



## **PUBLIC DISCLOSURE**

March 20, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Citizens National Bank of Meridian  
Charter Number 7266

512 22nd Avenue  
Meridian, MS 39301-5853

Office of the Comptroller of the Currency

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Suite 655  
Birmingham, AL 35243

**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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **The Citizens National Bank of Meridian** (CNB or Bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- CNB's distribution of loans inside/outside AA is good. CNB originated a majority of the loans made during the evaluation period inside the Bank's Assessment Area (AA).
- Overall, the geographic distribution of small loans to businesses is excellent in both low- and moderate income CTs.
- The distribution of loans to businesses with annual revenues of \$1 million or less is adequate.
- The geographic distribution of home purchase loans was adequate. For home improvement and home refinance loans, the geographic distribution was excellent.
- The distribution of loans to low- and moderate-income families was adequate for home purchase and home refinance, and good for home improvement loans.
- Community development (CD) lending had a positive impact on the overall lending test for both full scope and limited scope AAs.
- Service delivery systems are reasonably accessible to all portions of the AA, commensurate with the size and scope of Bank operations.
- The Bank's Investment performance is excellent. Qualified investments in the non-MSA during the assessment period totaled \$11.5 million, consisting of equity investments, grants, and donations. CNB also had \$9.6 million in prior period investments.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

The Citizens National Bank of Meridian is an intrastate financial institution headquartered in Meridian, Mississippi. At December 31, 2017, CNB had total assets of \$1.3 billion and deposits of \$1.1 billion. CNB has 26 banking offices, 23 automated teller machines (ATMs), and 3 remote ATMs located in 4 AAs throughout Mississippi. Ten of the branches are open on Saturdays. Four branches are open until 6 pm on weekdays. CNB also has 49 branded ATMs located in CEFCO, Shell, or Texaco convenience stores throughout Mississippi and Alabama.

CNB is wholly owned by Citizens National Banc Corp., a one bank holding company also headquartered in Meridian, Mississippi. Citizens National Banc Corp also owns a subsidiary trust, Citizens National Statutory Trust I, which primarily serves as a stock issuance and transfer agency for the corporation. The statutory trust has no CRA impact on CNB's performance. At December 31, 2017, CNB accounted for 99.64 percent of the holding company's assets. During this evaluation period, CNB had no merger or acquisition activity. There were no branch openings and one branch closing.

CNB is primarily a commercial lender. A breakdown of CNB's December 31, 2017 loan portfolio shows commercial loans (60.07 percent), residential real estate (30.35 percent), construction and land development (6.48 percent), consumer loans (3.07 percent), and all other loans (0.03 percent). Total loans of \$944 million represented 70.91 percent of total assets. Tier I capital was \$133 million.

CNB offers a wide-range of traditional deposit and loan products, including home purchase, refinance, and home equity loans. Other loan products include consumer, small business, and commercial loans. Customers have 24-hour access to their accounts via telephone and internet. Telephone banking services include access to deposit and loan balance information, and transfers between CNB accounts. Internet banking services include retail online banking, access to deposit and loan balance information, transfers between CNB accounts, bill payment, and check images.

CNB does not retain a majority of its longer term, fixed-rate residential mortgage loans. The Bank accepts these loan applications from loan applicants and forwards them to secondary market investors (investors) for the underwriting and approval. From April 1, 2015 through December 31, 2017, investors funded 461 mortgage loans. These loans are not included on CNB's Home Mortgage Disclosure Act Loan Activity Register (HMDA LAR), though CNB initiated the application process. FHLB Dallas has set aside \$2 million of its 2018 affordable housing program (AHP) funds for the Special Needs Assistance Rehabilitation Program (SNAP). SNAP provides grant funds for the repair and rehabilitation of owner-occupied housing of eligible, special-needs individuals. The Bank provided nine SNAP grants to eligible individuals. CNB applied and was accepted as a Community Development Financial Institution (CDFI). As a CDFI, the Bank received a \$2 million grant. During the examination review period, the Bank originated 22 home opportunity loans totaling \$1.3 million. These loans were originated to either low- or moderate-income individuals or for homes located in low- or moderate-income census tracts. These borrowers would not qualify under traditional lending guidelines.

CNB's CRA performance was last evaluated as of March 23, 2015. Its overall performance was "Satisfactory." There are no legal, financial, or other factors that impede CNB from

meeting the credit needs of the community.

CNB has four AAs. The largest AA consists of nine non-Metropolitan Statistical Area (non-MSA) counties located in Mississippi: Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne. CNB is headquartered in Lauderdale County. Eighteen of CNB's 26 branches, and \$897 million in deposits (77.54 percent of total deposits), are located in the non-MSA AA. As of June 30, 2017, there were 20 financial service providers with branches in the non-MSA AA. CNB ranked first in total AA deposits, with a 16.06 percent market share. The five largest competitors in the AA include Trustmark National Bank, First State Bank, Regions Bank, Community Bank, and The Citizens Bank of Philadelphia. In total, these five competitors achieved a 49.30 deposit market share.

CNB's other three AAs include the Hattiesburg MSA, the Jackson MSA, and the counties in the Memphis MSA that are located in Mississippi. CNB's four AAs meet the requirements of the regulation, and do not arbitrarily exclude any low- and moderate-income geographies.

The banking industry is modestly competitive in the state of Mississippi. As of June 30, 2017, CNB's statewide deposits totaled \$1.157 billion. With a deposit market share of 2.18 percent, CNB ranked seventh among 99 financial institutions in Mississippi.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period under the lending test includes all loans originated or purchased from January 1, 2014 through December 31, 2017. The evaluation period for CD loans and investments, retail banking services and CD services including all activities from March 23, 2015 through March 20, 2018.

The products evaluated included all loans subject to filing under the HMDA, and all small loans to businesses and small loans to farms subject to filing under CRA data collection. CD activities evaluated include all loans, investments, and services that meet the regulatory definition.

### Data Integrity

We performed a data integrity review of the 2014, 2015, and 2016 HMDA data. We found no errors and deemed the data reliable. We evaluated small loans to businesses and farms during the previous examination cycle. Based on our transactional testing, we deemed the data accurate. We determined that the monitoring and reporting processes have not changed since the last examination and remains adequate.

### Selection of Areas for Full-Scope Review

We completed a full-scope review of the nine county non-MSA AA. This AA holds 73 percent of reportable loans, 69 percent of the Bank's branches, and 78 percent of the Bank's deposits. The Hattiesburg MSA, Jackson MSA, and Memphis MSA AAs received a limited scope review. The Hattiesburg AA holds 11 percent of reportable loans, 12 percent of branches, and 8 percent of the bank's deposits. The Jackson AA holds 14 percent of reportable loans, 12 percent of branches, and 11 percent of deposits. The Memphis AA holds 3 percent of reportable loans, 8 percent of branches, and 4 percent of deposits. Please refer to the table in Appendix A for more information.

### Ratings

We based the Bank's overall rating primarily on lending performance in the Non-MSA AA, which received a full-scope review.

During the evaluation period, CNB made 1,199 (58%) small loans to businesses and 886 (42%) home mortgage loans in the non-MSA AA. Therefore, we gave more weight to small loans to businesses. Agricultural loans represent less than 1 percent of the total reportable loans, therefore we did not perform an analysis of this product. The community contact made during the evaluation period, expressed a need for small business lending in the area.

Regarding HMDA loans, we weighted the Bank's performance equally for each of the three mortgage loan products (home purchase, home improvement and home refinance), as these represent 33%, 30%, and 35% of total reportable loans, respectively. Multi-family loans represented less than 2 percent of reportable loans, and a separate analysis of this would not be meaningful. However, we will discuss many of these multi-family loans in the community development loan section of the performance evaluation.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the lending test is rated "High Satisfactory." Based on full-scope review, the Bank's performance in the Non-MSA AA is good.

#### Lending Activity

Refer to Tables 1 Lending Volume in Appendix C for the facts and data used to evaluate the Bank's lending activity.

#### Distribution of Loans by Income Level of the Geography

##### *Home Mortgage Loans*

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

CNB's mortgage lending activity in the non-MSA AA reflects good responsiveness to the AA's credit needs. Based on 2016 HMDA peer data, CNB had a 3.00 percent market share by number of home purchase mortgage loans and was ranked 8<sup>th</sup> among 141 reporting lenders. For home improvement loans, the Bank was ranked 4<sup>th</sup> with 10.31 percent market share among 43 reporting lenders. For home refinance mortgage loans, the Bank was ranked 9<sup>th</sup> with 3.04 percent market share among 144 reporting lenders.

##### **Home Purchase Loans**

The distribution of home purchase loans by income level of the geography is adequate.

According to the 2017 census information, 22.66 percent of households in the non-MSA AA live below the poverty level. Based on 2017 US Census data, the median housing value was \$90,499. Refer to the **Market Profile** section of this Performance Evaluation for additional factors in the area, which support a lack of available affordable housing in the non-MSA AA.

During 2014-2016, the percentage of loan originations to borrowers located in low-income CTs, at 1.72 percent, was adequate and below the 2.34 percent of owner occupied units located in low-income CTs. CNB's market share for low-income CTs at 14.29 percent exceeds its overall market share of 3.00 percent by geography. The percentage of loan originations to borrowers located in moderate-income CTs, at 9.05 percent, was below the 15.59 percent of owner occupied units located in moderate-income CTs. CNB's market share for moderate-income CTs at 2.97 percent substantially meets its overall market share of 3.0 percent by geography. Home purchase loans represented 33 percent of home mortgage products in the non-MSA AA.

The Bank's 2017 lending performance was stronger in both low- and moderate-income CTs. The Bank had 7.81 percent of its loans to borrowers located in low-income CTs, compared to 3.99 percent of owner occupied units. The Bank had 9.38 percent of its loans to borrowers located in moderate-income, compared to 11.71 percent of owner occupied units.

### **Home Improvement Loans**

The distribution of home improvement loans by income level of the geography is excellent.

During 2014-2016, the percentage of loan originations to borrowers located in low-income CTs, at 2.51 percent, was excellent and exceeds the 2.34 percent of owner occupied units located in low-income CTs. CNB's market share for low-income CTs, at 9.09 percent, substantially meets its overall market share of 10.31 percent by geography. The percentage of loan originations to borrowers located in moderate-income CTs, at 14.07 percent, was near to the 15.59 percent of owner occupied units located in moderate-income CTs. CNB's market share for moderate-income CTs, at 13.33 percent, exceeds its overall market share of 10.31 percent by geography. Home improvement loans represented 30 percent of home mortgage products in the non-MSA AA.

The Bank's 2017 performance was stronger in both low- and moderate-income CTs. The percent of Bank loans exceeded the percent of owner occupied units in both low- and moderate-income CTs. The Bank had 4.35 percent of its loans to borrowers located in low-income CTs, compared to 3.99 percent of owner occupied units. The Bank had 15.94 percent of its loans to borrowers located in moderate-income CTs, compared to 11.71 percent of owner occupied units.

### **Home Refinance Loans**

The distribution of home refinance loans by income level of the geography is excellent.

During 2014-2016, the percentage of loan originations to borrowers located in low-income CTs, at 3.31 percent, was excellent and exceeds the 2.34 percent of owner occupied units located in low-income CTs. CNB did not have a notable market share for low-income CTs. The percentage of loan originations to borrowers located in moderate-income CTs, at 19.83 percent, exceeds the 15.59 percent of owner occupied units located in moderate-income CTs. CNB's market share for moderate-income CTs, at 7.81 percent, exceeds its overall market share of 3.04 percent by geography. Home refinance loans represent 35 percent of home mortgage products in the non-MSA AA.

The Bank's 2017 performance was similar in both low- and moderate-income CTs. The percent of Bank loans exceeded the percent of owner occupied units for both low- and moderate-income CTs. The Bank had 8.82 percent of its loans to borrowers located in low-income CTs, compared to 3.99 percent of owner occupied units. The Bank had 20.59 percent of its loans to borrowers located in moderate-income CTs, compared to 11.71 percent of owner occupied units.

## **Multifamily Loans**

CNB originated twelve multifamily loans in the non-MSA AA during the evaluation period. The Bank had excellent penetration in both low -and moderate-income CTs for this product in 2017. The Bank did not make any multi-family loans in low-income CTs in 2014-2016, and had excellent penetration in moderate CTs during this timeframe. This product represents less than 2 percent of the Bank's reportable loans. As such, we will not give this product any weight in the overall Lending Test rating. Refer to the **Community Development** section of this Performance Evaluation, as many of the loans qualified as CD loans.

## ***Small Loans to Businesses***

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the Bank's origination/purchase of small loans to businesses.

Small loans to businesses are CNB's primary loan product (58 percent). Therefore, we gave more weight to this product in the overall Lending Test rating.

Overall, the geographic distribution small loans to businesses in the non-MSA AA is excellent.

During 2014-2016, the Bank originated 6.92 percent of loans to borrowers located in low-income CTs, which exceeds the percentage of businesses located in low-income CTs of 4.01 percent. CNB's market share for low-income CTs, at 15.38 percent, exceeds its overall market share of 7.93 percent by geography. The percentage of loans to borrowers located in moderate-income CTs of 29.46 percent exceeds the percentage of businesses located in moderate-income CTs of 24.27 percent. CNB's market share for moderate-income CTs of 12.09 percent exceeds its overall market share of 7.93 percent by geography. Small loans to businesses represent 58 percent of the total reportable loans. We assigned the most weight to this product in the final rating.

During 2017, the Bank had similar performance in low- and moderate-income CTs, with the percentage of loans exceeding the number of businesses located in both low- and moderate-income CTs.

## ***Small Loans to Farms***

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

Small loans to farms are not a primary lending product of the Bank and analysis of this product would not have been meaningful. CNB had less than 1 percent of the reportable small loans to farms.

## ***Lending Gap Analysis***

We reviewed reports detailing CNB's lending activity over the evaluation period for home mortgage loan products and small loans to businesses to identify gaps in the geographic distribution of these loans. We did not identify any unexplained, conspicuous gaps.

### ***Inside/Outside Ratio***

For 2014-2016, CNB's distribution of loans inside/outside of its AAs is good. The Bank originated a majority of loans made during the evaluation period inside its AAs. Overall, 83 percent of the number, and 79 percent of the dollar volume, were originated within the AAs. By loan product and number of loans, 83 percent of small loans to businesses and home mortgage loans originated within the AAs. The good distribution of loans originated inside the AAs had a positive impact on the overall Lending Test rating.

For 2017, CNB's distribution of loans inside/outside of its AAs is good. The Bank originated a majority of loans made during the evaluation period inside its AAs. Overall, 84 percent of the number, and 80 percent of the dollar volume, were originated within the AAs. By loan product and number of loans, 83 percent of small loans to businesses and 86 percent of home mortgage loans originated within the AAs. The good distribution of loans originating inside the AAs had a positive impact on the overall Lending Test rating.

## **Distribution of Loans by Income Level of the Borrower**

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

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

### **Home Purchase Loans**

The distribution of home purchase loans by income level of the borrower is adequate. While 2014-2016 performance appears poor, the high level of poverty impedes the Bank's ability to make home purchase loans to qualified low- and moderate-income borrowers.

During 2014-2016, the percentage of loan originations to low-income borrowers, at 1.00 percent, was very poor and significantly lower than the 23.48 percent of families designated as low-income. CNB has a 1.54 percent market share for low-income borrowers, which is below its overall market share of 3.03 percent. The percentage of loan originations to moderate-income borrowers, at 12.44 percent, was adequate and below the 16.64 percent of the families designated as moderate-income. CNB's market share for moderate-income borrowers, at 1.82 percent, was below its overall market share of 3.03 percent.

The Bank's 2017 performance was similar for low-income borrowers and stronger for moderate-income borrowers. The Bank had 7.02 percent of its loans to low-income borrowers, compared to 22.90 percent of families designated as low-income. The Bank had 17.54 percent of its loans to moderate-income borrowers, compared to 15.82 percent of families designated as moderate-income, which exhibited excellent performance.

## **Home Improvement Loans**

The distribution of home improvement loans by income level of the borrower is good.

During 2014-2016, the percentage of loan originations to low-income borrowers, at 7.98 percent, was poor and below the 23.48 percent of the families designated as low-income. CNB has a 14.75 percent market share for low-income borrowers, which exceeds its overall market share of 10.29 percent. The percentage of loan originations to moderate-income borrowers, at 18.09 percent, was excellent and exceeded the 16.64 percent of families designated as moderate-income. CNB had a 6.17 percent market share for moderate-income borrowers, which is below the its overall market share of 10.29 percent.

The Bank's 2017 performance was similar for low-income borrowers and a little weaker for moderate-income borrowers. The Bank had 10.29 percent of its loans to low-income borrowers, compared to 22.90 percent of families designated as low-income. The Bank had 14.71 percent of its loans to moderate-income borrowers, compared to 15.81 percent of families designated as moderate-income, which exhibited good performance.

## **Home Refinance Loans**

The distribution of home refinance loans by income level of the borrower is adequate.

During 2014-2016, the percentage of loan originations to low-income borrowers, at 5.32 percent, was very poor and significantly lower than the 23.48 percent of the families designated as low-income. CNB has a 1.90 percent market share for low-income borrowers, which is below the its overall market share of 2.75 percent. The percentage of loan originations to moderate-income borrowers, at 12.23 percent, was adequate and is below the 16.64 percent of the families designated as moderate-income. CNB had a 2.42 percent market share for moderate-income borrowers, which substantially meets its overall market share of 2.75 percent.

The Bank's 2017 performance was similar for low-income borrowers and stronger for moderate-income borrowers. The Bank had 4.08 percent of its loans to low-income borrowers, compared to 22.90 percent of families designated as low-income. The Bank had 18.37 percent of its loans to moderate-income borrowers, compared to 15.81 percent of families designated as moderate-income, which exhibited excellent performance.

## ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses with annual revenues of \$1 million or less is adequate.

During 2014-2016, the percentage of Bank loans originated to businesses with revenues of \$1 million or less was 56.47 percent, and is below the percentage of businesses in the AA that reported gross annual revenues of \$1 million or less of 78.53 percent. The Bank's market

share for small loans to businesses of 9.72 percent exceeds its overall market share of 7.93 percent. Approximately 62 percent of the small loans to businesses originated by CNB in the non-MSA AA were for loans less than \$100,000.

During 2017, the distribution of small loans to businesses with annual revenues of \$1 million or less is similar to 2014-2016 performance and considered adequate.

### ***Small Loans to Farms***

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's origination/purchase of small loans to farms.

Small loans to farms represented less than 1 percent of the Bank's lending portfolio, both by number and dollar amount. Therefore, an analysis of this product would not be meaningful.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the Bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. However, table 5 does not separately list CD loans.

CD Lending had a positive impact on the overall Lending Test for the non-MSA AA. The Bank originated \$21 million in CD qualified loans. CD Lending represented 20 percent of allocated Tier 1 capital in the AA, representing excellent performance.

The following is a sample of the more significant CD loans:

- Affordable Housing: The Bank made five loans totaling \$1.3 million. All three loans funded affordable housing apartment complexes that provided rental units to LMI.
- Economic Development: The Bank made five loans totaling \$14.5 million. These loans enabled over 100 jobs to be created or retained for LMI persons.
- Services targeting LMI: The Bank made three loans totaling \$3.6 million to organizations that provide services targeting LMI families. One loan was to a non-profit organization that provides many services to LMI families; one loan was to a public entity for the purchase of a fire truck to be used in LMI tracts in the AA; and one loan to fund the building of a medical clinic in a distressed area.
- Revitalize and Stabilize: The Bank made one loan for \$1.7 million to renovate a shopping center in a moderate-income CT, which is located in a designated economic development district. The project will retain 25-40 jobs to LMI individuals.

## **Product Innovation and Flexibility**

CNB offers home ownership loans to LMI families. During the evaluation period, the Bank originated 22 of these loans totaling \$1.3 million. Four of these applicants also received down-payment assistance.

The Bank also participates in the FHLB Special Needs Assistance Rehabilitation Program (SNAP) grant. There is no loan product yet developed for this program at CNB, however, the Bank has partnered with organizations throughout the community to promote the grant offering.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the lending test in the Memphis AA is not inconsistent with the Bank's overall High Satisfactory performance. The performance in the Hattiesburg and Jackson AAs is somewhat weaker than this performance. This is mostly attributable to the geographic and borrower distribution for loans to small businesses. Although, slightly weaker, the performance in these two areas is still adequate. CD lending had a positive impact on all three limited scope areas. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The Bank's performance under the investment test in Mississippi is rated "Outstanding." Based on our full-scope review, the Bank's performance in the non-MSA is excellent.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

#### Non-MSA

The Bank has ample opportunity to make qualified CD investments in the non-MSA. A qualified investment for the purposes of this evaluation is a lawful investment, deposit, donation, membership share, or grant that has community development as its primary purpose. Based on these identified opportunities, the Bank's level of CD investments in this AA is excellent.

Qualified investments in the non-MSA during the assessment period totaled \$11.5 million, consisting of equity investments, grants, and donations. In Addition, the prior period investments were approximately \$9.6 million. Investments made in prior periods continue to have a positive impact on the AA. The Bank's total investment amount represented 20.49 percent of allocated Tier I capital.

Of the \$11.5 million in qualified investments, \$134.5 thousand consisted of qualified grants and donations to CD organizations. These organizations are involved in providing economic development, providing community services for low- or moderate-income individuals or affordable housing for low- or moderate-income individuals. The Bank initiated a non-profit agency radio advertisement program (radio ads program). This innovative program provides

free advertisement services to promote non-profit agency events. The Bank's marketing department creates the advertisement, records the advertisement and pays for the advertisement. The Bank's investments represent excellent responsiveness to the critical needs of the AA. The investments also supported community development services targeted to small businesses or low- and moderate-income individuals in the Bank's non-MSA AA.

Some specific examples of these investments follow.

- Ten Urban Renewal Bonds totaling \$7.5 million. The proceeds of the bonds were used for constructing, improving or paving streets, sidewalks, driveways, parkways, bridges, and culverts as part of the City's approved Urban Renewal Plan and Urban Renewal Authority to use new market tax credits.
- Eleven Municipal School Bonds totaling \$2.5 million. The proceeds of the bonds were used to purchase, erect, repair or remodel school buildings and related facilities. A substantial majority of the students attending these schools are from families whose income is less than 80 percent of the median family income of the MSA.
- \$134.5 thousand in grants and donations to 38 CD organizations. Examples include Helping Hands Ministries, Loaves and Fishes, LOVE's Kitchen, Inc., Meridian Board of Realtors, Inc., Multi-County Community Services, Oprah Winfrey Boys & Girls Club, Palmer House for Children, Southern Christian Services, The Trust, The Montgomery Institute, and United Way of East Mississippi.

### **Outside Assessment Area Investments**

During the review period, CNB invested in Certificates of Deposits in three minority- and women-owned financial institutions and low-income credit unions, totaling \$750 thousand. The Community Reinvestment Act (CRA) recognizes the importance of encouraging the growth and strengthening of minority- and women-owned financial institutions and low-income credit unions (MWLI).

We did not consider the investments innovative or flexible in nature, but they were responsive to the credit needs and supported community development services targeted to low- and moderate-income individuals in the local communities in which the MWLI financial institution is chartered.

In addition, CNB maintained \$500 thousand in prior period investments outside of the AAs, but within the state of Mississippi, during the review period. These consisted of Mississippi school district bonds to fund capital projects and improvements that benefit low- and moderate-income individuals. Investments made in prior periods continue to have a positive impact on the AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the Bank's performance under the investments test in the Hattiesburg MSA, Jackson MSA, and Memphis MSA AAs is much weaker than the Bank's overall outstanding performance under the Investments Test. This assessment did not have a

negative impact on the Investments Test rating, as the AAs represent a small percent of the Bank's lending activity and deposit base. No current period investments were made in these three AA's.

During the evaluation period, the Bank made 39 qualified donations totaling \$63,098. The recipients of these donations have historically targeted services to low- and moderate-income individuals. Examples include Homes of Hope for Children, Dream of Hattiesburg, Inc., Community Foundation of Northwest MS, and the Salvation Army Boys and Girls Club. We did not consider the investments innovative or flexible in nature, but represented adequate responsiveness to the critical needs of the AA. The investments also supported community development services targeted towards low- and moderate-income individuals in the Bank's three MSA AAs. The Bank's total investment amount represented 0.21 percent of allocated Tier I capital.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The Bank's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, the Bank's performance in the non-MSA AA is good.

### **Retail Banking Services**

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CNB's retail delivery systems are reasonably accessible to geographies and borrowers of different income levels including low- and moderate-income areas and individuals. The Bank's branch distribution in the non-MSA AA is excellent. CNB does not have any branches in low-income census tracts. However, there are only three low-income census tracts in this AA, both in Lauderdale County (Meridian), and only 3.62 percent of the population resides in these tracts. In addition, the Bank has 2 branches within 2 miles of two of the low-income tracts. The percentage of CNB's branches in moderate-income tracts significantly exceeds the percentage of the population living in these geographies. Three moderate-income census tracts in the AA are designated as "distressed or underserved." CNB did not open any banking offices in this AA during this evaluation period. CNB did close one low performing branch located in a middle-income tract.

In addition to the traditional banking offices, CNB also has 22 automated teller machines (ATMs) at branch locations, of which 15 are deposit-taking, and three stand-alone ATMs in this AA. Six ATMs are located in moderate-income tracts and one stand-alone ATM is located in a low-income tract. CNB also has several branded ATMs in this AA that are located in gas stations. CNB customers can use these ATMs and not be assessed a service fee. The gas stations own the ATMs and CNB pays the service fee for the customer's use. CNB has 47 ATMs located in Texaco, Shell and CEFCO gas stations in this AA. Of the 47 branded ATMs, two are located in low-income CTs, five are located in moderate-income CTs, 30 are located in middle-income CTs, and 10 are located in upper-income CTs.

CNB's standard hours of operation are 9:00 a.m. until 5:00 p.m. Monday through Friday. CNB offers extended banking hours until 6:00 p.m. weekdays in four offices. Two offices are located in upper-income tracts and the other two offices are located in middle-income tracts. The Bank also offers Saturday banking from 9:00 a.m. until noon in ten offices, of which three are located in moderate tracts. Overall, CNB's banking hours in moderate-income geographies are consistent with the standard hours of operation and the hours offered in higher income-geographies.

Given the aggregate offering of products and services and the reasonable banking hours for the 18 banking offices, CNB has continued to provide good responsiveness to meeting the banking needs of the community.

### **Community Development Services**

The level of CD services provided in this AA is excellent. CNB serves as a leader in this AA in providing CD services and demonstrates an excellent responsiveness to meeting the needs of the community. During this evaluation period, CNB employees provided financial services including workshops, financial literacy classes and participated in leadership roles in numerous community development organizations. Some specific examples are as follows:

- Bank employees taught 111 sessions of the financial literacy class to numerous organizations and individuals throughout the AA. Over 3,158 individuals attended these sessions. The types of financial education included the following: FDIC Money Smart, Basic Money Matters, financial literacy training with free tax preparation, and teach children to save.
- Presented 13 first time homebuyers' workshops to individuals residing in the AA with 348 individuals attended these sessions.
- Presented eight small business workshops and the workshops covered the basics of banking, the process for applying for a small business loan, and steps business owners can take for accessing capital. Attendees totaled 348.
- Bank organized 95 Bank-at-works events. These events were 100% to employees with LMI incomes. This effort is directed to un-banked and under-banked individuals. As a result, the Bank opened 120 checking accounts, 13 loans, and 29 savings accounts.

Bank representatives served as board or finance committee members to 15 qualified community development organizations. Some examples of these services include:

- Serve on the executive board, loan committee or as an alternate board member for a development corporation that provides financing to local businesses who cannot qualify for traditional financing.
- Serve on the grant distribution committee for a charitable trust that provides grants to benefit person, institutions and organizations which serve economically disadvantaged individuals.
- Serve as a Board member for two organizations that provides meals to the homeless or to the working poor.

CNB uses its marketing staff to assist qualified community development organizations to produce radio commercials. These advertisements are designed to raise awareness, funding and volunteer support for the organizations. CNB also pays a marketing company to write radio scripts for these organizations. CNB's marketing team is responsible for administering the program by scheduling the radio air time with local radio stations and recording the radio commercials. Twenty-seven employees contributed approximately 39 hours of service in recording time. During this evaluation period, CNB invested over \$11 thousand in radio air time on behalf of these organizations. Bank-wide, the advertisement expenses totaled \$40 thousand, and script writing expenses paid to Chandler Marketing totaled \$61 thousand.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Hattiesburg AA is not inconsistent with the Bank's overall performance. The bank had 67 percent of its branches located in moderate-income CTs. The Bank's performance in the Jackson MSA and Memphis MSA AAs is weaker than the Bank's overall performance. The primary reason is branch distribution. The Bank did not have any branches located in low-or-moderate income CTs in these two AAs.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/2014 to 12/31/2017 Investment and Service Tests and CD Loans: 03/23/2015 to 03/20/2018	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Citizens National Bank (CNB) Meridian, Ms	Home Mortgage Small loans to businesses	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Non-msa Jackson Hattiesburg Memphis, MS	Full Scope Limited Scope Limited Scope Limited Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Non-msa Assessment Area

Demographic Information for Full Scope Area: Non-MSA AA - CNB						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	76	7.89	19.74	43.42	27.63	1.32
Population by Geography	327,757	6.80	15.82	46.71	30.67	0.00
Owner-Occupied Housing by Geography	85,639	3.99	11.71	49.22	35.08	0.00
Business by Geography	17,608	10.30	20.96	42.31	26.39	0.03
Farms by Geography	668	2.10	11.23	54.79	31.89	0.00
Family Distribution by Income Level	83,765	22.90	15.81	17.31	43.98	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,428	10.78	21.03	46.16	22.04	0.00
Median Family Income		43,702	Median Housing Value from 2017 US Census Updated		90,499	
FFIEC Adjusted MSA Median Family Income for 2017		45,600	Unemployment Rate (2015 US Census)		4.56%	
Households Below Poverty Level		22.66%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The non-MSA AA is located in eastern Mississippi and encompasses nine counties including Attala, Clarke, Jones, Lauderdale, Leake, Lowndes, Neshoba, Noxubee, and Wayne. The designated AA meets the legal requirements of the regulation and does not arbitrarily exclude any areas including low- and moderate-income census tracts.

The non-MSA AA is the largest of CNB's four AAs. There are 76 census tracts in this AA, of which 3 are low-income, 16 moderate-income, 33 middle-income, 23 upper-income and 1 NA. In this AA, CNB operates 18 banking offices, of which zero are located in the low-income tracts, 6 in moderate-income tracts, 8 in middle-income tracts and 4 in upper-income tracts. CNB also has an ATM (bank- owned) at 15 of its 18 banking offices, 3 stand-alone ATMs, and 25 branded ATMs located in convenience stores. The non-MSA AA represents 69 percent of CNB's branching network, 73 percent of its lending activity, and 78 percent of its deposit base.

As of the June 30, 2017 FDIC market share report, CNB has the highest deposit market share in the non-MSA AA at 16.06 percent (aggregate of all 9 counties). Competition in the AA is modest and includes regional and community banks such as Trustmark Bank, First State Bank, Regions Bank, Community Bank, and Citizens Bank of Philadelphia. These five banks have a combined market share of 49.30 percent.

During this examination, a contact with a Community Development Organization that operates in the AA was used to determine community credit needs and opportunities. The contact indicated that there was a need for small business redevelopment loans. Financial literacy education and after school programs were also identified as additional opportunities within the AA.

An additional contact for the area was used to determine community credit needs and opportunities. The contact indicated that there was a need for affordable housing units in the area.

Unemployment rates for the counties range from a low of 4.5 percent for Jones counties, to a high of 6.8 percent for Noxubee County. Of the nine counties in the AA, all nine have unemployment rates that exceed the national averages of 4.1 percent and eight of the nine counties exceed the state unemployment average of 4.5 percent.

Employment within the AA is heavily dependent on the healthcare and government industries. According to East MS Business Development Corp., the largest employers in the AA are: Meridian Naval Air Station (3,358 employees), Peavey Electronics (1,500), East MS Hospital (1,150), Rush Hospital (1,123 employees), Jeff Anderson Medical Center (1,065), Meridian Public School (987), and Lauderdale County Public Schools (900).

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: MISSISSIPPI 14-16						Evaluation Period: January 1, 2014 to December 31, 2016				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Non MSA AA	72.54	681	92,691	896	143,399	103	9,182	11	18,122	1,691	263,394	77.19
<b>Limited Review:</b>												
Jackson	13.64	96	28,151	216	52,298	4	776	0	0	316	81,225	10.81
Hattiesburg	10.58	105	30,932	138	27,373	2	456	0	0	245	58,761	8.23
Memphis MS	3.24	45	4,999	30	9,443	0	0	0	0	75	14,442	3.76

\* Loan Data as of [Date]. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is [Date of Last CRA Evaluation] to [Start Date of CRA Data Analysis Phase].

\*\*\* Deposit Data as of [Date]. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	232	67.84	2.34	1.72	15.59	9.05	50.40	36.64	31.67	52.59	3.00	14.29	2.97	2.18	3.88
<b>Limited Review:</b>															
Jackson	50	14.62	7.02	2.00	11.89	4.00	33.22	12.00	47.87	82.00	0.21	0.00	0.00	0.10	0.26
Hattiesburg	46	13.45	7.49	2.17	10.25	10.87	36.45	26.09	45.81	60.87	1.20	0.00	1.47	0.88	1.36
Memphis MS	14	4.09	0.00	0.00	10.52	0.00	43.01	71.43	46.47	28.57	0.18	0.00	0.00	0.31	0.13

\* Based on 2016 Peer Mortgage Data:

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	199	87.28	2.34	2.51	15.59	14.07	50.40	47.74	31.67	35.68	10.31	9.09	13.33	9.57	10.22
<b>Limited Review:</b>															
Jackson	10	4.39	7.02	0.00	11.89	10.00	33.22	10.00	47.87	80.00	0.38	0.00	1.25	0.38	0.25
Hattiesburg	15	6.58	7.49	13.33	10.25	6.67	36.45	46.67	45.81	33.33	2.60	0.00	5.00	2.67	2.47
Memphis MS	4	1.75	0.00	0.00	10.52	50.00	43.01	50.00	46.47	0.00	0.78	0.00	1.92	1.27	0.00

\* Based on 2016 Peer Mortgage Data:

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2010 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: MISSISSIPPI		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Non MSA AA	242	71.81	2.34	3.31	15.59	19.83	50.40	41.32	31.67	35.54	3.04	0.00	7.81	2.03	2.94			
<b>Limited Review:</b>																		
Jackson	35	10.39	7.02	0.00	11.89	8.57	33.22	17.14	47.87	74.29	0.26	0.00	1.06	0.08	0.28			
Hattiesburg	33	9.79	7.49	0.00	10.25	9.09	36.45	30.30	45.81	60.61	1.29	0.00	2.15	0.80	1.53			
Memphis MS	27	8.01	0.00	0.00	10.52	11.11	43.01	59.26	46.47	29.63	0.51	0.00	0.00	0.78	0.42			

\* Based on 2016 Peer Mortgage Data:

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2010 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MISSISSIPPI								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	8	40.00	9.85	0.00	26.84	37.50	38.68	25.00	24.63	37.50	14.29	0.00	0.00	10.00	40.00
<b>Limited Review:</b>															
Jackson	1	5.00	18.06	0.00	17.52	0.00	39.26	0.00	25.16	100.00	2.33	0.00	0.00	0.00	7.14
Hattiesburg	11	55.00	13.25	0.00	58.27	27.27	11.27	54.55	17.21	18.18	25.00	0.00	10.00	50.00	50.00
Memphis MS	0	0.00	0.00	0.00	7.73	0.00	84.95	0.00	7.32	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2016 Peer Mortgage Data.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2010 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: MISSISSIPPI		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses*	% BANK Loans	% of Businesses**	% BANK Loans	Overall	Low	Mod	Mid	Upp			
Full Review:																		
Non MSA AA	896	70.00	4.01	6.92	24.27	29.46	46.77	38.39	24.94	25.22	7.93	15.38	12.09	5.85	8.32			
Limited Review:																		
Jackson	216	16.88	12.54	5.09	11.12	11.11	35.03	31.94	41.31	51.85	0.80	0.90	1.50	0.63	0.83			
Hattiesburg	138	10.78	12.73	4.35	25.45	36.96	28.29	21.74	33.53	36.96	2.76	1.85	5.60	2.04	2.31			
Memphis MS	30	2.34	0.00	0.00	11.47	23.33	42.03	36.67	46.51	40.00	0.65	0.00	0.60	0.64	0.69			

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2016.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS												Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Non MSA AA	103	94.50	0.74	0.00	24.40	38.83	48.96	43.69	25.89	17.48	6.33	0.00	10.71	6.38	3.45					
<b>Limited Review:</b>																				
Jackson	4	3.67	4.90	0.00	6.85	75.00	30.91	0.00	57.34	25.00	0.44	0.00	0.00	0.00	1.15					
Hattiesburg	2	1.83	7.28	0.00	10.60	0.00	26.49	0.00	55.63	100.00	1.75	0.00	0.00	0.00	7.69					
Memphis MS	0	0.00	0.00	0.00	12.35	0.00	30.25	0.00	57.41	0.00	0.00	0.00	0.00	0.00	0.00					

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2016.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	232	67.84	23.48	1.00	16.64	7.46	16.63	12.44	43.25	79.10	3.03	1.54	1.82	1.59	3.99
<b>Limited Review:</b>															
Jackson	50	14.62	22.40	0.00	15.68	2.86	17.67	11.43	44.24	85.71	0.18	0.00	0.09	0.00	0.32
Hattiesburg	46	13.45	24.25	5.71	15.62	8.57	16.69	20.00	43.44	65.71	1.07	1.92	0.30	1.25	1.25
Memphis MS	14	4.09	15.72	8.33	15.01	8.33	21.31	8.33	47.95	75.00	0.20	0.00	0.13	0.11	0.34

\* Based on 2016 Peer Mortgage Data:

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 17.3% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT												Geography: MISSISSIPPI		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016		
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Non MSA AA	199	87.28	23.48	7.98	16.64	18.09	16.63	22.87	43.25	51.06	10.29	14.75	6.17	7.50	11.64	
<b>Limited Review:</b>																
Jackson	10	4.39	22.40	0.00	15.68	11.11	17.67	11.11	44.24	77.78	0.30	0.00	0.78	0.67	0.00	
Hattiesburg	15	6.58	24.25	14.29	15.62	14.29	16.69	21.43	43.44	50.00	2.30	0.00	0.00	3.45	2.83	
Memphis MS	4	1.75	15.72	0.00	15.01	25.00	21.31	25.00	47.95	50.00	0.82	0.00	0.00	2.22	0.74	

\* Based on 2016 Peer Mortgage Data:

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.7% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*									
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Non MSA AA	242	71.81	23.48	5.32	16.64	12.23	16.63	14.36	43.25	68.09	2.75	1.90	2.42	1.94	3.11					
<b>Limited Review:</b>																				
Jackson	35	10.39	22.40	0.00	15.68	8.70	17.67	8.70	44.24	82.61	0.30	0.00	0.00	0.16	0.41					
Hattiesburg	33	9.79	24.25	4.35	15.62	8.70	16.69	8.70	43.44	78.26	1.40	0.00	1.83	0.58	1.76					
Memphis MS	27	8.01	15.72	20.00	15.01	20.00	21.31	20.00	47.95	40.00	0.16	0.00	0.90	0.00	0.00					

\* Based on 2016 Peer Mortgage Data:

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 26.1% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses** *	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Non MSA AA	896	70.00	78.53	56.47	62.39	18.86	18.75	7.93	9.72
<b>Limited Review:</b>									
Jackson	216	16.88	81.48	57.87	50.93	13.89	35.19	0.80	0.81
Hattiesburg	138	10.78	79.65	39.13	58.70	16.67	24.64	2.76	2.20
Memphis MS	30	2.34	81.26	46.67	40.00	16.67	43.33	0.65	0.89

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B -2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.41% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Non MSA AA	103	94.50	96.28	72.82	66.99	23.30	9.71	6.33	11.11
<b>Limited Review:</b>									
Jackson	4	3.67	95.94	100.00	25.00	50.00	25.00	0.44	0.61
Hattiesburg	2	1.83	96.69	100.00	0.00	100.00	0.00	1.75	3.45
Memphis MS	0	0.00	95.68	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2016).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 4.59% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MISSISSIPPI				Evaluation Period: MARCH 23, 2015 TO MARCH 26, 2018			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Non MSA AA	21	9,636	33	11,449	54	21,135	99.75	0	0
<b>Limited Review:</b>									
Jackson	0	0	14	28	14	28	0.13	0	0
Hattiesburg	0	0	22	22	22	22	0.10	0	0
Memphis MS	0	0	4	13	4	13	0.06	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MISSISSIPPI										Evaluation Period: MARCH 23, 2015 TO MARCH 26, 2018							
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Non MSA AA	77.50	18	0.00	0.00	33.33	44.44	22.22	0	1	0	0	-1	0	3.62	18.86	49.29	28.23
<b>Limited Review:</b>																	
Jackson	0.00	3	0.00	0.00	0.00	33.33	66.67	0	0	0	0	0	0	12.82	14.47	34.63	38.08
Hattiesburg	0.00	3	0.00	0.00	66.67	33.33	0.00	0	0	0	0	0	0	12.73	22.11	28.58	36.58
Memphis MS	0.00	2	0.00	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	11.35	47.03	41.61

Table 1. Lending Volume

LENDING VOLUME		Geography: MISSISSIPPI 2017						Evaluation Period: January 1, 2017 to December 31, 2017				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Non MSA AA	73.41	205	26,898	303	54,216	22	1,267	3	2,910	533	85,291	77.19
<b>Limited Review:</b>												
Jackson	12.74	17	4,165	73	16,830	2	711	0	0	92	21,706	10.81
Hattiesburg	11.08	32	8,239	48	9,423	0	0	0	0	80	17,662	8.23
Memphis MS	2.77	7	1,108	12	2,410	1	11	0	0	20	3,529	3.76

\* Loan Data as of December 31,2017. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2017 to December 31, 2017

\*\*\* Deposit Data as of June 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE												Geography: MISSISSIPPI 2017		Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Non MSA AA	64	72.73	3.99	7.81	11.71	9.38	49.22	23.44	35.08	59.38	3.00	14.29	2.97	2.18	3.88			
<b>Limited Review:</b>																		
Jackson	7	7.95	6.04	0.00	15.03	0.00	27.06	14.29	51.86	85.71	0.21	0.00	0.00	0.10	0.26			
Hattiesburg	13	14.77	5.41	15.38	6.67	0.00	46.50	46.15	41.42	38.46	1.20	0.00	1.47	0.88	1.36			
Memphis MS	4	4.55	0.00	0.00	5.40	0.00	50.45	50.00	44.15	50.00	0.18	0.00	0.00	0.31	0.13			

\* Based on 2016 Peer Mortgage Data:

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2015 ACS Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT											Geography: MISSISSIPPI 2017					Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Non MSA AA	69	92.00	3.99	4.35	11.71	15.94	49.22	50.72	35.08	28.99	10.31	9.09	13.33	9.57	10.22					
<b>Limited Review:</b>																				
Jackson	0	0.00	6.04	0.00	15.03	0.00	27.06	0.00	51.86	0.00	0.38	0.00	1.25	0.38	0.25					
Hattiesburg	5	6.67	5.41	0.00	6.67	20.00	46.50	40.00	41.42	40.00	2.60	0.00	5.00	2.67	2.47					
Memphis MS	1	1.33	0.00	0.00	5.40	0.00	50.45	0.00	44.15	100.00	0.78	0.00	1.92	1.27	0.00					

\* Based on 2016 Peer Mortgage Data:

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2015 ASC Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography: MISSISSIPPI 2017					Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Non MSA AA	68	76.40	3.99	8.82	11.71	20.59	49.22	33.82	35.08	36.76	3.04	0.00	7.81	2.03	2.94					
Jackson	9	10.11	6.04	0.00	15.03	0.00	27.06	11.11	51.86	88.89	0.26	0.00	1.06	0.08	0.28					
Hattiesburg	10	11.24	5.41	0.00	6.67	0.00	46.50	40.00	41.42	60.00	1.29	0.00	2.15	0.80	1.53					
Memphis MS	2	2.25	0.00	0.00	5.40	0.00	50.45	50.00	44.15	50.00	0.51	0.00	0.00	0.78	0.42					

\* Based on 2016 Peer Mortgage Data:

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2015 ACS Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: MISSISSIPPI 2017										Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Non MSA AA	4	44.44	17.21	25.00	21.39	50.00	32.75	0.00	28.65	25.00	14.29	0.00	0.00	10.00	40.00		
<b>Limited Review:</b>																	
Jackson	1	11.11	15.66	0.00	33.06	0.00	34.39	100.00	16.90	0.00	2.33	0.00	0.00	0.00	7.14		
Hattiesburg	4	44.44	35.16	25.00	9.21	0.00	41.91	75.00	13.73	0.00	25.00	0.00	10.00	50.00	50.00		
Memphis MS	0	0.00	0.00	0.00	12.73	0.00	82.64	0.00	4.62	0.00	0.00	0.00	0.00	0.00	0.00		

\* Based on 2016 Peer Mortgage Data.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2015 ACS Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: MISSISSIPPI 2017				Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% of Businesses** *	% BANK Loans	% of Businesses** *	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses** *	% BANK Loans	Overall	Low	Mod	Mid	Upp					
Full Review:																				
Non MSA AA	303	69.50	10.30	15.84	20.96	28.71	42.31	27.06	26.39	28.38	7.93	15.38	12.09	5.85	8.32					
Jackson	73	16.74	8.00	5.48	22.53	9.59	26.41	21.92	42.94	63.01	0.80	0.90	1.50	0.63	0.83					
Hattiesburg	48	11.01	12.61	12.50	6.95	8.33	53.24	45.83	27.20	33.33	2.76	1.85	5.60	2.04	2.31					
Memphis MS	12	2.75	0.00	0.00	5.61	8.33	52.73	41.67	41.67	50.00	0.65	0.00	0.60	0.64	0.69					

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2017.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS											Geography: MISSISSIPPI 2017		Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017			
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Non MSA AA	22	88.00	2.10	0.00	11.23	13.64	54.79	68.18	31.89	18.18	6.33	0.00	10.71	6.38	3.45	
<b>Limited Review:</b>																
Jackson	2	8.00	2.83	0.00	12.25	0.00	21.00	50.00	63.93	50.00	0.44	0.00	0.00	0.00	1.15	
Hattiesburg	0	0.00	3.59	0.00	5.39	0.00	46.71	0.00	44.31	0.00	1.75	0.00	0.00	0.00	7.69	
Memphis MS	1	4.00	0.00	0.00	0.00	0.00	48.51	0.00	51.85	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet 2017.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MISSISSIPPI 2017							Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	64	72.73	22.90	7.02	15.81	17.54	17.31	15.79	43.98	59.65	3.03	1.54	1.82	1.59	3.99
<b>Limited Review:</b>															
Jackson	7	7.95	22.15	0.00	15.96	0.00	17.55	0.00	44.34	100.00	0.18	0.00	0.09	0.00	0.32
Hattiesburg	13	14.77	24.05	0.00	14.02	12.50	18.67	0.00	43.27	87.50	1.07	1.92	0.30	1.25	1.25
Memphis MS	4	4.55	15.36	0.00	16.76	0.00	22.43	33.33	45.44	66.67	0.20	0.00	0.13	0.11	0.34

\* Based on 2016 Peer Mortgage Data:

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2015 ACS Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 18.2% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: MISSISSIPPI 2017						Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non MSA AA	69	92.00	22.90	10.29	15.81	14.71	17.31	13.24	43.98	61.76	10.29	14.75	6.17	7.50	11.64
<b>Limited Review:</b>															
Jackson	0	0.00	22.15	0.00	15.96	0.00	17.55	0.00	44.34	0.00	0.30	0.00	0.78	0.67	0.00
Hattiesburg	5	6.67	24.05	0.00	14.02	33.33	18.67	0.00	43.27	66.67	2.30	0.00	0.00	3.45	2.83
Memphis MS	1	1.33	15.36	0.00	16.76	0.00	22.43	100.00	45.44	0.00	0.82	0.00	0.00	2.22	0.74

\* Based on 2016 Peer Mortgage Data:

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2015 ACS Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.0% of loans originated and purchased by Bank.



Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: MISSISSIPPI 2017			Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses**	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Non MSA AA	303	69.50	79.38	55.12	56.44	21.78	21.78	7.93	9.72
<b>Limited Review:</b>									
Jackson	73	16.74	82.67	54.79	45.21	19.18	35.62	0.80	0.81
Hattiesburg	48	11.01	81.30	43.75	52.08	14.58	33.33	2.76	2.20
Memphis MS	12	2.75	83.17	41.67	50.00	25.00	25.00	0.65	0.89

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B -2017).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 8.03% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: MISSISSIPPI 2017		Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Non MSA AA	22	88.00	96.26	86.36	77.27	18.18	4.55	6.33	11.11
<b>Limited Review:</b>									
Jackson	2	8.00	95.96	50.00	0.00	0.00	100.00	0.44	0.61
Hattiesburg	0	0.00	97.01	0.00	0.00	0.00	0.00	1.75	3.45
Memphis MS	1	4.00	95.06	100.00	100.00	0.00	0.00	0.00	0.00

\* Based on 2016 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2017).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 8.0% of small loans to farms originated and purchased by Bank.

