



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

May 14, 2007

Community Reinvestment Act Performance Evaluation

**Cadence Bank, National Association
Charter Number: 3656**

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Office of the Comptroller of the Currency

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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 **Cadence Bank, National Association** (Cadence) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Cadence Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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:

- Lending activity reflects good responsiveness to credit needs in the bank’s assessment areas, given the bank’s business strategy and performance context.
- A substantial majority of loans were originated within the assessment areas.
- The geographic distribution of home mortgage and small business loans is good.
- The distribution of loans among borrowers of different income levels is adequate, and the distribution of loans to businesses of different sizes is excellent.
- The level of community development loans is good, and had a positive impact on lending test performance.
- Retail service delivery systems are accessible to geographies, businesses and individuals of different income levels throughout the assessment areas.
- The bank provides a good level of community development services.

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.

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 household 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 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

Cadence, an interstate bank, is a subsidiary of Cadence Financial Corporation (CFC), a one-bank holding company headquartered in Starkville, Mississippi (MS). The corporation is a full-service financial services company that has been in existence since 1889. Cadence offers banking, insurance, trust, mortgage banking, and investment services in Mississippi, Alabama, Tennessee, Florida, and Georgia. Subsequent to the prior evaluation, the holding company and bank underwent name changes. In October 2005, the bank changed its name from National Bank of Commerce to Cadence Bank, National Association. In June 2006, the holding company changed its name from NBC Capital Corporation to Cadence Financial Corporation.

Other subsidiaries include NBC Service Corporation, an operating subsidiary that sells credit related insurance products, and Galloway-Chandler-McKinney Insurance Agency, Inc., a full service insurance company. NBC Service Corporation has one subsidiary, Commerce National Insurance Company. The activities in the subsidiaries do not affect CRA and are not included in this Performance Evaluation.

In March 2004, CFC acquired Enterprise National Bank and its parent company headquartered in Memphis, Tennessee. On November 11, 2005, Enterprise merged into Cadence. In August 2006, CFC acquired SunCoast Bank and its parent company headquartered in Sarasota, Florida. In November 2006, CFC acquired Seasons Bank and its parent company headquartered in Blairsville, Georgia. The parent companies merged into CFC and the banks merged into Cadence in late 2005 and 2006. Bank activities in Tennessee, Florida, and Georgia were not included in this Performance Evaluation.

At December 31, 2006, Cadence had total assets of \$1.86 billion. Net loans of \$1.24 billion represented 67 percent of total assets. The bank's loan portfolio includes commercial real estate loans (22 percent), commercial and industrial loans (20 percent), construction and development loans (28 percent), residential real estate (21 percent), consumer loans (3 percent), and other loans (6 percent). Tier 1 Capital totaled \$135 million and resulted in a Tier 1 Leverage Capital ratio of 7.52 percent.

Cadence offers a full range of traditional bank products and services with emphasis on small business lending in all of its assessment areas.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment areas. The rating at the bank's last CRA examination dated February 2, 2002, and performed under "Large Bank" CRA guidelines, was "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assessed performance under the Lending, Investment and Service Tests. To evaluate lending performance, we reviewed residential mortgage loans subject to filing under the HMDA, small loans to businesses and farms subject to filing under the CRA, and community development loans. The Investment Test included a review of investments and donations made in the assessment areas that meet the definition of community development. The Service Test included a review of retail and community development services provided in the assessment areas.

The evaluation period for the Lending Test, except for community development loans, covered January 1, 2004 through December 31, 2006. For community development loans, the Investment Test, and the Service Test, the evaluation period covered February 25, 2002, the date of the last CRA evaluation, through May 14, 2007. We based our conclusions related to community development loans and qualified investments on the number and dollar amounts made during the evaluation period. We also considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which private investors do not provide these instruments.

Data Integrity

In August 2005, OCC personnel verified the accuracy of data made available to the public in accordance with HMDA and CRA loan data reporting requirements. Public data includes home mortgage lending and small loans to businesses and farms. During the examination, we reviewed non-public data that management submitted for CD loans, CD investments, and CD services to ensure it met the regulatory definition for community development. We excluded some data that the bank submitted because it did not meet the regulatory definition. Based on the verification work performed on the remaining data, we consider the publicly reported lending data and non-public CD data accurate.

Selection of Areas for Full-Scope Review

During this evaluation, we analyzed the bank's performance in the states of Mississippi and Alabama. We performed full-scope reviews for two (67 percent) of the bank's AA's - Contiguous Counties, Mississippi and Tuscaloosa County, Alabama. We selected AA's where the bank has a substantial share of its deposit and loan business for full-scope reviews. The two AA's combined represent 92 percent of the locations, 92 percent of the deposits, and 96 percent of the loans. Refer to Appendix C: Market Profiles for details about the reviewed assessment areas. We conducted a limited scope review in the Neshoba County, Mississippi AA.

Please refer to the tables in Appendix A for more information on the scope of the evaluation.

Ratings

We based state ratings primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each state rating for details regarding how we weighted areas in arriving at the overall state rating. We based Cadence Bank’s overall rating primarily on its performance in the state of Mississippi. Performance in this state received the most weight in the overall analysis because a substantial majority of the bank’s business (83 percent of total deposits and 87 percent of total loans) is located in this state. Lending performance in small business loans received the most weight in determining the overall Lending Test rating, followed to a lesser extent by small farm loans, residential home purchase, and residential home improvement performance. Activities related to home mortgage refinance, and multifamily loans received less weight as they represent smaller percentages of the bank’s lending activity.

Other

For this examination, we met with three governmental organizations and a small business development corporation to determine credit needs and opportunities for financial institutions to meet those needs. The contacts indicated a high level of community development opportunities exist in the assessment areas for banks to help meet community credit needs.

The community contacts identified primary needs as financial literacy programs, small business loans for start-up capital, affordable housing loans, and economic development loans. The comments received were positive and reflected that financial institutions in the full-scope review areas are meeting credit needs in the community.

Fair Lending and Other Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.

State Rating

State of Mississippi

CRA Rating for Mississippi:	<u>Satisfactory</u>
The lending test is rated:	<u>High Satisfactory</u>
The investment test is rated:	<u>Low Satisfactory</u>
The service test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- Lending activity reflects good responsiveness to credit needs in the assessment areas, given the bank's business strategy and performance context.
- The geographic distribution of home mortgage and small loans to businesses is good.
- The distribution of loans among borrowers of different income levels is adequate, and the distribution of small loans to businesses and farms of different sizes is excellent.
- The level of community development loans is good, and had a positive impact on lending test performance.
- Retail service delivery systems are accessible to geographies, businesses and individuals of different income levels throughout the assessment areas.
- The bank provides a good level of community development services.

Description of Institution's Operations in Mississippi

Refer to the market profiles for the state of Mississippi in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Mississippi

We completed a full-scope review of the Contiguous Counties assessment area. It represents the largest of the two assessment areas in this state. Approximately 96 percent of the loans and 90 percent of the deposits originated in this AA.

We selected small loans to businesses as the primary loan product for evaluating CRA performance since these loans represent a majority of originated/purchased loans. Community development lending is good, particularly those loans benefiting low- and moderate-income borrowers, and had a positive effect on the Lending Test conclusions.

Refer to Appendix A and Appendix C for more information.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Mississippi is rated "**High Satisfactory**". Based on the full-scope review, the bank's performance in the Contiguous Counties AA is good. Small business lending was weighted more than other products when evaluating CRA performance, and it had the most impact on the final rating.

Lending Activity

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

We selected small loans to businesses as the primary loan product for evaluating CRA performance since these loans represent a majority of originated/purchased loans. Community development lending is good, particularly those loans benefiting low- and moderate-income borrowers, and had a positive effect on the Lending Test conclusions.

Overall, Cadence had a significant market share of loans and deposits in the full-scope AA. Cadence ranks first in deposit market share at 31 percent. Based on 2005 CRA aggregate data, Cadence had a 30 percent market share of small loans to businesses (ranks 1st) and a 65 percent market share of small loans to farms (ranks 1st).

Based on 2005 HMDA aggregate data, Cadence had a 7 percent overall market share in home purchase loans (ranks 5th), a 15 percent overall market share in home improvement loans (ranks 1st), and a 2 percent overall market share in home refinance loans (ranks 13th).

Distribution of Loans by Income Level of the Geography

Cadence's geographic distribution of loans in the assessment area is good. The distribution of small loans to businesses, farms, and home mortgage loans is good. There are no low-income geographies in the full-scope AA. In addition, the middle-income census tracts in this assessment area are included on the 2006 list of "distressed" census tracts due to the high poverty and unemployment levels in these tracts. As such, Cadence received positive consideration for originating loans within these census tracts.

Home Mortgage Loans

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

The geographic distribution of home purchase loans is good. The distribution of loans in moderate-income geographies is equal to the percentage of owner-occupied housing units. The distribution of home purchase loans in the distressed middle-income geographies is near to the percentage of owner-occupied housing units located in those areas. The bank's market share in moderate-income geographies is near to its overall market share.

The geographic distribution of home improvement loans is excellent. The distribution of loans in moderate-income geographies exceeds the percentage of owner-occupied housing units. The distribution of home improvement loans in the distressed middle-income geographies is equal to the percentage of owner-occupied housing units located in those areas. The bank's market share in moderate-income geographies is somewhat lower than the overall market share. The bank's market share in distressed middle-income geographies is near to its overall market share.

The geographic distribution of home refinance loans is adequate. The distribution of loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied housing units. However, the distribution of home refinance loans in the distressed middle-income geographies exceeds the percentage of owner-occupied housing units in those areas. The bank's market share in moderate-income geographies is somewhat lower than the overall market share. The bank's market share in distressed middle-income geographies exceeds its overall market share.

The volume of multifamily loans originated in the full-scope AA during this evaluation period (four loans) was not significant enough to perform a meaningful analysis.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is good. The distribution of loans in moderate-income geographies is somewhat lower than the percentage of small businesses located in those areas. The distribution of loans in the distressed middle-income geographies is equal to the percentage of small businesses located in those areas. The bank's market share in moderate-income geographies exceeds the overall market share. The bank's market share in distressed middle-income geographies exceeds its overall market share.

Small Loans to Farms

Refer to Table 7 in Appendix D for facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is good. The distribution of loans in moderate-income geographies is somewhat lower than the percentage of small farms located in those areas. The distribution of loans in the middle-income geographies exceeds the percentage of small farms located in those areas. The bank's market share in moderate-income geographies is near to its overall market share. The bank's market share in middle-income geographies exceeds its overall market share.

Lending Gap Analysis

Maps and reports detailing Cadence's lending activity over the evaluation period for home mortgage, small loans to businesses, and small loans to farms were reviewed to identify gaps

in the geographic distribution of those loans. We did not identify any unexplained conspicuous gaps.

Inside/Outside Ratio

Cadence has a good record of lending inside of its assessment areas. We analyzed the distribution at a bank-wide level rather than by AA or state. Based on our analysis, a majority of the HMDA, small business, and small farm loans were originated inside the bank's AA's during the evaluation period. Overall, eighty-three percent of the total number of loans and seventy-three percent of the total dollar volume of loans were originated within the AA's. By loan product, 85 percent of small loans to businesses, 74 percent of home mortgage loans, 90 percent of small loans to farms, and 100 percent of community development loans originated within the AA's.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Cadence's distribution of loans in the assessment area by income level of the borrower is good. The distribution of small loans to businesses and farms by revenue size is excellent. The distribution of home mortgage loans by borrower income is adequate.

To evaluate the borrower distribution of home mortgage loans, we considered the percentage of families living below the poverty level. Based on 2000 Census data, 23 percent of families in the AA are low-income. The data reflects that 18 percent of families in the AA live below the poverty level. When compared with a 2006 HUD Adjusted Median Family Income of \$36,100 and an average median housing value of \$66,044, the unsubsidized purchase of an average single-family residence might be beyond the financial means of many low- and moderate-income individuals.

The distribution of home purchase loans by borrower income level is adequate. The percentage of loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers substantially exceeds its overall market share. The bank's market share for moderate-income borrowers is somewhat lower than its overall market share.

The distribution of home improvement loans by borrower income level is adequate. The percentage of loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers is somewhat lower than its overall market share. The bank's market share for moderate-income borrowers is somewhat lower than its overall market share.

The distribution of home refinance loans by borrower income level is poor. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The bank does not have a market share for low-income borrowers. The bank's market share for moderate-income borrowers is near to its overall market share.

Small Loans to Businesses

Refer to Table 11 in Appendix D 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 excellent. The percentage of small loans to businesses substantially exceeds the percentage of businesses with annual revenues of \$1 million or less in the AA. Approximately 90 percent of the bank's small loans to businesses were in original amounts of \$100,000 or less. The bank's market share to businesses with annual revenues of \$1 million or less exceeds its overall market share.

Small Loans to Farms

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

The distribution of small loans to farms with annual revenues of \$1 million or less is excellent. The percentage of small loans to farms exceeds the percentage of farms with annual revenues of \$1 million or less in the AA. Approximately 92 percent of the bank's small loans to farms were in original amounts of \$100,000 or less. The bank's market share to farms with annual revenues of \$1 million or less exceeds its overall market share.

Community Development Lending

Cadence's community development lending had a positive impact on the Lending Test conclusion. During the evaluation period, Cadence originated 15 CD loans totaling \$11.5 million in the full-scope AA. The CD loans focused on credit needs of the AA, such as affordable housing and community services targeted to low- and moderate-income individuals and geographies. The bank submitted several more loans that might qualify as CD loans; however, the lack of proper documentation made it difficult to support and confirm that the loans met the definition of community development. Cadence also received credit for five loans totaling \$1.88 million that benefited the broader statewide or regional area.

Refer to Table 1 Lending Volume in Appendix D 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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Product Innovation and Flexibility

Cadence does not offer any innovative loan products; however, it uses flexible lending policies and practices to serve the credit needs of the AA. The loan policy allows loan officers the flexibility to tailor loans to meet the specific needs of the borrowers. Cadence offers flexible mortgage-related lending programs that serve borrowers of all income levels, including low- and moderate-income individuals at all full-service bank locations. Two programs, Home Possible and Dreamaker Opportunity, provide first-time homebuyers, including low- and moderate-income individuals, with funds to purchase homes. Bank management did not provide information for the number and dollar volume of loans made to low- or moderate-income individuals under these programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the lending test in the Neshoba County AA is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test in Mississippi. *Refer to the Tables 1 through 13 in the state of Mississippi section of appendix D 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 "Low Satisfactory". Based on the full-scope review, the bank's performance in the Contiguous Counties AA is adequate.

During the evaluation period, Cadence originated 29 donations, grants, or investments totaling \$1.9 million. There was also a prior period investment totaling \$510 thousand that was outstanding as of the evaluation date. The qualified investments helped meet affordable housing needs and provide community services that benefited low- and moderate-income individuals or geographies in the AA. None of the investments are considered innovative or complex in nature.

Refer to Table 14 in the state of Mississippi section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Conclusions for Area Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the investment test in the Neshoba County AA is weaker than the bank's overall performance in the state. Cadence made only one donation totaling \$200 in this AA during the evaluation period.

Refer to Table 14 in the state of Mississippi section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Mississippi is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Contiguous Counties AA is good.

Retail Banking Services

Refer to Table 15 in the state of Mississippi section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The percentage of the bank's branch network located in moderate-income areas exceeds the percentage of the population residing in those areas. Four branches (22 percent) are located moderate-income census tracts and 16 percent of the population resides in moderate-income census tracts. Nine branches representing 50 percent of the total are located in middle-income census tracts compared to 54 percent of the population residing in middle-income tracts. Five branches (28 percent) are located in upper-income census tracts and 28 percent of the population resides in upper-income tracts. There are no low-income census tracts in this AA.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and low- and moderate-income individuals. During this evaluation period, Cadence closed five branches due to consolidations.

Banking hours are commensurate with community needs. Branch hours do not differ significantly and do not adversely affect low- and moderate-income geographies. Cadence offers traditional banking services, and a variety of loan and deposit products. Banking services include free on-line banking, bill-pay and E-statements. Cadence offers banking by telephone services through its Intervoice system. It allows customers the ability to obtain information on their accounts.

Cadence offers a "Bank at Work" program that provides a variety of free or low-cost bank products and services to businesses. The program provides discounted mortgage and loan products, credit counseling, and investment and retirement planning services. Two companies are currently enrolled in this program

Community Development Services

The level of community development services is good. The types of services provided are not innovative in nature, but are responsive to the needs of the community. Some services are

offered in conjunction with another organization and are made available to low- and moderate-income individuals and small businesses.

Examples of the type of financial services provided include, but are not limited to serving on the board, and providing credit counseling or technical financial expertise to CD organizations that provide community services to low-and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the service test in the Neshoba County AA is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in Mississippi.

Refer to Table 15 in the state of Mississippi section of appendix D for the facts and data that support these conclusions.

State of Alabama

CRA Rating for Alabama:	<u>Satisfactory</u>
The lending test is rated:	<u>Outstanding</u>
The investment test is rated:	<u>Needs to Improve</u>
The service test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- Lending activity reflects good responsiveness to credit needs in the bank's assessment areas, given the bank's business strategy and performance context.
- A substantial majority of loans were originated within the assessment areas.
- The geographic distribution of home mortgage loans is good, and the geographic distribution of loans to small businesses is excellent.
- The distribution of loans among borrowers of different income levels is adequate, and the distribution of loans to businesses of different sizes is excellent.
- The level of community development loans had a positive impact on Lending Test performance.
- The dollar volume of investments made in the Tuscaloosa County AA is poor.
- Retail service delivery systems are accessible to geographies, businesses and individuals of different income levels throughout the assessment areas.

Description of Institution's Operations in Alabama

Refer to the market profiles for the state of Alabama in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Alabama

We completed a full-scope review of the Tuscaloosa County assessment area. It represents the only assessment area in this state. As such, 100 percent of the loans and 100 percent of the deposits originated in this AA.

We selected small loans to businesses as the primary loan product for evaluating CRA performance since these loans represent a majority of originated/purchased loans. Community development lending was good, particularly those loans benefiting low- and moderate-income borrowers, and had a positive effect on the Lending Test conclusions.

Refer to Appendix A and Appendix C for more information.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the state of Alabama is rated "**High Satisfactory**". Based on the full-scope review of the Tuscaloosa County Assessment Area, the bank's performance is good. Small business lending is the bank's primary product for evaluating CRA performance, and it had the most impact on the final rating.

Lending Activity

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

In the full-scope AA, loans to small businesses comprised 78 percent of originated/purchased loans, home mortgage loans comprised 19 percent, and loans to small farms comprised 3 percent.

Home purchase loans comprised 57 percent, home improvement loans comprised 20 percent, home refinance loans comprised 21 percent, and multi-family loans comprised less than 2 percent of home mortgage loans, respectively.

We selected small loans to businesses as the primary loan product for evaluating CRA performance since these loans represent a majority of originated/purchased loans. Community development lending was good, particularly those loans benefiting low- and moderate-income borrowers, and had a positive effect on the Lending Test conclusions.

In the full-scope AA, Cadence ranks fourth in deposit market share at 7 percent. Based on 2005 CRA aggregate data, Cadence had a 5 percent market share of small loans to businesses (ranks 8th) and a 15 percent market share of small loans to farms (ranks 3rd).

Based on 2005 HMDA aggregate data, Cadence had less than a 1 percent overall market share in home purchase loans (ranks 40th), a 2 percent overall market share in home improvement loans (ranks 11th), and a 1 percent overall market share in home refinance loans (ranks 78th). Cadence's market share of home mortgage loans is less than its overall deposit market share.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

Overall performance is excellent. The distribution of small loans to businesses is excellent, and the distribution of home mortgage loans is good.

The geographic distribution of home purchase loans is good. The distribution of loans in moderate-income geographies is near to the percentage of owner-occupied housing units. The bank's market share in moderate-income geographies exceeds the overall market share. Cadence did not originate any home purchase loans in the one low-income geography. Less than one percent of the homes are owner-occupied in the low-income geography making it difficult for the bank to originate any loans in that geography.

The geographic distribution of home improvement loans is excellent. The distribution of loans in moderate-income geographies exceeds the percentage of owner-occupied housing units. The bank's market share in moderate-income geographies is near to the overall market share. Cadence did not originate any home improvement loans in the one low-income geography.

The geographic distribution of home refinance loans is poor. The distribution of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units. The bank's market share in moderate-income geographies exceeds the overall market share. Cadence did not originate any home refinance loans in the one low-income geography.

The volume of multifamily loans originated in the full-scope AA during this evaluation period (four loans) was not significant enough to perform a meaningful analysis.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is excellent. The distribution of loans in moderate-income geographies exceeds the percentage of small businesses located in those areas. The bank's market share in moderate-income geographies exceeds the overall market share. Cadence did not originate any small loans to businesses in the low-income geography during the evaluation period. Less than 3 percent of businesses are located in the one low-income geography.

Small Loans to Farms

Refer to Table 7 in Appendix D for facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

The volume of small loans to farms originated in the full-scope AA during this evaluation period (32 loans) was not significant enough to perform a meaningful analysis.

Lending Gap Analysis

Maps and reports detailing Cadence's lending activity over the evaluation period for home mortgage and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. We did not identify any unexplained conspicuous gaps.

Inside/Outside Ratio

Cadence has a good record of lending inside of its assessment areas. We analyzed the distribution at a bank-wide level rather than by AA or state. Based on our analysis, a majority of the HMDA, small business, and small farm loans were originated inside the bank's AA's during the evaluation period. Overall, eighty-three percent of the total number of loans and seventy-three percent of the total dollar volume of loans originated within the AA's. By loan product, 85 percent of small loans to businesses, 74 percent of home mortgage loans, 90 percent of small loans to farms, and 100 percent of community development loans originated within the AA's.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Overall performance is excellent. Cadence's distribution of loans in the assessment area to businesses and farms of different sizes is excellent. The distribution of home mortgage loans by the income level of the borrower is adequate.

To evaluate the distribution of home mortgage loans by income level of the borrower, we considered the number of families living below the poverty level. Based on 2000 Census data, 20 percent of families in the AA are considered low-income. The data reflects that 11 percent of families in the AA live below the poverty level. When compared with a 2006 HUD Adjusted Median Family Income of \$52,300 and an average median housing value of \$98,767, the unsubsidized purchase of an average single-family residence might be beyond the financial means of low- and moderate-income individuals and families.

The distribution of home purchase loans by borrower income level is adequate. The percentage of loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers substantially exceeds its overall market share. The bank's market share for moderate-income borrowers is lower than its overall market share.

The distribution of home improvement loans by borrower income level is good. The percentage of loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for low-income borrowers exceeds its overall market share. The bank's market share for moderate-income borrowers is somewhat lower than its overall market share.

The distribution of home refinance loans by borrower income level is adequate. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Cadence did not originate any home refinance loans to low-income borrowers. The bank does not have a market share for low- or moderate-income borrowers.

Small Loans to Businesses

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

The bank’s percentage of small loans to businesses with annual revenues of \$1 million or less is excellent. The percentage of small loans to businesses exceeds the percentage of businesses with annual revenues of \$1 million or less in the AA. Approximately 80 percent of the bank’s small loans to businesses were in original amounts of \$100,000 or less. The bank’s market share to businesses with annual revenues of \$1 million or less substantially exceeds its overall market share.

Small Loans to Farms

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

The bank’s percentage of small loans to farms with annual revenues of \$1 million or less is excellent. The percentage of small loans to farms exceeds the percentage of farms with annual revenues of \$1 million or less in the AA. Approximately 69 percent of the bank’s small loans to farms were in original amounts of \$100,000 or less. The bank’s market share to farms with annual revenues of \$1 million or less substantially exceeds its overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix D 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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending had a positive impact on the Lending Test conclusion. During the evaluation period, Cadence originated 4 CD loans totaling \$13.7 million in the AA. The CD loans focused on the credit needs of the AA, such as affordable housing and community services targeted to low- and moderate-income individuals and geographies. The bank submitted several more loans that might qualify as CD loans; however, the lack of proper documentation made it difficult to support and confirm that the loans met the definition of community development.

Product Innovation and Flexibility

Cadence offers flexible loan products in this AA on a comparable basis to those offered in the state of Mississippi. We evaluated the overall performance at the bank level. Please refer to the “Product Innovation and Flexibility” comment in the state of Mississippi section of this performance evaluation.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Alabama is rated "Needs to Improve". Based on the full-scope review, the bank's performance in the Tuscaloosa County AA is poor.

Cadence made investments totaling only \$8 thousand in this AA during the evaluation period. This dollar volume does not compare favorably to the prior evaluation period when the bank made investments of \$251 thousand in the AA. Cadence made investments totaling \$3.4 million that benefited the broader statewide or regional area, but did not benefit the AA. Cadence did not receive credit for these investments because it has not adequately met investment needs in the AA.

Refer to Table 14 in the state of Alabama section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Alabama is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Tuscaloosa County AA is good.

Retail Banking Services

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

The percentage of the bank's branch network located in moderate-income areas exceeds the percentage of the population residing in those areas. Two branches (40 percent) are located moderate-income census tracts and 28 percent of the population resides in moderate-income census tracts. One (20 percent) branch is located in a middle-income census tract and 49 percent of the population resides in middle-income tracts. Two branches (40 percent) are located in upper-income census tracts and 22 percent of the population resides in upper-income tracts. Cadence does not have any branches in the only low-income census tract in the AA; however, this is not a concern as just over one percent of the population resides in this census tract.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and low- and moderate-income individuals. Cadence did not open or close any branches in this AA during the evaluation period.

Banking hours are commensurate with community needs. Branch hours do not differ significantly and do not adversely affect low-and moderate-income geographies. Cadence offers traditional banking services, and a variety of loans and deposit products. Banking services include free on-line banking, bill-pay and E-statements. Cadence offers banking by telephone services through its Intervoice system. It allows customers the ability to obtain information on their accounts.

Community Development Services

The level of community development services is good. The types of services provided are not innovative in nature, but are responsive to the needs of the community. Some services are offered in conjunction with another organization and are made available to low- and moderate-income individuals and small businesses.

Examples of the type of financial services provided include, but are not limited to serving on the board, and providing credit counseling or technical financial expertise to CD organizations that provide community services to low-and moderate-income individuals.

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 non-metropolitan 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”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2004 to 12/31/2006	
	Investment and Service Tests & CD Loans: 02/25/2002 to 12/31/2006	
Financial Institution	Products Reviewed	
Cadence Bank, N.A. (Cadence) Starkville, MS	Home Mortgage Loans Small Loans to Businesses Small Loans to Farms Community Development Loans Community Development Investments Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No Affiliate Products Reviewed		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
State of Mississippi: Contiguous Counties	Full-scope	Choctaw County (CT 9501) Clay County (all census tracts) Lowndes County (all census tracts) Monroe County (all census tracts) Noxubee County (all census tracts) Oktibbeha County (all census tracts) Webster County (CT 9501 and CT 9503)
Neshoba County	Limited-scope	Neshoba County (all census tracts)
State of Alabama Tuscaloosa County	Full-scope	Tuscaloosa County (all census tracts)

Appendix B: Summary of State Ratings

Summary of Ratings: Cadence Bank, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Cadence Bank, NA	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State:				
Mississippi	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Alabama	Outstanding	Needs to Improve	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

State of Mississippi

Contiguous Counties

Demographic Information for Full Scope Area: Mississippi Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	0.00	21.05	52.63	26.32	0.00
Population by Geography	186,316	0.00	15.85	54.23	29.93	0.00
Owner-Occupied Housing by Geography	48,021	0.00	12.90	55.25	31.85	0.00
Business by Geography	13,128	0.00	19.21	51.54	29.25	0.00
Farms by Geography	490	0.00	20.82	56.12	23.06	0.00
Family Distribution by Income Level	48,377	22.73	14.12	18.42	44.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	17,827	0.00	22.45	56.66	20.90	0.00
Median Family Income		33,550	Median Housing Value			66,044
HUD Adjusted Median Family Income for 2006		36,100	Unemployment Rate (2000 US Census)			3.89%
Households Below Poverty Level		23%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 US Census and 2006 HUD updated MFI

The bank identified Contiguous Counties – Mississippi as an assessment area. This AA includes the entire counties of Clay, Lowndes, Monroe, Noxubee, and Oktibbeha and portions of Choctaw and Webster counties. These counties are not located in a Metropolitan Area.

The AA includes no low-income census tracts, 8 moderate-income census tracts, 20 middle-income census tracts, and 10 upper-income census tracts. The defined assessment area meets the requirements of the CRA, and does not arbitrarily exclude any low- or moderate-income tracts. All of the middle-income census tracts are included on the 2005 and 2006 List of Middle-Income Nonmetropolitan Distressed or Underserved Geographies due to either high poverty or unemployment rates. The bank’s activities in this assessment area received a full-scope review.

Deposits in the assessment area represented 90 percent of total deposits in the State of Mississippi. Of the total HMDA and CRA loans reported during the evaluation period, 96 percent originated in this AA. The bank operates 18 full service branches and 15 ATMs in the AA. As of June 30, 2006, Cadence ranked first out of twelve institutions in deposits with a 31 percent market share. Cadence offers a full-range of products and services, with particular emphasis on loans to small businesses and small farms.

Primary industries include manufacturing, retail trade, and services. Major employers include public education (Mississippi State University and local school districts), military (Columbus Air Force Base), and health care facilities (Baptist Memorial Hospital). Several businesses expanded operations and others, such as Toyota, have announced plans to open a new plant in the area.

State of Alabama

Tuscaloosa County

Demographic Information for Full Scope Area: Tuscaloosa Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	2.22	26.67	46.67	24.44	0.00
Population by Geography	164,875	1.18	27.97	49.26	21.59	0.00
Owner-Occupied Housing by Geography	40,958	0.06	19.03	54.09	26.81	0.00
Business by Geography	10,077	2.79	33.35	42.43	21.43	0.00
Farms by Geography	276	0.00	19.93	51.45	28.62	0.00
Family Distribution by Income Level	42,107	20.02	16.79	20.05	43.14	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,499	0.79	38.66	47.76	12.78	0.00
Median Family Income HUD Adjusted Median Family Income for 2006 Households Below Poverty Level		42,757 52,300 19%	Median Housing Value Unemployment Rate (2000 US Census)			98,767 2.97%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2006 HUD updated MFI

The bank identified Tuscaloosa County as an assessment area. The AA is a metropolitan area comprised of one low-income census tract, 12 moderate-income census tracts, 21 middle-income census tracts, and 11 upper-income tracts. The defined assessment area meets the requirements of the CRA, and does not arbitrarily exclude any low- or moderate-income tracts. The bank's activities in this assessment area received a full-scope review.

The bank operates five full service branches and six ATMs in the AA. As of June 30, 2006, Cadence ranked fourth out of fifteen institutions in deposits with a 7 percent market share. Cadence offers a full-range of products and services, with particular emphasis on loans to small businesses and small farms.

Retail/wholesale trade, manufacturing, education, and service industries support the local economy. Major employers include the University of Alabama (education), DCH Regional Medical Center (medical), Jim Walter Resources (mining), and Uniroyal Goodrich (tire manufacturing).

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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. Deposit data are compiled by the FDIC and are available as of June 30th of each year. 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 included in each set:

- 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. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, 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. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

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.

State of Mississippi

Table 1. Lending Volume

LENDING VOLUME												
Geography: MISSISSIPPI												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006												
MA/Assessment Area (2006):	% 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)	
Full Review:												
Contiguous Counties	95.92	1,300	101,186	5,017	223,795	1,465	52,471	15	11,518	7,797	388,970	89.93
Limited Review:												
Neshoba County	4.08	84	4,032	179	9,122	68	2,007	5	2,286	336	17,447	10.07
Out of Assessment Area								5	1,875	5	1,875	

* Loan Data as of December 31, 2006. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from February 2, 2002 to May 14, 2007.

*** Deposit Data as of June 30, 2006. 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, 2004 TO DECEMBER 31, 2006								
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Contiguous Counties	671	95.18	0.00	0.00	12.90	12.82	55.25	46.65	31.85	40.54	7.17	0.00	10.20	6.60	7.11
Limited Review:															
Neshoba County	34	4.82	0.00	0.00	16.68	20.59	83.32	79.41	0.00	0.00	4.76	0.00	12.12	3.21	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006									
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
Full Review:															
Contiguous Counties	355	91.97	0.00	0.00	12.90	13.24	55.25	55.21	31.85	31.55	26.40	0.00	18.18	24.36	35.24
Limited Review:															
Neshoba County	31	8.03	0.00	0.00	16.68	16.13	83.32	83.87	0.00	0.00	16.67	0.00	40.00	12.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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
Full Review:															
Contiguous Counties	270	93.43	0.00	0.00	12.90	8.52	55.25	57.04	31.85	34.44	1.82	0.00	1.39	1.48	2.60
Limited Review:															
Neshoba County	19	6.57	0.00	0.00	16.68	36.84	83.32	63.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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
Full Review:															
Contiguous Counties	4	100.00	0.00	0.00	20.59	25.00	49.78	25.00	29.63	50.00	4.17	0.00	33.33	0.00	0.00
Limited Review:															
Neshoba County	0	0.00	0.00	0.00	61.25	0.00	38.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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 Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Contiguous Counties	5,017	96.56	0.00	0.00	19.21	14.87	51.54	51.50	29.25	33.63	30.39	0.00	31.98	31.47	30.94
Limited Review:															
Neshoba County	179	3.44	0.00	0.00	25.23	12.29	74.77	87.71	0.00	0.00	11.75	0.00	4.58	14.43	0.00

* Based on 2005 Peer Small Business Data -- US and PR

** 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 (2005).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006								
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	% of Farms* **	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Contiguous Counties	1,465	95.56	0.00	0.00	20.82	11.06	56.12	72.35	23.06	16.59	65.16	0.00	57.83	69.24	55.63	
Limited Review:																
Neshoba County	68	4.44	0.00	0.00	7.41	10.29	92.59	89.71	0.00	0.00	29.87	0.00	18.18	31.82	0.00	

* Based on 2005 Peer Small Business Data -- US and PR

** 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 (2005).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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**	% Families1	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Contiguous Counties	671	95.18	22.73	4.82	14.12	9.95	18.42	18.94	44.73	66.29	8.54	13.64	6.14	7.60	9.16
Limited Review:															
Neshoba County	34	4.82	22.81	3.03	16.62	21.21	19.19	12.12	41.38	63.64	6.67	20.00	0.00	2.56	8.97

* Based on 2005 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 7.0% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** 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.

1 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: MISSISSIPPI						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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****	% Families2	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Contiguous Counties	355	91.97	22.73	9.25	14.12	15.82	18.42	23.28	44.73	51.64	26.81	14.29	14.29	32.00	30.43
Limited Review:															
Neshoba County	31	8.03	22.81	10.34	16.62	6.90	19.19	20.69	41.38	62.07	17.86	0.00	20.00	0.00	20.00

* Based on 2005 Peer Mortgage Data (Eastern)

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

*** Percentage of Families is based on the 2000 Census information.

**** 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.

2 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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 ³	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans**	Overall	Low	Mod	Mid	Upp
Full Review:															
Contiguous Counties	270	93.43	22.73	1.94	14.12	7.75	18.42	15.50	44.73	74.81	2.00	0.00	1.77	1.09	2.44
Limited Review:															
Neshoba County	19	6.57	22.81	5.26	16.62	5.26	19.19	21.05	41.38	68.42	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 4.2% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

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

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
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
Full Review:									
Contiguous Counties	5,017	96.56	47.71	90.47	90.19	5.96	3.85	30.39	40.20
Limited Review:									
Neshoba County	179	3.44	36.82	81.01	87.15	8.38	4.47	11.75	13.76

* Based on 2005 Peer Small Business Data -- US and PR

** 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 - 2005).

**** 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 48.64% and 60.37% of small loans to businesses originated and purchased by the bank located in the Contiguous Counties and Neshoba County, respectively.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
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 \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Contiguous Counties	1,465	95.56	92.24	96.86	92.22	5.12	2.66	65.16	67.45
Limited Review:									
Neshoba County	68	4.44	90.74	91.18	97.06	2.94	0.00	29.87	30.56

* Based on 2005 Peer Small Business Data -- US and PR

** 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 - 2005).

**** 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 5.1% and 9.26% of small loans to farms originated and purchased by the bank for the Contiguous Counties and Neshoba County, respectively.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MISSISSIPPI				Evaluation Period: FEBRUARY 2, 2002 TO MAY 14, 2007			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Contiguous Counties	1	510	28	1,852	29	2,362	100.00	0	0
Limited Review:									
Neshoba County	0	0	1	< 1	1	< 1	0.00	0	0

* 'Prior Period Investments' means investments made in a previous 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: JANUARY 1, 2004 TO DECEMBER 31, 2006																		
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	
Full Review:																		
Contiguous Counties	89.93	18	90.00	0.00	22.22	50.00	27.78	0	5	0	-1	-3	-1	0.00	15.85	54.23	29.93	
Limited Review:																		
Neshoba County	10.07	2	10.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	22.22	77.78	0.00	

State of Alabama

Table 1. Lending Volume

LENDING VOLUME												
Geography: ALABAMA												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006												
MA/Assessment Area (2006):	% 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)	
Full Review:												
Tuscaloosa County	100.00	223	42,626	930	74,684	32	2,324	4	13,743	1,189	133,377	100.00

* Loan Data as of December 31, 2006. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from February 2, 2002 to May 14, 2007.

*** Deposit Data as of June 30, 2006. 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: ALABAMA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006								
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Tuscaloosa County	127	100.00	0.06	0.00	19.03	16.54	54.09	32.28	26.81	51.18	0.67	0.00	0.78	0.33	1.17

* Based on 2005 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: ALABAMA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Tuscaloosa County	45	100.00	0.06	0.00	19.03	26.67	54.09	35.56	26.81	37.78	4.15	0.00	3.75	4.27	4.30	

* Based on 2005 Peer Mortgage Data (Eastern)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ALABAMA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006						
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
Full Review:															
Tuscaloosa County	47	100.00	0.06	0.00	19.03	8.51	54.09	42.55	26.81	48.94	0.33	0.00	0.38	0.21	0.51

* Based on 2005 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006									
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
Full Review:																	
Tuscaloosa County	4	100.00	4.18	0.00	39.52	75.00	42.82	25.00	13.48	0.00	14.29	0.00	16.67	16.67	0.00		

* Based on 2005 Peer Mortgage Data (Eastern)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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 Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Tuscaloosa County	930	100.00	2.79	0.00	33.35	33.98	42.43	38.82	21.43	27.20	4.61	0.00	5.28	4.55	4.76

* Based on 2005 Peer Small Business Data -- US and PR

** 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 (2005).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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
Full Review:															
Tuscaloosa County	32	100.00	0.00	0.00	19.93	0.00	51.45	87.50	28.62	12.50	14.81	0.00	0.00	20.00	11.11

* Based on 2005 Peer Small Business Data -- US and PR

** 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 (2005).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: ALABAMA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% Families***	% BANK Loans**	% Families4	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****						
Full Review:																
Tuscaloosa County	127	100.00	20.02	8.97	16.79	14.10	20.05	16.67	43.14	60.26	0.41	1.30	0.11	0.25	0.54	

* Based on 2005 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 38.6% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** 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.

4 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ALABAMA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
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 ⁵	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Tuscaloosa County	45	100.00	20.02	15.91	16.79	18.18	20.05	22.73	43.14	43.18	4.02	5.71	2.99	5.48	3.38

* Based on 2005 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** 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.

⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: ALABAMA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
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 ⁶	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans**	Overall	Low	Mod	Mid	Upp
Full Review:															
Tuscaloosa County	47	100.00	20.02	0.00	16.79	20.45	20.05	15.91	43.14	63.64	0.38	0.00	0.00	0.41	0.56

* Based on 2005 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 6.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

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

⁶ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ALABAMA			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
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
Full Review:									
Tuscaloosa County	930	100.00	58.38	79.03	80.32	11.29	8.39	4.61	7.42

* Based on 2005 Peer Small Business Data -- US and PR

** 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 - 2005).

**** 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 36.35% 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: ALABAMA			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
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 \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Tuscaloosa County	32	100.00	90.94	93.75	68.75	31.25	0.00	14.81	16.28

* Based on 2005 Peer Small Business Data -- US and PR

** 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 - 2005).

**** 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 6.52% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: ALABAMA				Evaluation Period: FEBRUARY 2, 2002 TO MAY 14, 2007			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Tuscaloosa County	0	0	6	8	6	8	100.00	0	0

* 'Prior Period Investments' means investments made in a previous 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: ALABAMA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					
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
Full Review:																	
Tuscaloosa County	100.00	5	100.00	0.00	40.00	20.00	40.00	0	0	0	0	0	0	1.18	27.97	49.26	21.59