



Office of the  
Comptroller of the Currency  
Washington, DC 20219

**LARGE BANK**

## **PUBLIC DISCLOSURE**

July 8, 2019

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

Home Bank, National Association  
Charter Number: 25106

503 Kaliste Saloom Road  
Lafayette, LA 70508

Office of the Comptroller of the Currency

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Suite 2890  
Metairie, LA 70002-8105

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 Outstanding.

The following table indicates the performance level of Home Bank, National Association (Home Bank) with respect to the Lending, Investment, and Service Tests:

<b>Performance Levels</b>	Home Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on the excellent level of community development (CD) lending, the good geographic and borrower distribution of lending given performance context, and a substantial majority of Home Bank's loans in the assessment areas (AAs).
- The Investment Test rating is based on the excellent level of investments and the excellent responsiveness to CD needs.
- The Service Test rating is based on the accessibility of branch offices and Home Bank being a leader in providing CD services.

## Lending in AA

A substantial majority of loans are in its AAs. Home Bank originated and purchased 87.5 percent of its total loans inside the AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The primary products based on loan originations and purchases are home mortgage and small business loans. Farm loans are not a primary product, but were included in the table below.

Lending Inside and Outside of the AA												
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage	1,826	86.8	277	13.2	2,103	409,500	89.1	50,316	10.9	459,816		
Small Business	1,788	88.3	237	11.7	2,025	276,521	86.9	41,662	13.1	318,183		
Small Farm	20	87.0	3	13.0	23	2,078	74.7	705	25.3	2,783		
Total	3,634	87.6	517	12.5	4,151	688,099	88.1	92,683	11.9	780,782		

*Due to rounding, totals may not equal 100.0*

## Description of Institution

Home Bank is an interstate, community-oriented national bank, headquartered in Lafayette, Louisiana and marked its 111<sup>th</sup> anniversary in July 2019. The Bank converted from a federal savings association to a national bank on March 2, 2015. It is wholly-owned subsidiary of Home Bancorp, Inc. which is a Louisiana corporation. As of June 30, 2018 (most recent available), the holding company's consolidated assets totaled approximately \$2.2 billion.

As of December 31, 2018, Home Bank reported total assets of approximately \$2.2 billion, total deposits of 1.8 billion, and tier one capital of \$230.7 million. Net loans and leases totaled \$1.6 billion, which represents 72.7 percent of total assets. The loan portfolio composition of outstanding loans was 36.1 percent residential, 50.1 percent commercial real estate (CRE), 10.5 percent commercial and industrial (C&I), and 3.3 percent consumer.

Home Bank has five AAs comprised of partial Metropolitan Statistical Areas (MSAs) and Non-MSAs described later in this Performance Evaluation (PE) and two rating areas, which are the states of Louisiana and Mississippi. Since the previous PE dated May 9, 2016, Home has grown from \$1.5 billion to \$2.2 billion in total assets. This growth has been both organic growth and from one acquisition since the previous CRA PE. On December 6, 2017, Saint Martin Bancshares, Inc., the holding company for St. Martin Bank & Trust Company of St. Martinville, Louisiana was acquired. As a result of the acquisition, 12 branch locations with branch offices in Acadia, Jefferson Davis, Lafayette, and St. Martin Parishes were acquired. When Home Bank acquired St. Martin Bancshares, they held \$455.5 million in loans and \$508.7 million in deposits.

Home Bank offers a full range of products and services through its 39 branches in Louisiana (35) and Mississippi (4). The Bank had the following branch network during the evaluation period:

**Louisiana**

- MSA 12940 LA-East Baton Rouge Parish– three branches and one loan production office,
- MSA 29180 LA- Lafayette Parish, Acadia Parish, St. Martin Parish – 17 branches including the main office,
- MSA 35380 LA- Jefferson Parish, Orleans Parish, and St Tammany Parish – 12 branches, and
- Non-MSA LA- Jefferson Davis Parish– three branches

**Mississippi**

- Non-MSA MS- Adams and Warren Counties – four branches

Management is primarily engaged in attracting deposits from the general public and using those funds to invest in loans and investment securities. Deposit products include demand deposit accounts (both consumer and commercial), savings accounts, certificates of deposit, and individual retirement accounts (IRAs). In addition, Home Bank offers a number of electronic banking services such as bill pay, Internet banking, overdraft programs, peer-to-peer, mobile wallet, and remote deposit capture. Loan products includes one- to four-family residential mortgage loans, home equity loans and lines of credit, CRE loans, construction and land loans, multifamily residential loans, C&I loans, and consumer loans. Although Home Bank continues to originate residential mortgage loans and other consumer loans. However, management is focused on originating CRE and C&I loans, as these are deemed attractive due to their generally higher yields and shorter loan terms when compared to residential mortgage loans. In addition, management views CRE and C&I loans as attractive lending products because the commercial borrowers typically maintain core deposit accounts.

Home Bank faces significant competition in originating loans and attracting deposits in its AAs. This competition stems from other banks, credit unions, and mortgage banking companies with regional and national footprints. Many of the financial services providers operating in Home Bank's AAs are significantly larger, such as, JPMorgan Chase Bank, Capital One Bank, Iberia Bank, and Hancock Whitney Bank have greater financial resources. Management noted that recent innovations in loan and deposit products brought about by financial technology companies have added to the level of competition for originating both loans and deposits. These factors were considered when determining the CRA performance.

Home Bank has no affiliate or operating subsidiary activities considered when evaluating the CRA performance. There are no legal or financial factors impeding the ability to help meet the credit needs of its AAs. The rating at its previous CRA PE dated May 9, 2016 was Satisfactory.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for loans is January 1, 2016 through December 31, 2018. The review period for CD loans, the Investment Test, and the Service Test is from May 9, 2016 through December 31, 2018.

This PE assesses Home Bank's performance under the Lending, Investment, and Service Tests. In evaluating the lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small business loans to businesses as reported under the CRA, and the CD loans. We also evaluated CD investments including donations or grants as well as retail and CD services.

### Selection of Areas for Full-Scope Review

In each state where Home Bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, Home Bank delineated AAs located within the same MSA, multistate MSA (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, Home Bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the Scope section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Home Bank has four AAs in Louisiana and one AA in Mississippi. In Louisiana, the four AAs are comprised of three MSAs and one Non-MSA comprised of one rural county. In Mississippi, the one AA is a Non-MSA comprised of two rural counties. For our full-scope reviews in Louisiana, we selected MSA 12940 and MSA 29180. For Mississippi, the Non-MSA received a full-scope review.

We selected the full-scope AAs after considering the number of originated and purchased loans in each AA, the volume of deposits in each AA, the number of branch offices in each AA, and the length of time branch offices have operated in the respective markets under the Home Bank's brand. The full-scope AAs represent 72.4 percent of deposits as of June 30, 2018 and 54.3 percent of the total number of loans reported at this evaluation. In addition, 20 of the 39 banking offices are in these three full-scope AAs. Refer to Appendix A for additional information.

For this evaluation period, the limited-scope AAs were comprised of MSA 35380 and one Non-MSA comprised of Jefferson Davis Parish in Louisiana. There were no limited-scope AAs in Mississippi.

## Ratings

Home Bank's overall rating is a blend of the Louisiana and Mississippi state ratings. Home Bank operates in two states, and each state rating is based on performance in each of the AAs for the respective state with the most weight placed on the full-scope AAs. For the geographic and borrower distribution of loans under the Lending Test, business lending received the most weight considering this line of business has a strategic focus. Refer to the Scope section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## Discriminatory or Other Illegal Credit Practices Review

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

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

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

## State Rating

### State of Louisiana

**CRA rating for the State of Louisiana:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to meeting the credit needs of the AAs, given the performance context.
- A good geographic distribution of loans, given the performance context and considering the excellent level of lending inside the AAs.
- A good distribution by the income level of the borrower, given the performance context.
- An excellent level of CD loans that are responsive to community credit needs given the capacity and the opportunities in Home Bank's AAs. The level of CD loans had a significantly positive impact on the overall Lending Test.
- A good level of flexible lending products that had a positive impact on the outcome of the Lending Test.
- A significant level of qualified investments including donations and strong responsiveness to CD needs.
- Retail delivery systems are reasonably accessible to low- and moderate-income (LMI) geographies.
- Home Bank is a leader in providing CD services.

### Description of Institution's Operations in Louisiana

Home Bank operates in four AAs in the State of Louisiana as described in the Description of the Institution and the Scope of Evaluation sections of this PE. The primary business focus is business lending with residential lending as another primary product. Competitors include other local community banks in its markets and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential and business loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, other CRA PEs from other banks operating in the AAs, and conducting one community contact with an organization that services East Baton Rouge Parish. The community contact promotes financial education and literacy. The most critical needs identified from the contact were associated with small business lending and financial literacy.

The following tables depict the demographic information for the two full scope AAs.

## MSA 12940 East Baton Rouge Parish, Louisiana

**Table A – Demographic Information of the Assessment Area**

**Assessment Area: MSA 12940**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	92	19.6	28.3	21.7	29.3	1.1
Population by Geography	444,690	13.4	27.0	23.4	36.1	0.0
Housing Units by Geography	190,343	13.9	27.5	22.2	36.5	0.0
Owner-Occupied Units by Geography	100,963	8.0	22.1	27.4	42.6	0.0
Occupied Rental Units by Geography	68,157	20.2	33.5	16.6	29.7	0.0
Vacant Units by Geography	21,223	21.6	33.8	15.2	29.3	0.0
Businesses by Geography	48,408	10.4	24.8	21.8	42.8	0.1
Farms by Geography	705	7.1	15.7	26.5	50.6	0.0
Family Distribution by Income Level	103,091	25.7	16.6	17.2	40.5	0.0
Household Distribution by Income Level	169,120	27.9	15.5	16.2	40.4	0.0
Median Family Income MSA - 12940 Baton Rouge, LA MSA	\$66,344	Median Housing Value			\$176,876	
		Median Gross Rent			\$866	
		Families Below Poverty Level			13.3%	

Source: 2015 ACS Census and 2018 D&B Data

Due to rounding, totals may not equal 100.0

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

**MSA 29180 Lafayette, Acadia, and Saint Martin Parishes, Louisiana****Table A – Demographic Information of the Assessment Area**

Assessment Area: MSA 29180						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	6.3	26.3	43.2	21.1	3.2
Population by Geography	480,148	5.2	23.3	45.7	25.8	0.0
Housing Units by Geography	200,319	4.9	25.2	44.5	25.3	0.0
Owner-Occupied Units by Geography	123,158	3.2	21.0	48.1	27.8	0.0
Occupied Rental Units by Geography	55,632	8.7	31.1	38.0	22.2	0.0
Vacant Units by Geography	21,529	5.4	34.3	40.9	19.5	0.0
Businesses by Geography	47,330	6.3	22.4	42.5	28.6	0.1
Farms by Geography	1,335	2.6	17.7	55.8	23.9	0.0
Family Distribution by Income Level	118,406	24.8	16.3	16.8	42.2	0.0
Household Distribution by Income Level	178,790	26.8	14.7	15.4	43.1	0.0
Median Family Income MSA - 29180 Lafayette, LA MSA	\$59,988	Median Housing Value			\$133,518	
			Median Gross Rent			\$723
			Families Below Poverty Level			13.6%

Source: 2015 ACS Census and 2018 D&B Data  
Due to rounding, totals may not equal 100.0  
(\*) The NA category consists of geographies that have not been assigned an income classification.

**Scope of Evaluation in Louisiana**

The evaluation period for our review of HMDA/CRA loan data, CRA qualified investments, and CD services is January 1, 2016 through December 31, 2018. The evaluation period for CD loans is May 10, 2016 through December 31, 2018. Our conclusions related to CD loans, qualified investments including donations, and CD services were based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by private investors.

As discussed earlier, MSA 12940 and MSA 29180 were selected for full-scope reviews. Limited scope reviews were MSA 35380 and Non-MSA LA. Refer to the table in Appendix A for a list of all AAs under review.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA**

### **LENDING TEST**

Home Bank's performance under the Lending Test in Louisiana is rated Outstanding. Based on full-scope reviews of MSA 12940 and MSA 29180, the lending distribution performance is good when considering the excellent level of CD lending that had a significant positive impact on the distribution of loans in the full-scope AAs. More weight was given to the small business loan performance based on the overall lending strategy, as well as the lending in the MSA 29180 AA as it has the majority of the lending activity when compared to the MSA 12940 AA.

The major factors that support this rating include:

- Good geographic distribution of loans in the AA.
- Good distribution of loans by income level of the borrower in the AA.
- Excellent CD lending with a significantly positive impact on the Lending Test.

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

Based on full-scope reviews, the performance in the MSA 12940 and MSA 29180 is excellent.

### **Lending Activity**

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
AA	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
<b>Full Review</b>							
MSA 12940	142	84	1	23	250	8.65	3.19
MSA 29180	758	594	7	7	1,366	47.28	60.37
<b>Limited Review</b>							
MSA 35380	748	385	0	26	1,159	40.12	23.08
Non-MSA LA	70	32	12	0	114	3.95	4.50

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
AA	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
<b>Full Review</b>							
MSA 12940	37,152	18,886	152	39,475	95,665	14.14	3.19
MSA 29180	138,815	54,121	1,003	15,759	209,698	31.00	60.37
<b>Limited Review</b>							
MSA 35380	217,870	96,723	0	47,855	362,448	53.59	23.08
Non-MSA LA	5,409	2,220	923	0	8,552	1.26	4.50

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

The overall lending activity in the State of Louisiana is good, considering the intense competition for home mortgage and business loans in the AA, as well as lending data in Tables O, P, Q, and R, and performance context considerations discussed throughout this PE. During the review period, Home Bank originated 2,889 loans totaling \$676.4 million, within the state of Louisiana.

## **MSA 12940**

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

Based on the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share data as of June 30, 2018, Home Bank's deposit market share in the MSA 12940 was 0.3 percent and ranked 15<sup>th</sup> among 30 depository institutions in the AA. Based on 2017 Peer Mortgage data, which is the latest available lender share data, competition for home purchase lending was strong, with 350 lenders in the AA. Home Bank ranked 63<sup>rd</sup> in mortgage lending by number of loans achieving a market share of 0.4 percent. Home Bank's lender share rank is significantly lower than its deposit market share rank, but its lender share exceeds its deposit market share. The top five lenders are Assurance Financial Group LLC, Wells Fargo Bank NA, GMFS LLC, Freedom Mortgage Corporation, and Quicken Loans that have a combined lender market share of 23.7 percent. Home mortgage lending is challenging given many competitors in the market are mortgage companies and can offer a wide variety of home mortgage products where Home Bank offers traditional mortgage products.

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

There were 86 commercial lenders in the AA. For small loans to businesses, Home Bank ranked 13<sup>th</sup> by dollar volume and 34<sup>th</sup> by number of loans with a market share of 1.7 percent by volume and 0.4 percent by number of loans. For small loans to businesses, the top five lenders are American Express FSB, Chase Bank, Capital One Bank, Lake Forest Bank and Trust, and Hancock Whitney Bank with a combined lender market share of 57.1 percent. The top three competitors are credit card banks that offer business loans that have average loans sizes from \$6,000 to \$11,000. The ranking by dollar volume is more meaningful considering Home Bank has an average loan size of \$194,000. The dollar lender share and rank exceed Home Bank's deposit market share and rank.

For small business loans defined as having revenues of \$1 million or less, Home Bank was ranked 7<sup>th</sup> by dollar volume and 16<sup>th</sup> by number of loans with a market share of 4.8 percent by volume and 1.0 percent by number. The small business lender market share by dollar and rank exceeds the deposit market share and rank.

## **MSA 29180**

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

Based on FDIC Deposit Market Share data as of June 30, 2018, Home Bank had a deposit market share in MSA 29180 of 12.8 percent and ranked 3<sup>rd</sup> among 29 depository institutions in the AA. Based on 2017 Peer Mortgage data, competition for home purchase lending was strong, with 304 lenders in the AA. Home Bank ranked 6<sup>th</sup> in home mortgage lending by number, achieving a market share of 3.2 percent. While this is well below Home Bank's deposit market share, their home mortgage lending levels are adequate when considering the level of competition for mortgage loans given the top lenders include mortgage companies and banks with a broader selection of mortgage products. The top five

mortgage lenders are Wells Fargo Bank, Iberia Bank, Quicken Loans, Assurance Financial Group LLC, and Vanderbilt Mortgage and Finance with a combined market share of 20.9 percent.

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

There were 87 commercial lenders in the AA during the review period. For small loans to businesses, Home Bank ranked 4<sup>th</sup> by dollar volume and 11<sup>th</sup> by number of loans to businesses with a market share of 9.6 percent by volume and 2.4 percent by number. As previously mentioned, the dollar volume comparison is more meaningful considering Home Bank had an average loan size of \$179,000 for this AA compared to the top five lenders that had average loans sizes ranging from \$5,000 to \$32,000. The top five lenders were American Express FSB, Chase Bank, Lake Forest Bank and Trust, Capital One Bank, and SynchroNy Bank with combined market shares of 53.4 percent. Home Bank's rank by dollar volume was near its deposit market share rank and near its deposit market share.

For small business loans, Home Bank ranked 1<sup>st</sup> by dollar volume and 6<sup>th</sup> by number of loans with a market share of 25.6 percent by volume and 6.3 percent by number. Home Bank exceeded both its deposit market share and rank considering the dollar volume of loans.

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

Home Bank exhibits good geographic distribution of loans in its AAs. Overall, the geographic distribution of home mortgage loans and small loans to businesses in the full-scope AAs is good.

#### **MSA 12940**

The geographic distribution of loans within MSA 12940 reflects good distribution throughout the AA.

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

Refer to Table O in the State of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of Home Bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans reflects excellent distribution throughout the AA.

For 2016, the mortgage lending in low-income geographies was near the percentage of owner-occupied housing in those geographies and exceeded the percentage of aggregate lending in low-income geographies. For moderate-income geographies, the lending was near the percentage of owner-occupied housing in moderate-income CTs and exceeded the percentage of aggregate lending in moderate-income geographies.

In 2017-2018, the mortgage lending in low-income geographies exceeded the percentage of owner-occupied housing and exceeded the aggregate lending in low-income geographies. The lending also exceeded both the percentage of owner-occupied housing and the aggregate lending in moderate-income geographies.

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

Refer to Table Q in the State of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses reflects a good distribution throughout the AA.

For 2016, the small business lending in low-income geographies was near to the percentage of businesses located in low-income geographies and was near to the aggregate lending to small businesses in low-income geographies. For moderate income geographies, the lending exceeded both the percentage of small businesses and the aggregate lending in moderate-income geographies.

For 2017-2018, the small business lending in low-income geographies exceeded the percentage of businesses located in low-income geographies and exceeded the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the lending was somewhat lower than the percentage of small businesses for both moderate-income geographies and the aggregate lending to small businesses in moderate-income geographies.

### **MSA 29180**

The geographic distribution of loans within MSA 29180 reflects a good distribution throughout the AA.

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

Refer to Table O in the State of Louisiana section of 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 mortgage loans in the full-scope assessment area is good.

For 2016, the mortgage lending in low-income geographies was near to the percentage of owner-occupied housing units but exceeded the aggregate lending in low-income geographies. For moderate-income geographies, the lending was lower than the percentage of owner-occupied housing, but somewhat lower than the aggregate lending in moderate-income geographies.

In 2017-2018, the mortgage lending in low-income geographies exceeded the percentage of owner-occupied housing units and exceeded the aggregate lending in low-income geographies. For moderate-income geographies, the lending was exceeded the percentage of owner-occupied housing and exceeded the aggregate lending in moderate-income geographies.

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

Refer to Table Q in the State of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is good.

For 2016, the small business lending in low-income geographies exceeded the percentage of businesses located in low-income geographies and exceeded the aggregate lending in those geographies. For moderate income geographies, the lending was somewhat lower than both the percentage of small

businesses located in moderate-income geographies and the aggregate lending in moderate-income geographies.

For 2017-2018, the small business lending in low-income geographies was near both the percentage of businesses located in low-income geographies and the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the lending was somewhat lower than both the percentage of small businesses located in moderate-income geographies and the aggregate lending to small businesses in moderate-income geographies.

### ***Lending Gap Analysis***

No unexplained, conspicuous gaps in lending were identified. We evaluated the lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed. We reviewed lending reports detailing the volume of HMDA and small loans to businesses in LMI geographies.

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

Home Bank exhibits good distribution of loans among individuals of different income levels and business of different sizes considering performance context.

#### **MSA 12940**

The distribution of loans by income level of the borrower within MSA 12940 reflects good distribution among individuals of different income levels and businesses of different sizes considering performance context.

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

Refer to Table P in the State of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the home mortgage loan originations and purchases.

The distribution of home mortgage loans reflects an adequate distribution among LMI borrowers in MSA 12940.

For 2016, the lending to low-income borrowers was significantly lower than both the percentage of low-income borrowers and the aggregate lending to those borrowers. For moderate-income borrowers, the lending was near to the percentage of borrowers identified as moderate-income and exceeded the aggregate lending to moderate-income borrowers.

For 2017-2018, the lending to low-income borrowers was significantly lower than the percent of borrowers identified as low-income, but was near to the aggregate lending to low-income borrowers. For moderate-income borrowers, the lending was somewhat lower than the percent of borrowers identified as moderate-income and was also somewhat lower than the aggregate lending to moderate-income borrowers.

There is significant competition among financial institutions in MSA 12940, including a number of large banks with significantly more product mortgage options. There is also a lack of affordable housing in the area that makes it difficult for low-income people to obtain a home. This problem became even more of an issue after the 2016 flood in Baton Rouge.

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

Refer to Table R in the State of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good in MSA 12940.

For 2016, the loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percent of businesses identified as having revenues of less than or equal to \$1 million but exceeded the aggregate lending to these businesses.

For 2017-2018, the loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percent of businesses identified as having revenues less than or equal to \$1 million but exceeded the aggregate lending to these businesses.

### **MSA 29180**

The distribution of loans by income level of the borrower within MSA 29180 reflects good distribution among individuals of different income levels and businesses of different sizes, given the performance context.

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

The distribution of home mortgage loans reflects adequate distribution among LMI individuals in MSA 29180.

For 2016, the lending to low-income borrowers was significantly lower than the percent of borrowers identified as low-income and was somewhat lower than the aggregate lending to low-income borrowers. For moderate-income borrowers, the lending was somewhat lower than the percent of borrowers identified as moderate-income and was also somewhat lower than the aggregate lending to moderate-income borrowers.

For 2017-2018, the lending to low-income borrowers was significantly lower than both the percent of borrowers identified as low-income the aggregate lending to low-income borrowers. For moderate-income borrowers, the lending was near both the percent of borrowers identified as moderate-income and the aggregate lending to moderate-income borrowers.

There is significant competition among financial institutions in MSA 29180, including a number of large banks with significantly more mortgage product options. The oil and gas downturn has also affected the AA, resulting in significant layoffs and high unemployment. There is also a lack of affordable housing in the area that makes it difficult for low-income borrowers to obtain a home.

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

Refer to Table R in the State of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good in MSA 29180.

For 2016, the loans to businesses with revenue less than or equal to \$1 million was lower than the percent of businesses identified as having revenues less than or equal to \$1 million but exceeded the aggregate lending to these businesses.

For 2017-2018, the loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percent of businesses identified as having revenues less than or equal to \$1 million but exceeded the aggregate lending to these businesses.

## **CD Lending**

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **MSA 12940**

During the examination period, Home Bank originated 23 CD loans totaling \$39.5 million in MSA 12940. This included 14 affordable housing loans totaling 350 units for \$11.5 million, two loans supporting revitalization and stabilization of LMI geographies totaling \$2.7 million, and seven loans totaling \$25.3 million to community service organizations.

Noteworthy examples of CD Lending include:

- Two loans totaling \$10.6 million to construct a charter school campus of which 65 percent of its students qualify to receive free or reduced-priced lunch.
- A \$5.5 million loan to finance the building of a dormitory and school for LMI high-risk students. The borrower is a nonprofit organization, Thrive Academy.
- A \$1.6 million loan to acquire printing equipment from a defunct printing company. The borrower hired several sales people that had previously worked for the printing company which closed down. This supported revitalization and stabilization of LMI areas since the business is located in a low-income CT.

### **MSA 29180**

Home Bank originated seven CD loans totaling \$15.8 million in MSA 29180. This included one affordable housing loan with 30 units totaling \$1.6 million, four loans supporting revitalization and stabilization of LMI geographies totaling \$13.5 million, one economic development loan for \$350,000, and one loan for \$300,000 to a community service organization.

Noteworthy examples of CD Lending include:

- A \$10 million loan to finance the construction of a new rental car facility at the Lafayette airport, which is run by the local government. The airport is adjacent to three moderate-income geographies and supports the revitalization and stabilization of the area.
- A \$1 million loan to a business located in an opportunity zone and the oil center revitalization area. The business is adjacent to two LMI geographies and a large majority of its staff are LMI individuals working as hosts, waiters, cooks etc.
- A \$350,000 loan to a non-profit organization that supports economic development projects within the AA, especially in LMI geographies. Small businesses and jobs to LMI individuals are created through their services.

### **Broader or Statewide**

One out-of-area loan totaling \$1 million was originated in Tangipahoa Parish in Hammond, LA, which is outside of Home Bank's Louisiana AAs. The purpose of the loan is to finance the purchase and renovation of two four-plex properties, which are located in moderate-income geographies. The rent of each unit is projected to be \$850 monthly. The CD loan meets the definition of affordable housing for LMI individuals living in LMI geographies.

### **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. Management originates mortgage loans and business loans through several federal government programs that provide flexible lending terms and interest rates such as:

- United States Department of Agriculture (USDA) Farm Service Agency Guaranteed Farm Loan – 27 loans for \$12.9 million
- USDA mortgage loans - 34 loans for \$4.3 million
- Federal Housing Administration (FHA) mortgage loans – 48 loans for \$8.6 million
- Veterans Administration (VA) mortgage loans – 14 loans for \$3.3 million
- Small Business Administration (SBA) 504 business loans – Six loans for \$1.3 million

The following are some of the local government- and state government-sponsored flexible lending programs under which Home Bank has originated loans.

### **Home Bank's Community Reinvestment Program**

This program provides 100 percent financing to qualified LMI borrowers. This loan is secured by a first and second mortgage on single-family dwellings that are to be owner-occupied. The borrower's income cannot exceed 80 percent of the median income for the Parish or MSA. The first mortgage is a maximum loan-to-value of 90 percent and the second mortgage is the other 10 percent. In addition, no private mortgage insurance is required and the minimum credit score is 620. Home Bank has originated 13 loans for \$979,750 in this program.

## **Homebuyer Equity Leverage Partnership (HELP) – Federal Home Loan Bank**

Eligible Home Bank mortgage customers who meet income and program qualifications may receive a grant of \$10,000 to be used towards closing costs and/or down payment assistance when purchasing a new home. The qualifications for this program include: being a first-time homebuyer, total household income must not exceed 80 percent of the area median income, homes must be purchased in Home Bank's AA, homebuyer must complete the Homebuyer Counseling Program, and homebuyer must sign a five-year retention agreement. Home Bank has originated five loans in this program for \$508,000.

## **Northshore Housing Initiative Community Land Trust Mortgage Product**

In 2010, Home Bank began a relationship with Northshore Housing Initiative Community Land Trust (NHI), a non-profit community organization that makes homeownership for families based in New Orleans' Northshore community. NHI uses the land trust model that allows moderate-income homebuyers to purchase a house while the community land trust invests in the ownership of the land. The land is then leased to the homebuyer by the trust with a limited appreciation formula that preserves the affordability for the next buyer. Home Bank is one of the very few banks in Louisiana that participates in the community land trust model. Home Bank has originated five loans in this program.

## **Home Bank's Credit Builder Loan**

The Credit Builder Loan is a small-dollar loan program designed by Home Bank to assist customers in building or rebuilding their credit history. Customers may borrow up to \$2,500 which is immediately deposited into a Home Bank savings account and secured from withdrawal. The customer will then make regular monthly payments on the loan. When the loan is fully repaid, the customer will have access to the full balance in the savings account. In the review period, Home Bank has made 12 loans in this program.

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

Based on limited-scope reviews, Home Bank's performance under the Lending Test in MSA 35380 is consistent with the overall performance under the Lending Test in the full-scope areas, and had a neutral effect on the overall Lending Test conclusions. Home Bank's performance in the Non-MSA Louisiana AA is weaker, but adequate considering the AA has no low-income geographies and the bank has operated in the AA for only two years of the evaluation period. The Non-MSA Louisiana AA did not have a significant impact on the overall Lending Test conclusions.

Refer to Tables O, P, Q, and R in the State of Louisiana section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

Home Bank's performance under the Investment Test in the State of Louisiana is rated Outstanding.

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

Based on full-scope reviews, Home Bank's performance in the MSA 12940 and MSA 29180 is excellent. There is an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Home Bank exhibits

excellent responsiveness to credit and community economic development needs, and occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Full-Review</b>										
MSA 12940	3	968	2	2,747	5	12.82	3,716	21.45	0	0
MSA 29180	9	4,233	8	1,917	17	43.59	6,151	35.51	0	0
<b>Limited Review</b>										
MSA 35380	3	2,051	10	4,247	13	33.33	6,298	36.35	0	0
Non-MSA LA	2	794	2	365	4	10.26	1,159	6.69	0	0

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

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

Home Bank's CD investments and donations/grants are responsive to the needs of the AAs as they address the needs for affordable housing to LMI individuals and economic development by providing financing to small businesses. Overall, investments were not considered innovative or complex. Home Bank participated in a New Market Tax Credit investment that presented a higher level of complexity and innovation. Investments demonstrated excellent responsiveness to the credit and community economic development needs of the AAs. The investments supported CD services targeted to LMI individuals and small businesses in the AAs.

### MSA 12940

Performance in MSA 12940 is excellent considering the volume of deposits in the AA and the impact of the investments. During the evaluation period, investments totaled \$3.7 million. Investments consisted of three prior-period investments and two current-period investments. Prior-period investments were mortgage-backed securities pools benefiting LMI geographies. Current-period investments included one mortgage-backed securities pool benefiting LMI geographies and a New Market Tax Credit for the construction of a school serving LMI students. Donations in the AA totaled \$60,000. Notable donations included \$11,000 to a food bank that provides food to community groups including shelters and soup kitchens serving LMI individuals in the AA and \$5,000 to a non-profit organization providing services for the homeless population in the AA.

### MSA 29180

Performance in MSA 29180 is excellent considering the volume of deposits in the AA and the impact of the investments in the AA communities. Just over 60 percent of the deposit base is derived from this AA. During the evaluation period, investments totaled \$6.2 million. Investments consisted of nine prior-period investments and eight current-period investments. Prior-period investments were municipal bonds benefiting majority LMI school districts and a CRA qualified investment mutual fund. Current-period investments were municipal bonds benefiting majority LMI school districts, mortgage-backed securities pools benefiting LMI geographies and another CRA qualified investment mutual fund. Grants and donations in the AA totaled \$298,000. Notable donations included \$111,000 to a non-profit economic development group, \$25,000 and \$24,000 going to annual fundraisers for local nonprofits

benefiting LMI families in the AA, and \$23,000 going to a nonprofit that provided disaster relief and programs for LMI youth in the AA.

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

Based on limited-scope reviews, the performance under the Investment Test in MSA 3580 and the Non-MSA Louisiana AA is consistent with the overall Outstanding performance under the Investment Test in the full-scope areas.

## **SERVICE TEST**

Home Bank's performance under the Service Test in the State of Louisiana is rated High Satisfactory.

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

Based on full-scope reviews, the performance in MSA 29180 and MSA 12940 are good.

### **Retail Banking Services**

Service delivery systems are readily accessible to all portions of the MSA 29180 AA, and accessible to essentially all geographies and individuals of different income levels in the MSA 12940 AA.

<b>Distribution of Branch Delivery System</b>													
Assessment Area	Deposits	Branches						Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography					
	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review</b>													
MSA 12940	3.5	3	8.6	0.0	0.0	66.7	33.3	7.3	25.7	34.0	33.0		
MSA 29180	66.2	17	48.6	5.9	17.6	47.1	29.4	5.2	23.3	45.7	25.8		
<b>Limited Review</b>													
MSA 35380	25.3	12	34.3	8.3	8.3	33.3	50.0	9.9	24.4	35.2	29.7		
Non MSA LA	4.9	3	8.6	0.0	0.0	33.3	66.7	0.0	10.5	42.1	47.4		

*Due to rounding, totals may not equal 100.0*

### **MSA 12940**

Home Bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in MSA 12940. Home Bank has three full-service branches in the MSA and no branches in LMI geographies which is significantly lower than the percentage of population within those geographies. While Home Bank does not have any branches in LMI geographies, one branch is located in a middle-income geography that is near a moderate-income geography, and one branch located in an upper-income geography that is near another moderate-income geography. These branches are located on major roadways and are reasonably accessible to the moderate-income geographies. Home Bank also

has three full-service ATMs within the AA. While Home Bank does not have any full-service ATMs located in LMI geographies in the AA, one full-service ATM is located in an upper-income geography that is near to a moderate-income geography, and two ATMs located in a middle-income geography that are near another moderate-income geography. These ATMs are reasonably accessible to the moderate-income residents. Home Bank also offers online banking, mobile banking, and remote deposit capture, which are available to individuals regardless of geography or income level.

## **MSA 29180**

Home Bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in MSA 29180. Home Bank has 17 full-service branches in the MSA, one branch in a low-income geography, and three branches located in moderate-income geographies. The percentage of branches in low-income geographies exceeds the percentage of population in those geographies. The percentage of branches in moderate-income geographies is somewhat lower than the percentage of population in moderate-income geographies. Home Bank also has one branch that is located in a middle-income geography that is near a moderate-income geography. This branch is a few blocks from the moderate-income geography and reasonably accessible to moderate-income individuals. Home Bank also has six full-service ATMs within the AA. One full-service ATM is located in a low-income geography, but no full-service ATMs are located in moderate-income geographies. However, one full-service ATM is located in a middle-income geography that is near a moderate-income geography. This ATM is reasonably accessible to moderate-income residents. Additionally, Home Bank offers Internet and mobile banking and remote deposit capture to customers regardless of geography or income level.

		<b>Distribution of Branch Openings/Closings</b>					
		Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or - )				
			Low	Mod	Mid	Upp	
<b>Full Review</b>							
MSA 12940	0	0	0	0	0	0	0
MSA 29180	10	2	0	+2	+4	+2	
<b>Limited Reviews</b>							
MSA 35380	0	1	0	0	-1	0	
Non MSA	3	0	0	0	+1	+2	

## **MSA 12940**

Home Bank did not open or close branches in MSA 12940 during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit builder loans, mortgage loans, and a variety of

consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

### **MSA 29180**

To the extent changes have been made, the institution's opening and closing of branches in MSA 29180 has improved the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

In MSA 29180, Home Bank opened 10 branches and closed two branches during the evaluation period. Home Bank opened one branch in a low-income CT and three branches in moderate-income CTs. They also opened four locations in middle-income areas and two in upper-income areas, while closing one branch in a low-income geography and one branch in a moderate-income geography. Overall, these changes have improved accessibility of the delivery systems, particularly in LMI geographies.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit builder loans, mortgage loans, and a variety of consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

### **CD Services**

The institution is a leader in providing CD services.

Home Bank provides an excellent level of CD services and is a leader in providing community development services in their AAs that are responsive to the needs of the AAs. The responsiveness is demonstrated by the number of contributed hours, the number of employees actively involved, and the number and diversity of the types of organizations served.

### **MSA 12940**

Home Bank provides an excellent level of CD services that are responsive to the needs of the community in the AA. Bank officers and employees devoted approximately 1,056 community service hours to 18 different qualifying organizations in the AA. More than 230 hours of these services were spent in leadership positions with various organizations throughout the AA. They shared their financial expertise by serving as board members, officers, and on committees, as well as, assisting with fundraising efforts. These activities help provide affordable housing, economic development, revitalization and stabilization of designated areas, and community services to LMI individuals and families. Employees devoted 783 hours to teaching or presenting financial literacy classes and seminars.

Examples of organizations which the Bank frequently provides community development services include:

**Thrive Academy:**

Thrive Academy is a charter school targeting at-risk and LMI students. More than 80 percent of Baton Rouge Bank employees have made a significant time investment with Thrive Academy providing financial literacy to students since 2016. Seventy-seven percent of the students at Thrive Academy are economically disadvantaged and qualify for the free or reduced-lunch program.

**Urban Restoration Enhancement Corporation (UREC):**

UREC is a leading nonprofit and certified CD corporation based in Baton Rouge, LA. UREC's mission is to transform communities by investing in people and restoring neighborhoods by providing affordable housing, small business training, and youth development opportunities. Two employees led the "Get Moving in March" homebuyer seminar, while three other employees presented a workshop at the "Flood Rebuilding" seminar on mortgage refinance options and other relief options.

**Bank On Baton Rouge:**

Bank On Baton Rouge is a coalition of the Office of the Mayor, financial institutions, and community partners. The goal is to increase access to the banking and financial mainstream for citizens of Baton Rouge, primarily the unbanked or underbanked. Bank On Baton Rouge helps unbanked or underbanked individuals open a bank account, and they also offer financial education classes to these individuals. An employee of the bank is a Steering Committee Member for Bank On Baton Rouge, and also coordinates and facilitates the "Keys to Homeownership" and "Tax Planning" seminars.

**MSA 29180**

Home Bank provides an excellent level of CD services that are responsive to the needs of the community in the AA. Bank officers and employees devoted approximately 1,732 community service hours to 31 different qualifying organizations in the AA. More than 790 hours of these services were spent in leadership positions with various organizations throughout the AA. They shared their financial expertise by serving as board members, officers, and on committees, as well as, assisting with fundraising efforts. These activities help provide affordable housing, economic development, revitalization and stabilization of designated areas, and community services to LMI individuals and families. Employees devoted 924 hours to teaching or presenting financial literacy classes and seminars.

Examples of organizations to which Home Bank frequently provides CD services include:

**Step Up Acadiana:**

Step Up Acadiana has dedicated themselves to helping LMI families in the Lafayette, LA area by providing them with the opportunity to become first-time homeowners. Several employees of Home Bank led a "Get Moving in March" homebuyer seminar.

**The Progressive Outreach Center:**

The Progressive Outreach Center provides assistance and classes for the community members who are in need of clothing, food, and educational resources. They also provide free GED tutorial classes, boys' mentoring programs, neighborhood basketball teams, a summer enrichment program, and financial literacy classes. The outreach center is also located in a moderate-income CT. An employee of Home Bank serves as a financial education teacher and sits on the fund raising committee.

**Lafayette General Health:**

Lafayette General Health (LGH) is Acadiana's largest nonprofit, community-owned regional health system committed to always delivering excellence. The system has over 4,500 employees, serving the south-central region of Louisiana by aligning with facilities across Acadiana. LGH is located in an opportunity zone. An employee of Home Bank serves on the Board of Directors and on the Finance Committee.

**Conclusions for Areas Receiving Limited-Scope Review**

Based on limited-scope reviews, the performance under the Service Test in the MSA 35380 AA and the Non-MSA AA is weaker than the overall performance under the Service Test in the full-scope areas. This was primarily due to the distribution of branches in these geographies. In MSA 35380, Home Bank operates a limited number of acquired branches per three parishes in highly competitive markets. The Non-MSA AA has no low-income geographies, and Home Bank acquired existing branches in this AA in December 2017 giving little time to establish its branding during the evaluation period.

## State Rating

### State of Mississippi

**CRA rating for the State of Mississippi:** Satisfactory

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect a good responsiveness to meeting the credit needs of the Bank's AA in Mississippi, given the performance context.
- A good geographic distribution of loans, given the performance context.
- A good distribution of loans by the income level of the borrower, given the performance context.
- A significant level of qualified investments including donations and strong responsiveness to CD needs.
- The geographic distribution of the full-service banking offices and ATMs in Mississippi is good.
- During the performance evaluation period, Home Bank had a good commitment to CD services.

### Description of Institution's Operations in Mississippi

Home Bank operates in two non-MSA counties (Adams and Warren) in the State of Mississippi as described in the Description of the Institution and the Scope of Evaluation sections of this PE. The primary business focus is business lending with residential lending as another primary product.

Competitors include other local community banks in its markets and some of the largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential and business loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, other CRA performance evaluations from other banks operating in Home Bank's AAs, and conducting one community contact interview. The community contact was with an organization that services the full-scope AA promoting economic development, business financing. The community contact mentioned the most critical needs identified were associated with small-dollar loans, small business lending, and financial literacy.

The following tables depict the demographic information for the full-scope AA.

## Non-MSA Mississippi

<b>Table A – Demographic Information of the AA</b>						
<b>Non-MSA Mississippi</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs)	21	4.8	33.3	23.8	38.1	0.0
Population by Geography	79,999	3.5	33.6	17.1	45.8	0.0
Housing Units by Geography	36,494	4.0	31.1	18.7	46.2	0.0
Owner-Occupied Units by Geography	19,671	2.4	29.1	15.5	53.0	0.0
Occupied Rental Units by Geography	10,598	6.5	33.4	21.5	38.5	0.0
Vacant Units by Geography	6,225	4.5	33.8	23.8	37.9	0.0
Businesses by Geography	5,794	3.2	30.2	25.4	41.1	0.0
Farms by Geography	166	1.2	33.7	16.3	48.8	0.0
Family Distribution by Income Level	19,909	24.3	15.7	15.3	44.7	0.0
Household Distribution by Income Level	30,269	25.7	15.2	14.6	44.6	0.0
Median Family Income Non-MSAs - MS	\$43,702	Median Housing Value			\$101,067	
		Median Gross Rent			\$626	
		Families Below Poverty Level			21.0%	

Source: 2015 ACS Census and 2018 D&B Data  
Due to rounding, totals may not equal 100.0  
(\*) The NA category consists of geographies that have not been assigned an income classification.

## Scope of Evaluation in Mississippi

The evaluation period for our review of HMDA/CRA loan data, CRA qualified investments, and CD services is January 1, 2016 through December 31, 2018. The evaluation period for CD loans is May 10, 2016 through December 31, 2018. Our conclusions related to CD loans, qualified investments including donations, and CD services were based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by private investors.

The Non-MSA Mississippi AA was selected for full-scope reviews. There are no limited scope AAs. Refer to table in Appendix A for a list of all AAs under review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI

### LENDING TEST

Home Bank's performance under the Lending Test in Mississippi is rated Satisfactory. Based on the full-scope review of the Non-MSA Mississippi AA, the lending distribution performance was good with adequate CD loan activity that had a neutral impact on the overall lending test for Mississippi.

The major factors that support this rating include:

- Good geographic distribution of loans in the AA.
- Good distribution of loans by income level of the borrower in the AA.

## **Conclusions for Non-MSA Mississippi Receiving a Full-Scope Review**

Based on a full-scope review, the performance in the Non-MSA Mississippi AA is good.

### **Lending Activity**

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Non MSA MS	108	180	0	0	288	100	100

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000's)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State* Loans	% State Deposits
Non MSA MS	\$10,256	\$11,837	\$0	\$0	\$22,093	100	100

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Home Bank's overall lending activity in the State of Mississippi is good, considering the intense competition for home mortgage and business loans in the AA, as well as lending data in Tables O, P, Q, and R and performance context considerations discussed throughout this PE. During the review period, Home Bank originated 288 loans totaling \$22 million.

### **Mortgage Loans**

Based on FDIC Deposit Market Share data as of June 30, 2018, Home Bank had a deposit market share of 10.9 percent and ranked 5<sup>th</sup> among 10 depository institutions in the Non-MSA Mississippi AA. Based on 2017 Peer Mortgage data, competition for home purchase lending was strong, with 153 lenders in the AA. Home Bank ranked 11<sup>th</sup> in home mortgage lending by number, achieving a market share of 2.6 percent. While this is below the deposit market share, the home mortgage lending levels reflect good responsiveness to the credit needs in its AA. Lenders in the AA include many nationwide, regional, and state banks as well as mortgage companies, and credit unions. The top five lenders dominate the market with a total mortgage lender share of 32 percent. These lenders are Trustmark National Bank, Quicken Loans, Bancorp South, Mutual Credit Union, and Regions Bank.

### **Business Loans**

There were 58 commercial lenders in the AA during the review period. For small business loans, the Bank ranked 5<sup>th</sup> by dollar volume and 6<sup>th</sup> by number of loans with a market share of 6.7 percent by dollar volume and 7.4 percent by number of loans. For small loans to businesses, Home Bank also

ranked 9<sup>th</sup> by dollar volume and number of loans with a market share of 3.2 percent by dollar and 3.1 percent by number of loans. This performance represents good responsiveness especially given the competition from credit card banks that have a larger count of loans given a smaller average loan size. The top five lenders for small loans to businesses by count of loans are American Express FSB, Lake Forest Bank and Trust, Bancorp South, Capital One Bank, and Trustmark National Bank with total small loans to business market share of approximately 49.0 percent.

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

Home Bank exhibits a good geographic distribution of loans in its AA(s).

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

Home Bank exhibits an excellent geographic distribution of home mortgage loans in the AA. Refer to Table O in the State of Mississippi section of Appendix D for the facts and data used to evaluate the geographic distribution of the home mortgage loan originations and purchases.

In 2016, the mortgage lending in low-income geographies equaled the percentage of owner-occupied housing units and exceeded the aggregate percentage in low-income geographies. In moderate-income geographies, the lending exceeded the percentage of owner-occupied housing units as well as the aggregate percentage in moderate-income geographies.

In 2017-2018, the mortgage lending in LMI geographies exceeded both the percentage of owner-occupied housing units as well as the aggregate percentage in LMI geographies.

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

The geographic distribution of small loans to businesses is good. Refer to Table Q in the State of Mississippi section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of small loans to businesses.

In 2016, the small business lending in low-income geographies was somewhat lower than the percentage of businesses located in low-income geographies and was near the aggregate percentage to small businesses in low-income geographies. In moderate-income geographies, the lending exceeded both the percentage of small businesses located in moderate-income geographies and the aggregate percentage in moderate-income geographies.

In 2017-2018, the small business lending in low-income geographies was somewhat lower than the percentage of businesses located in low-income geographies and near the percentage of aggregate lending to small businesses in low-income geographies. In moderate-income geographies, the lending exceeded both the percentage of small businesses located in moderate-income geographies as well as the aggregate percentage in moderate-income geographies.

### ***Lending Gap Analysis***

No unexplained, conspicuous gaps in lending were identified. We evaluated the lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed. We reviewed lending reports detailing the volume of HMDA and small loans to businesses in LMI geographies.

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

Home Bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

The distribution of home mortgage loans reflects a good distribution among LMI individuals in the AA. Refer to Table P in the State of Mississippi section of Appendix D for the facts and data used to evaluate the borrower distribution of the home mortgage loan originations and purchases.

In 2016, the lending to low-income borrowers was significantly lower than the percentage of families identified as low-income but near the aggregate percentage of lending to low-income borrowers. For moderate-income individuals, the lending exceeded the percentage of families identified as moderate-income as well as the aggregate percentage to moderate-income individuals.

In 2017-2018, the lending to low-income borrowers was lower than the percentage of families identified as low-income but exceeded the aggregate percentage of lending to low-income borrowers. For moderate-income individuals, the lending exceeded the percentage of families identified as moderate-income as well as the aggregate percentage of lending to moderate-income individuals.

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

The distribution of small loans reflects a good distribution to businesses with revenues less than or equal to \$1 million in the AA. Refer to Table R in the State of Mississippi section of Appendix D for the facts and data used to evaluate the borrower distribution of the origination and purchase of small loans to businesses.

In 2016, the loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percentage of businesses identified as having revenues less than or equal to \$1 million but exceeded the aggregate percentage of lending for these businesses.

For 2017-2018, the loans to businesses with revenues less than or equal to \$1 million was near to the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeded the aggregate percentage of lending for these businesses.

### **CD Lending**

The institution has made few, if any CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Home Bank did make loans that qualified as CD loans, but these loans were considered in business lending due to a loan size less than \$1 million. There were limited opportunities to make loans of \$1 million or more considering competition for CD loans. The Bank's CD lending for the State of Mississippi had a neutral effect on the Lending Test rating.

## **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. Management originates mortgage loans and business loans through several federal government programs that provide flexible lending terms and interest rates such as:

- USDA Farm Service Agency Guaranteed Farm Loan – 27 loans for \$12.9 million
- USDA mortgage loans - 34 loans for \$4.3 million
- FHA mortgage loans – 48 for \$8.6 million
- VA mortgage loans – 14 for \$3.3 million
- SBA 504 business loans – six for \$1.3 million

The following are some of the local government- and state government-sponsored flexible lending programs under which Home Bank has originated loans.

### **Home Bank's Community Reinvestment Program**

This program provides 100 percent financing to qualified LMI borrowers. This loan is secured by a first and second mortgage on single-family dwellings that are to be owner-occupied. The borrower's income cannot exceed 80 percent of the median income for the Parish or MSA. The first mortgage is a maximum loan-to-value of 90 percent and the second mortgage is the other 10 percent. In addition, no private mortgage insurance is required and the minimum credit score is 620. Home Bank has originated 13 loans for \$979,750 in this program.

### **Homebuyer Equity Leverage Partnership (HELP) – Federal Home Loan Bank**

Eligible Home Bank mortgage customers who meet income and program qualifications may receive a grant of \$10,000 to be used towards closing costs and/or down payment assistance when purchasing a new home. The qualifications for this program include: being a first time homebuyer, total household income must not exceed 80 percent of the area median income, homes must be purchased in Home Bank's AA, homebuyer must complete the Homebuyer Counseling Program, and homebuyer must sign a five-year retention agreement. Home Bank has originated five loans in this program for \$508,000.

### **Home Bank's Credit Builder Loan**

The Credit Builder Loan is a small dollar loan program designed by Home Bank to assist customers in building or rebuilding their credit history. Customers may borrow up to \$2,500 which is immediately deposited into a savings account and secured from withdrawal. The customer will then make regular monthly payments on the loan. When the loan is fully repaid, the customer will have access to the full balance in the savings account. In the review period, Home Bank has made 12 loans in this program.

## **INVESTMENT TEST**

Home Bank's performance under the Investment Test in the State of Mississippi is rated Outstanding.

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

Based on a full-scope review, the performance in the Non-MSA Mississippi AA is excellent. Home Bank has an excellent level of qualified CD investment and grants, often in a leadership position,

particularly those that are not routinely provided by private investors. Home Bank exhibits excellent responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
AA	Prior Period*		Current Period		Total				Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Full Review</b>										
Non-MSA	1	650	1	333	2	22.2	983	27.7	0	0
Statewide with no P/M/F	0	0	7	2,569	7	77.8	2,569	72.3	0	0

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

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

## Non-MSA Mississippi

Performance in the Non-MSA Mississippi AA is good considering the impact of the investments. During the evaluation period, investments totaled \$983,000. Prior-period investments were in a CRA qualified mutual fund. Current-period investments were in a Small Business Investment Company. Donations in the AA totaled \$3,440. Notable donations included \$1,620 to a nonprofit organization for economic development projects and donations to schools in the AA with majority LMI students.

## Statewide with no Purpose, Mandate, or Function (P/M/F)

Performance at the broader statewide level outside the Bank's AA is excellent considering the volume and impact of the investments. There were no prior period investments. Current-period investments totaled \$2.6 million and consisted of investments in mortgage-backed securities benefiting LMI individuals. This performance was considered in the overall rating for the state. These investments benefit areas near the AA in Mississippi where affordable housing is a significant credit need.

## SERVICE TEST

Home Bank's performance under the Service Test in the State of Mississippi is rated Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the performance in the Non-MSA Mississippi is good. The rating is based on the geographic distribution of the full-service banking offices and ATMs, and the good commitment to CD services.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
AA	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review</b>											
Non-MSA Mississippi	100	4	100	0.0	25.0	25.0	50.0	3.5	33.6	17.1	45.8

*Due to rounding, totals may not equal 100.0*

The delivery systems are accessible to all portions of the MSA. Home Bank has four full-service branches in the MSA, and no branches in low-income geographies which is significantly lower than the percentage of population within these geographies. Home Bank has one branch in a moderate-income geography that is somewhat lower than the percentage of population in moderate-income geographies. This is considered adequate performance considering there is only one low-income CT with only 3.5 percent of the population. During the evaluation period, there were changes in the CT designations. In year 2016, there was one low-income CT and four moderate-income CTs. In year 2017-2018, there was one low-income CT and seven moderate-income CTs.

While there is only one branch in a moderate-income geography, Home Bank does have one middle-income branch that is near a low-income geography and a moderate-income geography. There is also an upper-income branch that is on a major road and is reasonably accessible to a moderate-income geography. There are no full-service ATMs within the AA. Home Bank offers online banking, mobile banking, and remote deposit capture, which are available to individuals regardless of geography or income level.

Distribution of Branch Openings/Closings						
Branch Openings/Closings						
AA	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
<b>Full Review</b>						
Non-MSA Mississippi	0	1	0	0	-1	0

To the extent changes have been made, the opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. Home Bank closed one branch in the AA during the evaluation period that was located in an upper-income geography, and did not open any branches during the review period.

Services, including where appropriate and business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals.

Home Bank offers a wide range of loan and deposit products, security services, investment products, and other miscellaneous services. Products and services include overdraft protection, second-chance checking, night deposits, safe deposit boxes, credit builder loans, mortgage loans, and a variety of

consumer and commercial loan products. Products and services are tailored to meet the needs of individuals of all income levels and businesses of all sizes.

## **CD Services**

Home Bank provides a relatively high level of CD services.

Home Bank provides a good level of CD services that are responsive to the needs of the communities in the AA. Bank officers and employees devoted over 100 community service hours to four different qualified organizations in the AA by serving as Board members, seminar organizer and teacher, and application preparers. These activities helped promote affordable housing and economic development to LMI individuals and families. One officer served as a Board member to a community service organization by guiding the Board on financial matters and banking issues. Another officer served as an Advisory Committee member for a community service education institution that services LMI students.

An officer and a bank employee assisted in the preparation of Federal Home Loan Bank (FHLB) Special Need Assistance Rehabilitation (SNAP) program applications for qualifying participants. The FHLB SNAP program grant funds for the repair and rehabilitation of owner-occupied housing of eligible, special needs individuals with family income of 80 percent of the median income of the area. Furthermore, two bank officers performed as a Seminar Organizer and Seminar Teacher for a homebuyer seminar.

## Appendix A: Scope of Examination

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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 MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	1/1/2016 through 12/31/2018	
<b>Bank Products Reviewed:</b>	Home mortgage loans (home purchase, home improvement, and refinance), small loans to businesses, CD loans, investments, and services.	
<b>List of AAs and Type of Examination</b>		
Rating and AAs	Type of Exam	Other Information
<b>Louisiana</b>		
MSA 12940	Full-scope	East Baton Rouge Parish
MSA 29180	Full-scope	Lafayette, Acadia, and St. Martin Parishes
MSA 35380	Limited-scope	Jefferson, Orleans, and St. Tammany Parishes
Non-MSA LA	Limited-scope	Jefferson Davis Parish
<b>Mississippi</b>		
Non-MSA MS	Full-scope	Adams and Warrant Counties

## Appendix B: Summary of State Ratings

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RATINGS		Home Bank, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Home Bank, N.A.	Outstanding	Outstanding	High Satisfactory	Outstanding
State:				
Louisiana	Outstanding	Outstanding	High Satisfactory	Outstanding
Mississippi	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a parish/county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within parishes/counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other nonvisible features in some instances, CTs ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core-Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope 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 CT 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A CT with a median family income that is less than 50 percent.

**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 state/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a parish/county or group of counties within a Core-Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary parishes/counties that

represent an employment center or centers, plus adjacent counties associated with the main/secondary parish/county or parishes/counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as a Core-Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central parish/county or parishes/counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central parish/county or parishes/counties 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.

**Multistate MSA:** Any multistate MSA or multistate combined statistical area, as defined by the Office of Management and Budget.

**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 CD.

**Rating Area:** A rated area is a state or MMSA. 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 an MMSA, the institution will receive a rating for the MMSA.

**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) 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 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 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All MMSAs, if applicable, 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 the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. AA Distribution of Home Mortgage Loans by Income Category of the Geography -** 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 aggregate peer data for the years the data is available.
- Table P. AA Distribution of Home Mortgage Loans by Income Category of the Borrower -** 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 MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. AA Distribution of Loans to Small Businesses by Income Category of the Geography -** The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than parishes/counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. AA Distribution of Loans to Small Businesses by Gross Annual Revenue -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. AA Distribution of Loans to Farms by Income Category of the Geography -** 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. Because aggregate small farm data are not available for

geographic areas smaller than parishes/counties, it may be necessary to use geographic areas larger than the bank's AA.

**Table T. AA Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

**Table U. AA Distribution of Consumer Loans by Income Category of the Geography** – 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 in those geographies.

**Table V. AA Distribution of Consumer Loans by Income Category of the Borrower** - 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 households by income level in each MMSA/AA.

**Table O : AA Distribution of Home Mortgage Loans by Income Category of the Geography****2016**

AA:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Louisiana																			
Full Review																			
MSA 12940	68	18,708	11.5	24,907	5.1	4.4	2.1	14.6	8.8	8.6	42.5	29.4	41.9	37.9	57.4	47.4	0.0	0.0	0.0
MSA 29180	202	44,886	34.2	12,869	2.7	1.0	1.3	20.0	9.4	14.3	47.3	27.2	40.0	30.0	62.4	44.4	0.0	0.0	0.0
Limited Review																			
MSA 35380	284	76,753	48.1	34.11	4.4	5.3	5.1	17.6	18.7	15.6	41.7	27.5	38.8	36.3	48.6	40.5	0.0	0.0	0.0
Non-MSA LA	0	0	0.0	726	0.0	0.0	0.0	8.0	0.0	2.1	7.6	0.0	6.6	84.4	0.0	91.3	0.0	0.0	0.0
Mississippi																			
Full Review																			
Non-MSA MS	37	4,066	6.3	1,372	2.7	2.7	0.3	15.0	18.9	7.4	25.8	40.5	20.9	56.5	37.8	71.4	0.0	0.0	0.0
<b>Total</b>	<b>591</b>	<b>144,413</b>	<b>100.0</b>	<b>74,185</b>	<b>4.2</b>	<b>3.6</b>	<b>3.3</b>	<b>16.9</b>	<b>14.4</b>	<b>12.7</b>	<b>42.0</b>	<b>28.4</b>	<b>39.4</b>	<b>37.0</b>	<b>53.6</b>	<b>44.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

**Table O : AA Distribution of Home Mortgage Loans by Income Category of the Geography****2017-18**

AA:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Louisiana																				
Full Review																				
MSA 12940	122	29,028	9.0	21,610	3.9	6.6	1.7	23.0	21.3	17.5	37.5	27.9	37.3	35.6	44.3	43.5	0.0	0.0	0.0	
MSA 29180	615	101,031	45.4	10,888	3.2	4.2	2.9	21.0	15.9	15.9	48.1	41.0	43.6	27.8	38.9	37.6	0.0	0.0	0.0	
Limited Review																				
MSA 35380	478	143,540	35.3	30,913	5.4	10.7	6.1	19.9	17.2	16.8	39.2	26.6	38.1	35.1	42.9	38.2	0.5	2.7	0.9	
Non-MSA LA	70	5,409	5.2	725	0.0	0.0	0.0	7.3	2.9	4.7	44.0	48.6	40.6	48.6	48.6	54.8	0.0	0.0	0.0	
Mississippi																				
Full Review																				
Non-MSA MS	71	6,190	5.2	1,338	2.4	4.2	0.7	29.1	29.6	20.3	15.5	33.8	16.7	53.0	32.4	62.3	0.0	0.0	0.0	
<b>Total</b>	<b>1,356</b>	<b>285,197</b>	<b>100.0</b>	<b>65,474</b>	<b>4.3</b>	<b>6.5</b>	<b>3.9</b>	<b>21.2</b>	<b>16.9</b>	<b>16.8</b>	<b>39.7</b>	<b>34.7</b>	<b>38.3</b>	<b>34.6</b>	<b>40.9</b>	<b>40.5</b>	<b>0.2</b>	<b>1.0</b>	<b>0.4</b>	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

**Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower****2016**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
<b>Louisiana</b>																				
<b>Full Review</b>																				
MSA 12940	68	18,708	11.5	24,907	23.2	1.5	4.8	16.8	16.2	14.5	18.4	7.4	19.2	41.6	44.1	40.1	0.0	30.9	21.5	
MSA 29180	202	44,886	34.2	12,869	23.9	3.5	6.8	16.2	9.4	15.7	17.9	8.9	18.2	42.0	52.0	37.0	0.0	26.2	22.4	
<b>Limited Review</b>																				
MSA 35380	284	76,753	48.1	34,311	23.4	1.8	3.8	16.6	4.9	12.5	18.5	11.3	18.3	41.4	60.9	43.8	0.0	21.1	21.6	
Non MSA LA	0	0	0.0	726	18.9	0.0	2.5	13.4	0.0	9.5	18.7	0.0	13.9	49.0	0.0	58.8	0.0	0.0	0.0	15.3
<b>Mississippi</b>																				
<b>Full Review</b>																				
Non MSA MS	37	4,066	6.3	1,372	23.8	2.7	3.1	14.0	21.6	9.2	14.1	18.9	17.3	48.1	51.4	48.3	0.0	5.4	22.0	
<b>Total</b>	<b>591</b>	<b>144,413</b>	<b>100.0</b>	<b>74,185</b>	<b>23.4</b>	<b>2.4</b>	<b>4.6</b>	<b>16.5</b>	<b>8.8</b>	<b>13.6</b>	<b>18.2</b>	<b>10.5</b>	<b>18.5</b>	<b>41.9</b>	<b>55.3</b>	<b>41.6</b>	<b>0.0</b>	<b>23.0</b>	<b>21.7</b>	

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

**Table P: AA Distribution of Home Mortgage Loans by Income Category of the Borrower****2017-18**

	Total Home Mortgage Loans					Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	AA:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
<b>Louisiana</b>																				
<b>Full Review</b>																				
MSA 12940	122	29,028	9.0	21,610	24.1	4.9	6.0	16.3	9.0	16.8	17.9	3.3	20.3	41.6	47.5	36.0	0.0	35.2	20.9	
MSA 29180	615	101,031	45.4	10,888	24.8	4.9	7.0	16.3	14.1	15.5	16.8	13.2	18.8	42.2	38.5	35.5	0.0	29.3	23.1	
<b>Limited Review</b>																				
MSA 35380	478	143,540	35.3	30,913	24.9	1.5	5.1	15.8	6.3	14.1	17.5	9.0	18.5	41.8	50.8	41.9	0.0	32.4	20.4	
Non-MSA LA	70	5,409	8.2	725	24.1	4.3	4.1	14.0	15.7	10.6	15.9	24.3	13.9	46.1	48.6	56.4	0.0	7.1	14.9	
<b>Mississippi</b>																				
<b>Full Review</b>																				
Non-MSA MS	71	6,190	8.4	1,338	24.3	9.9	4.3	15.7	18.3	9.6	15.3	16.9	17.6	44.7	49.3	48.1	0.0	5.6	20.4	
<b>Total</b>	<b>1,356</b>	<b>285,197</b>	<b>100.0</b>	<b>65,474</b>	<b>24.6</b>	<b>3.9</b>	<b>5.7</b>	<b>16.0</b>	<b>11.2</b>	<b>15.1</b>	<b>17.4</b>	<b>11.6</b>	<b>19.1</b>	<b>41.9</b>	<b>44.8</b>	<b>39.2</b>	<b>0.0</b>	<b>28.5</b>	<b>21.0</b>	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

**Table Q: AA Distribution of Loans to Small Businesses by Income Category of the Geography**

2016

AA:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Louisiana</b>																			
<b>Full Review</b>																			
MSA 12940	62	9,402	10.4	11,371	11.6	8.1	8.9	18.8	22.6	15.6	19.1	11.3	18.4	50.5	58.1	56.9	0.1	0.0	0.1
MSA 29180	199	34,387	33.4	8,295	1.4	1.5	1.0	20.4	11.6	15.9	40.3	43.7	40.1	37.8	43.2	42.8	0.1	0.0	0.1
<b>Limited Review</b>																			
MSA 35380	252	48,945	42.3	29,327	7.4	6.7	7.0	20.0	17.5	18.9	31.3	28.6	28.9	41.2	46.8	45.1	0.1	0.4	0.0
Non-MSA LA	0	0	0.0	542	0.0	0.0	0.0	9.0	0.0	5.9	6.0	0.0	7.2	85.0	0.0	86.9	0.0	0.0	0.0
<b>Mississippi</b>																			
<b>Full Review</b>																			
Non-MSA MS	83	6,707	13.9	1,258	3.3	2.4	2.6	15.7	20.5	16.5	21.5	31.3	20.3	59.5	45.8	60.6	0.0	0.0	0.0
<b>Total</b>	<b>596</b>	<b>99,441</b>	<b>100.0</b>	<b>50,793</b>	<b>7.1</b>	<b>4.5</b>	<b>6.3</b>	<b>19.5</b>	<b>16.4</b>	<b>17.5</b>	<b>29.3</b>	<b>32.2</b>	<b>27.9</b>	<b>44.0</b>	<b>46.6</b>	<b>48.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "—" data not available.

Due to rounding, totals may not equal 100.0

**Table Q: AA Distribution of Loans to Small Businesses by Income Category of the Geography** **2017-18**

AA:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Louisiana</b>																			
<b>Full Review</b>																			
MSA 12940	84	18,886	7.0	10,748	10.4	14.3	7.9	24.8	13.1	21.3	21.8	15.5	22.0	42.8	57.1	48.7	0.1	0.0	0.1
MSA 29180	594	54,121	49.8	8,490	7.2	5.9	7.1	17.9	11.6	15.7	39.8	50.2	38.7	34.9	32.3	38.5	0.1	0.0	0.0
<b>Limited Review</b>																			
MSA 35380	385	96,723	32.3	28,288	9.1	12.7	8.4	18.9	18.7	16.9	29.1	22.9	27.3	41.7	43.9	45.9	1.3	1.8	1.5
Non-MSA LA	32	2,220	4.5	433	0.0	0.0	0.0	9.2	3.1	7.9	38.6	34.4	39.0	52.1	62.5	53.1	0.0	0.0	0.0
<b>Mississippi</b>																			
<b>Full Review</b>																			
Non-MSA MS	97	5,130	13.8	1,152	3.2	2.1	2.2	30.2	36.1	29.3	25.4	37.1	24.6	41.1	24.7	43.9	0.0	0.0	0.0
<b>Total</b>	<b>1,192</b>	<b>177,080</b>	<b>100.0</b>	<b>49,111</b>	<b>8.8</b>	<b>8.2</b>	<b>7.9</b>	<b>20.3</b>	<b>15.8</b>	<b>17.9</b>	<b>29.3</b>	<b>37.4</b>	<b>28.1</b>	<b>40.9</b>	<b>38.0</b>	<b>45.2</b>	<b>0.8</b>	<b>0.6</b>	<b>0.9</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, “--” data not available.

Due to rounding, totals may not equal 100.0

**Table R: AA Distribution of Loans to Small Businesses by Gross Annual Revenues** **2016**

AA:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Louisiana</b>											
<b>Full Scope</b>											
MSA 12940	62	9,402	10.4	11,371	86.7	59.7	36.3	4.4	22.6	8.9	17.7
MSA 29180	199	34,387	33.4	8,295	87.6	42.7	34.2	4.6	24.6	7.8	32.7
<b>Limited Scope</b>											
MSA 35380	252	48,945	42.3	29,327	89.2	63.1	39.9	4.0	13.9	6.8	23.0
Non MSA LA	0	0	0.0	542	87.9	0.0	24.7	3.1	0.0	9.0	0.0
<b>Mississippi</b>											
<b>Full Scope</b>											
Non MSA MS	83	6,707	13.9	1,258	81.3	53.0	41.6	4.6	9.6	14.1	37.3
<b>Total</b>	<b>596</b>	<b>99,441</b>	<b>100.0</b>	<b>50,793</b>	<b>88.1</b>	<b>54.5</b>	<b>38.0</b>	<b>4.2</b>	<b>17.8</b>	<b>7.7</b>	<b>27.7</b>

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

**Table R: AA Distribution of Loans to Small Businesses by Gross Annual Revenues****2017-18**

AA:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Louisiana</b>											
<b>Full Scope</b>											
MSA 12940	84	18,886	7.0	10,748	85.7	66.7	38.5	4.7	26.2	9.6	7.1
MSA 29180	594	54,121	49.8	8,490	86.7	57.7	37.4	4.9	38.9	8.4	3.4
<b>Limited Scope</b>											
MSA 35380	385	96,723	32.3	28,288	88.7	75.6	41.7	4.2	18.7	7.1	5.7
Non-MSA LA	32	2,220	4.4	433	87.2	96.8	28.9	3.1	6.3	9.7	0.0
<b>Mississippi</b>											
<b>Full Scope</b>											
Non-MSA MS	97	5,130	8.1	1,152	81.5	81.4	39.6	4.8	13.4	13.7	5.2
<b>Total</b>	<b>1,192</b>	<b>177,080</b>	<b>100.0</b>	<b>49,111</b>	<b>87.4</b>	<b>67.0</b>	<b>40.1</b>	<b>4.4</b>	<b>28.5</b>	<b>8.2</b>	<b>4.4</b>

Source: 2018 D&amp;B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0