 70586

(b) There are no offices that are approved but unopened branches of Guaranty Bank. As a result, this question is not applicable.

(c) No offices that are existing branches will be closed as a result of the proposal. As a result, this question is not applicable.

- 11. As a result of this transaction, if the Applicant will be or will become affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, provide:**

a. The name of company.

Jeff Davis Bank ("JD Bank") is already affiliated with a company engaged in insurance activities subject to supervision by a state insurance regulator. That company is JD Bank Insurance, LLC.

b. A description of the insurance activity that the company is engaged in and has plans to conduct.

There is no new activity as a result of this merger. JD Bank and Guaranty Bank will not be or become affiliated with a company engaged in insurance activities subject to supervision by a state insurance regulator. See response to sub-question (c) with regard to the insurance activity that JD Bank Insurance, LLC.

c. A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

There is no new activity as a result of this merger. JD Bank Insurance Company, LLC currently offers Casualty, Life, Accident and Health, and Property insurance in the state of Louisiana. JD Bank Insurance Company, LLC does not offer any other lines of insurance and does not offer any insurance in any state other than Louisiana.

If a nonaffiliate transaction, the Applicant also must reply to items 12 through 14.

12. Discuss the effects of the proposed transaction on existing competition in the relevant geographic market(s) where Applicant and Target Institution operate. Applicant should contact the appropriate regulatory agency for specific instructions to complete the competitive analysis.

The effect of the proposed transaction on competition in the relevant geographic market will be to enhance and modernize the product and service offerings to current Guaranty Bank customers which will allow the four branches of Guaranty Bank to better compete within this market. Examples of modern products not currently offered by Guaranty Bank, which will be available to Guaranty Bank customers after the proposed transaction occurs are: Home Mortgages (fixed rate), mobile home loans, interim construction loans, ACH origination, online bill pay, mobile banking, remote deposit capture, investment services, trust services, and insurance products (JD Bank Insurance, LLC). Current management of Guaranty Bank is anxious to offer these products and services to their customers because they believe they will have a competitive edge in the relevant market.

Please refer to the "Supplement of Interagency Bank Merger Act Application" for greater detail on the relevant geographic market and competition in this area.

- 13. If the proposed transaction involves a branch sale or any other divestiture of all or any portion of the bank, savings association or nonbank company (in the case of a merger under 12 U.S.C. 1828(c)(1)) to mitigate competitive effects, discuss the timing, purchaser, and other specific information.**

All four offices of Guaranty Bank will be retained as branches of Jeff Davis Bank and Trust Company ("JD Bank") after the transaction is completed. Further, no portion of Guaranty Bank will be divested as a part of the transaction. As a result, this question is not applicable.

- 14. Describe any management interlocking relationships (12 U.S.C. 3201-3208) that currently exist or would exist following consummation. Include a discussion of the permissibility of the interlock with regard to relevant laws and regulations.**

No management interlocking relationships currently exist or will exist following consummation of the transaction. As a result, this question is not applicable.

CERTIFICATION

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 U.S.C. 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 12th day of October, 2012.

Jeff Davis Bank & Trust Company by
(Applicant)


(Signature of Authorized Officer)¹

(Typed

Paul E. Brummett II
Name)

(Title)

Executive Vice President & Chief Financial Officer

_____ by
(Target Institution)

(Signature of Authorized Officer)¹

(Title)

(Typed Name)

¹In multiple-step combinations, applicants should ensure that authorized officers of the combining institutions sign.

CERTIFICATION

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 U.S.C. 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 12th day of October, 2012.

_____ by
(Applicant)

(Signature of Authorized Officer)¹

(Typed

Name)

(Title)

Guaranty Bank by
(Target Institution)

(Signature of Authorized Officer)¹

Robert J. Marcantel
(Typed Name)

(Title)
President & CEO

¹In multiple-step combinations, applicants should ensure that authorized officers of the combining institutions sign.

FEDERAL DEPOSIT INSURANCE CORPORATION

SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION

All FDIC Applicants should provide the following supplemental information with their application:

15. This section supplements question 12 of the Interagency Bank Merger Act Application for transactions between nonaffiliated parties. Additional guidance relating to the FDIC’s consideration of the competitive factors in a proposed merger transaction is contained in the FDIC’s Rules and Regulations (12 C.F.R. 303 Subpart D) and Statement of Policy on Bank Merger Transactions (2 FDIC Law, Regulations, and Related Acts (FDIC) 5145).

I. Delineation of the relevant geographic market(s).

The relevant geographic market includes the areas in which the offices to be acquired are located and from which those offices derive the predominant portion of their loans, deposits, or other business. The relevant geographic market also includes the areas where existing and potential customers impacted by the proposed merger may practically turn for alternative sources of banking services.

- (a) Prepare schedules for the Applicant Institution and Target Institution showing the total number of accounts and total dollar volume of deposits² for each municipality or census tract, where applicable, according to the recorded address of the depositor (do not submit supporting data). Small amounts may be aggregated and identified as “other.” *If the Applicant Institution is a multi-office institution, Applicant Institution deposit information should be provided only for those offices within or proximate to the area(s) described below under paragraph (b).*

Below is a schedule for Guaranty Bank depicting the total number of accounts and total dollar volume of deposits for each municipality

GUARANTY BANK

Total deposits by Zip code (>\$500K) at 9/28/12

| <u>Zip Code</u> | <u>City</u> | <u>Total dollars</u> | <u>Count</u> |
|-----------------|--------------|----------------------|--------------|
| 705150000 | BASILE | \$2,640,943 | 125 |
| 705240000 | CHATAIGNIER | \$741,457 | 51 |
| 705250000 | CHURCH POINT | \$798,353 | 48 |
| 705260000 | CROWLEY | \$579,823 | 19 |
| 705270000 | CROWLEY | | |

| | | | |
|-----------|--------------|--------------|------|
| 705350000 | EUNICE | \$40,601,629 | 1943 |
| 705960237 | LAFAYETTE | \$505,055 | 67 |
| 705980000 | LAFAYETTE | | |
| 705010000 | LAFAYETTE | | |
| 705022471 | LAFAYETTE | | |
| 705030000 | LAFAYETTE | | |
| 705060000 | LAFAYETTE | | |
| 705070000 | LAFAYETTE | | |
| 705080000 | LAFAYETTE | | |
| 705540000 | MAMOU | \$32,585,090 | 2367 |
| 714630000 | OAKDALE | \$707,008 | 41 |
| 705700000 | OPELOUSAS | \$1,138,524 | 75 |
| 705710000 | OPELOUSAS | | |
| 705760000 | PINE PRAIRIE | \$2,620,895 | 242 |
| 705800000 | REDELLE | \$2,107,727 | 208 |

| | | | | |
|--|--------------------------|--------------|----------------------|-------------|
|  | 705860000 | VILLE PLATTE | \$31,258,474 | 2428 |
| | TOTAL BY MUNICIPALITY | | \$116,284,978 | 7614 |
| | OTHER | | \$6,576,501 | 494 |
| | TOTAL DEPOSITS (9/28/12) | | <u>\$122,861,479</u> | <u>8108</u> |
| | This represents, by % | | 94.65% | 93.91% |

In this schedule, all deposits located in zip codes where the total deposits in the zip code are less than \$500,000 are combined and listed in the "other" category. The "total by municipality" represents approximately 95% of the total volume of deposits and approximately 94% of the total number of deposit accounts. Guaranty Bank has branches in Mamou, Vidrine, Ville Platte and Eunice, Louisiana and 85% of their total deposits lie in those zip codes. If the threshold is increased to \$2,000,000 in deposits for each municipality, the only municipalities (outside of those containing a branch) whose deposits exceed this total are Basile, Pine Prairie, and Reddell. Their combined deposits make up approximately \$7.5 million, or 6% of total deposits and all three of these communities are within 10 miles a Guaranty Bank branch (Mamou and Eunice locations). The Jeff Davis Bank & Trust Company ("JD Bank") and Guaranty Bank branches that are closest in proximity to each other are the JD Bank Kinder Office and the Guaranty Bank Eunice Office, which are 26 miles apart. As of 9/28/12, Guaranty Bank had a 8 accounts totaling \$41,148 for customers having a Kinder zip code. The Jennings branch of JD Bank is second in proximity to the Eunice Office of Guaranty Bank with only 32

miles separating the two. As of 9/28/12, Guaranty Bank only had three deposit accounts from the Jennings zip code area, totaling \$6,150.

Below is a schedule for JD Bank's two branch offices nearest in proximity to the Target Institution, mentioned above. This presents the total deposit volume and number of deposit accounts of each office in the municipalities in which the target institution holds a significant (greater than \$2 million) amount of deposits.

JEFF DAVIS BANK & TRUST COMPANY

Total deposits by Zip code in Guaranty Bank service area

| <u>Zip Code</u> | <u>City</u> | <u>Total dollars</u> | <u>Count</u> |
|-----------------------|--------------|----------------------|--------------|
| 705150000 | Basile | \$984,071 | 118 |
| 705350000 | Eunice | \$61,249 | 19 |
| 705540000 | Mamou | \$200,338 | 2 |
| 705760000 | Pine Prairie | \$0 | 0 |
| 705800000 | Reddell | \$0 | 0 |
| 705860000 | Ville Platte | \$0 | 0 |
| TOTAL BY MUNICIPALITY | | <u>\$1,245,658</u> | <u>139</u> |

| | | |
|----------------------------------|---------------|-------|
| TOTAL DEPOSITS JD Bank (10/1/12) | \$478,122,677 | 37918 |
|----------------------------------|---------------|-------|

| | | |
|--------------------------------------|--------------|--------------|
| Bankwide, % of total deposits | 0.26% | 0.37% |
|--------------------------------------|--------------|--------------|

Branches Proximate to relevant Market Area

| | | |
|---------------------------------|----------------------|--------------|
| TOTAL DEPOSITS JD Bank Jennings | \$140,102,894 | 8225 |
| TOTAL DEPOSITS JD Bank Kinder | \$26,922,971 | 2713 |
| TOTAL DEPOSITS | <u>\$167,025,865</u> | <u>10938</u> |

| | | |
|---|--------------|--------------|
| Market Area, % of total deposits | 0.75% | 1.27% |
|---|--------------|--------------|

The JD Bank branches located in Jennings and Kinder have a combined total of \$1.2 million in deposits in 139 total accounts in the Guaranty Bank service area, with the bulk of that total in the Basile zip code. This represents less than 1% of total deposits of JD Bank at 10/1/12 and less than 1% of total deposits in dollars for the JD Bank Jennings and Kinder offices combined.

- (b) Identify those areas where existing and potential customers of the offices to be acquired may practically turn for alternative sources of banking services. If consideration of the availability of such alternative banking services results in a market area considerably different from that indicated by the sources of deposits, discuss and provide necessary supporting information.**

Please refer to the chart above listing JD Bank's deposits by zip code. As referenced above, Guaranty Bank has deposits exceeding \$2,000,000 in the following communities: Basile, Eunice, Mamou, Pine Prairie, Reddell, and Ville Platte. Once plotted on a map, it is evident that the serviced communities span from the North to South on Highway 13 from Eunice to Pine Prairie and then along Highway 29 to Ville Platte. This is a relatively small service area. Other banking services available in this immediate area include those of the following institutions (by community):

Ville Platte:

Citizens Bank
Hancock Bank
The Evangeline Bank and Trust Company

Eunice:

Tri Parish Bank
Teche Federal Bank
Woodforest Bank
State Bank & Trust Co.
St. Landry Homestead Federal Savings Bank
St. Landry Bank
Hancock Bank
Basile State Bank

Mamou:

Sabine State Bank and Trust Company
Citizens Bank

Pine Prairie:

Citizen's Bank

Basile:

Basile State Bank

Also located in Guaranty Bank's service area are two credit unions and several finance companies, as listed below. We do not feel that the credit unions below pose a competitive threat. Without Guaranty Bank as an option, Guaranty Bank's customer base could turn to any of the banking institutions listed above; it is unlikely, however, that this group would look to one of following Credit Unions or Finance Companies for their loan needs.

Credit Unions:

Ville Platte:

Cabot Employees Credit Union
Evangeline Federal Credit Union

Finance Companies/Payday loan Companies:

Ville Platte:

Southand Finance Company
Security Finance Company
Euco Finance Co
Finance American of Louisiana
Oupac Financial Service
Money Mart
Credit systems of Ville Platte
Cinco Financial Service
Everyday Payday Loans

Mamou:

Everyday Payday Loans
Oupac Financial Services

Eunice:

Pelican Credit Company
Security Finance
Southland Finance
Prairie Capital Finance
Tigerland Finance
World Finance

- (c) Using the information collected in paragraphs (a) and (b), provide a narrative description of the delineated relevant geographic market(s).**

After considering the information presented in I(a) and (b), it is evident that Guaranty Bank's customer base is highly concentrated in the communities that house its four branch offices, Mamou, Vidrine, Ville Platte, and Eunice. Those communities having greater than \$1 million in deposits lie within a twenty mile radius around the central location of Ville Platte. If that amount is increased to \$2 million, the customer base is concentrated along Highway 13 from Eunice to Pine Prairie and Highway 29 from Eunice to Ville Platte. The nearest JD Bank branches are located in Kinder and Jennings, which are 26 and 32 miles from Guaranty Bank's Eunice Branch, respectively. There is little to no overlap for the service area of each bank, relative to the total deposits mentioned above. The nearest MSAs are Lake Charles and Lafayette. JD Bank has offices in the Lake Charles MSA. The southern most part of Guaranty Bank's service area is approximately 40 miles from the Lafayette area. Guaranty Bank holds an

insignificant amount of deposits in the Lafayette area. Customers of Guaranty Bank do have other options for their commercial banking services within their relevant geographic market, with the most options being available in the Eunice area. There are only two credit unions within the service area. There are several finance companies, especially in the Eunice and Ville Platte markets.

After reviewing the account offerings of Guaranty Bank and the types of customers they serve, it is apparent that their operation runs very similarly to ours. In fact, their basic product line will mesh very well with our product offerings. In fact, their basic product line will mesh very well with our product offerings. We will offer their customers modern conveniences/products not currently available at Guaranty Bank, such as: Home Mortgages (fixed rate), Mobile home loans, interim construction loans, ACH origination, online bill pay, mobile banking, remote deposit capture, investment services, trust services, and insurance products (JD Bank Insurance, LLC). Management of Guaranty Bank is excited about offering these products and services to their customers because they believe they will have a competitive edge in their markets.

- (d) Provide any additional information necessary to support the delineated relevant geographic market(s). Supporting information may include relevant demographic information, locations of major employers, retail trade statistics, and/or information on traffic patterns. Applicants may consult with the applicable FDIC Regional Office in determining whether additional information is necessary.**

II. Competition in the relevant geographic market(s).

- (a) Prepare a schedule of participating and competing banking institutions' offices, divided into three sections:**
- (i) Applicant Institution offices within or proximate to the relevant geographic market(s);**
 - (ii) Target Institution offices within or proximate to the relevant geographic market(s); and**
 - (iii) Competitor banking offices located or competing within the delineated relevant geographic market(s).**

To the extent known, also include banking offices approved but not yet open. The following presentation format is suggested:

| Name and Location of Banking Office | Total Deposits (Summary of deposits 6/30/12) | Distance and Direction From Nearest Office | |
|--|--|--|-------------------------------------|
| | | Applicant Institution | Target Institution |
| <u>(i) Applicant: relevant market</u> | | | |
| JD Bank Jennings Office 507 Main Street Jennings, LA 70546 | \$139,752 | | 32 miles SW of Guaranty Bank Eunice |
| JD Bank Kinder Office 1116 9 th Street Kinder, LA 70648 | \$27,596 | | 26 miles W of Guaranty Bank Eunice |
| <u>(ii) Target: relevant market</u> | | | |
| Guaranty Bank Eunice Office 300 W. Park Eunice, LA 70535 | \$36,088 | 26 miles E of JD Bank Kinder | |
| Guaranty Bank Mamou 609 Main Street Mamou, LA 70554 | \$50,266 | 36 miles NE of JD Bank Kinder | |
| Guaranty Bank Ville Plate 1311 W. Lasalle Ville Platte, LA 70586 | \$28,355 | 48 miles NE of JD Bank Kinder | |
| Guaranty Bank Vidrine 5557 Vidrine Road Ville Platte, LA 70586 | \$14,178 | 41 miles NE of JD Bank Kinder | |
| <u>(iii) Competitors: relevant markets</u> | | | |
| <u>Eunice:</u> | | | |
| Basile State Bank 751 W. Maple Avenue Eunice, LA 70535 | \$19,170 | 26.4 miles E of JD Bank Kinder | .7 miles SW of Guaranty Bank Eunice |
| St. Landry Homestead Federal Savings Bank 101 N. Sixth Street Eunice, LA 70535 | \$14,951 | 26.0 miles E of JD Bank Kinder | .4 miles NE of Guaranty Bank Eunice |
| St. Landry Bank & Trust Company 101 N. Second Street Eunice, LA 70535 | \$45,642 | 26.2 miles E of JD Bank Kinder | .4 miles NE of Guaranty Bank Eunice |

| Name and Location of Banking Office | Total Deposits (Summary of deposits 6/30/12) | Distance and Direction From Nearest Office | |
|---|--|--|--|
| | | Applicant Institution | Target Institution |
| State Bank & Trust Company 1515 S. Fourth Street Eunice, LA 70535 | \$31,475 | 26.1 miles E of JD Bank Kinder | .2 miles NW of Guaranty Bank Eunice |
| Teche Federal Bank 840 E. Laurel Street Eunice, LA 70535 | \$9,492 | 26.9 miles E of JD Bank Kinder | 1.0 miles NE of Guaranty Bank Eunice |
| Tri-Parish Bank 2301 W. Laurel Street Eunice, LA 70535 | \$122,736 | 24.8 miles E of JD Bank Kinder | 1.5 miles W of Guaranty Bank Eunice |
| Whitney Bank 2250 W. Laurel Avenue Eunice, LA 70535 | \$31,945 | 24.9 miles E of JD Bank Kinder | 1.4 miles W of Guaranty Bank Eunice |
| Woodforest National Bank 1538 Highway 190 Eunice, LA 70535 | \$739 | 24.4 miles E of JD Bank Kinder | .9 miles W. of Guaranty Bank Eunice |
| <u>Mamou:</u> | | | |
| Citizen's Bank 601 Poinciana Avenue Mamou, LA 70554 | \$44,447 | 37.2 miles NE of JD Bank Kinder | 1.1 miles NE of Guaranty Bank Mamou |
| Sabine State Bank & Trust Company 516 Main Street Mamou, LA 70554 | \$11,770 | 36.0 miles NE of JD Bank Kinder | .1 miles W of Guaranty Bank Mamou |
| <u>Ville Platte:</u> | | | |
| Citizens Bank 841 W. Main Street Ville Platte, LA 70586 | \$153,091 | 48.7 miles NE of JD Bank Kinder | .6 miles SE of Guaranty Bank Ville Platte |
| The Evangeline Bank and Trust Company 497 W. Main Street Ville Platte, LA 70586 | \$210,224 | 44.6 miles NE of JD Bank Kinder | .09 miles SE of Guaranty Bank Ville Platte |

| Name and Location of Banking Office | Total Deposits (Summary of deposits 6/30/12) | Distance and Direction From Nearest Office | |
|--|--|--|---|
| | | Applicant Institution | Target Institution |
| Whitney Bank 233 W. Main Street Ville Platte, LA 70586 | \$73,725 | 44.5 miles NE of JD Bank Kinder | 1.0 miles SE of Guaranty Bank Ville Platte |
| <u>Pine Prairie:</u> | | | |
| Citizen's Bank Hwy 13 and Sanders Street Pine Prarie, LA 70576 | \$21,355 | 46.3 miles NE of JD Bank Kinder | 7.3 miles N of Guaranty Bank Vidrine |
| <u>Basile:</u> | | | |
| Basile State Bank 3031 Stagg Avenue Basile, LA 70515 | \$29,266 | 16.0 miles E of JD Bank Kinder | 11.1 miles W of Guaranty Bank Eunice |

(c) Discuss the extent and intensity of competition in the delineated relevant geographic market(s) provided by nonbank institutions, such as other depository institutions (for example, credit unions) and non-depository institutions (for example, industrial loan companies, finance companies, and/or government agencies). For those institutions regarded as competing in the delineated relevant geographic market(s), provide name, address, and services supplied.

As stated in I (b) above, Executive Management of Guaranty Bank does not feel that the credit unions (two in their territory) pose a competitive threat. It is also unlikely, that Guaranty Bank's customers would turn to one of the Finance Companies in the relevant geographic market for their loan needs.