



## **PUBLIC DISCLOSURE**

June 1, 2020

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

The First, A National Banking Association  
Charter Number: 22949

6480 U.S. Highway 98 West Hattiesburg, MS 39404

Office of the Comptroller of the Currency

3838 North Causeway Blvd., 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 Satisfactory.

The following table indicates the performance level of **The First, A National Banking Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	The First, A National Banking Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The Lending Test is based on an excellent level of Community Development (CD) lending; an adequate geographic and a good borrower distribution of lending, within the bank’s AAs, and a substantial majority of The First’s loans in its assessment areas (AAs).
- The Investment Test is based on an adequate level of qualified investments, and an adequate responsiveness to CD needs.
- The Service Test rating is based on the bank’s overall reasonable accessibility of its branches within each AA and the number and amount of community services within each AA.

### Lending in Assessment Area

A substantial majority of the bank’s loans are in its AAs. The First originated and purchased 84.9 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 small business and home mortgage loans.

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Home Mortgage										
2017	369	79.2	97	20.8	466	72,604	80.4	17,751	19.6	90,355
2018	847	83.5	167	16.5	1,014	163,670	84.1	30,915	15.9	194,585
2019	1,267	84.6	230	15.4	1,497	291,146	83.7	56,625	16.3	347,771
<b>Subtotal</b>	<b>2,483</b>	<b>83.4</b>	<b>494</b>	<b>16.6</b>	<b>2,977</b>	<b>527,420</b>	<b>83.4</b>	<b>105,291</b>	<b>16.6</b>	<b>632,711</b>
Small Business 2018	1,426	86.8	216	13.2	1,642	204,215	88.0	27,729	12.0	231,944
Small Business 2019	1,388	85.5	235	14.5	1,623	200,955	85.6	33,805	14.4	234,760
<b>Subtotal</b>	<b>2,814</b>	<b>86.2</b>	<b>451</b>	<b>13.8</b>	<b>3,265</b>	<b>405,170</b>	<b>86.82</b>	<b>61,534</b>	<b>13.2</b>	<b>466,704</b>
<b>Total</b>	<b>5,297</b>	<b>84.9</b>	<b>945</b>	<b>15.1</b>	<b>6,242</b>	<b>932,590</b>	<b>84.8</b>	<b>166,825</b>	<b>15.2</b>	<b>1,099,415</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

The First, A National Banking Association (“The First”), is a multistate, community-focused national bank headquartered in Hattiesburg, Mississippi. It is a wholly-owned subsidiary of The First Bancshares, Inc., a Mississippi-based bank holding company incorporated in 1995. The First Bancshares is a single-bank holding company with reported total consolidated assets of \$3.08 billion, as of December 31, 2019.

The First has operations in the following five states, as of December 31, 2019: Mississippi, Louisiana, Alabama, Georgia, and Florida. Operations within these states are concentrated within the bank’s 15 designated AAs (11 MSAs and 4 Non-MSAs), and conducted through a network of 73 full-service branches, four loan production offices, one motor branch, and 78 ATMs. The bank reported total assets of \$3.93 billion, total deposits of \$3.08 billion, and tier one capital of \$426 million or 11.83 percent of assets. Net loans and leases totaled \$2.60 billion or 67.10 percent of average total assets. The loan portfolio composition is 27 percent residential real estate, 56 percent commercial real estate (CRE), 12 percent commercial and industrial (C&I), and, 5 percent retail/consumer.

At the prior CRA evaluation, the First operated in 10 AAs; but bank acquisitions in calendar years 2018 and 2019 increased the number to 18. However, Census Tract map changes in 2019 reduced the AAs to 15 by moving three Non-MSA AAs (Stone County, MS; Washington County, AL and Assumption Parish, LA) into three MSA AAs (Gulfport, Biloxi, MS; Mobile, AL and Baton Rouge, LA, respectively). Since the previous evaluation, The First has grown from \$1.8 billion to \$3.9 billion in

total assets. This growth is primarily attributed to the acquisition of several banks. This is the first time the bank is being examined utilizing large bank CRA procedures. The First acquired the following banks since the previous CRA evaluation:

- First Community Bank headquartered in Chatom, Alabama (March 1, 2018)
- Sunshine Community Bank headquartered in Tallahassee, Florida (April 1, 2018)
- Farmers & Merchants Bank headquartered in Monticello, Florida (October 31, 2018)
- Florida Parishes Bank headquartered in Hammond, Louisiana (March 2, 2019)
- First Florida Bank headquartered in Destin, Florida (November 1, 2019)

As a result of these acquisitions, The First added 34 additional branches, but five of these branches (one was in a moderate-income census tract) were subsequently closed. While the bank continues to offer a host of retail/consumer loans and services, its primary business strategy is to serve market needs by primarily originating commercial (inclusive of small business loans) and secondarily, residential real estate loans. Financial products and services offered include a wide range of business/commercial and retail/consumer loans, deposit accounts, and other consumer, business/commercial services.

Retail Mortgage loan services include conventional and government agency insured 1-4 family mortgage loans (home purchase, construction, refinance, HELOCs), secured and unsecured personal loans for financing automobiles, home improvements, education, and personal investments, etc. The bank also offers credit card services through a correspondent bank.

The First became a Community Development Financial Institution (CDFI) in 2010 as a result of promoting financial inclusion and economic development among Low-Moderate Income (LMI) communities. The bank is also certified as a Community Development Entity. This certification allows the bank to apply for New Market Tax Credits. The bank received a \$2.6 million Financial Assistance Award because it expanded its geographic footprint during our review period.

The First 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, June 27, 2017 was Satisfactory.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

As of December 31, 2017, the bank reached the asset threshold of a “large bank” for CRA purposes. Because of its asset size, the bank started collecting and reporting small business data during 2018; therefore, we reviewed small business loans for the period of January 1, 2018 through December 31, 2019.

The evaluation period for our review of Home Mortgage Disclosure Act (HMDA) loans was July 1, 2017 through December 31, 2019; the evaluation period for Community Development (CD) loans, investments and services was June 28, 2017 to December 31, 2019. We also evaluated CD grants and retail services. The First’s primary lending products are commercial (inclusive of loans to small businesses) and secondarily, residential loans. The First’s loan portfolio comprises 56 percent commercial and 27 percent residential. More weight was placed on loans to small businesses as commercial loans are the primary products. 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. Additionally, we considered the level of innovation, complexity, and responsiveness to community credit needs.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, 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.

As of December 31, 2019, The First had 15 AAs in five states. In the state of Mississippi, there are four AAs: Hattiesburg and Gulfport-Biloxi MSAs and the Pearl River and Jones Counties Non-MSAs. In the state of Louisiana, there are four AAs: Baton Rouge MSA; Hammond MSA; New Orleans-Metairie MSA and Washington Parish Non-MSA. In the state of Alabama, there are two AAs: Mobile and Daphne-Fairhope-Foley MSAs. In the state of Georgia, there is one AA: Thomas County Non-MSA. And, in the state of Florida, there are four AAs: Crestview-Fort Walton Beach-Destin MSA; Panama City MSA; Pensacola MSA and Tallahassee MSA.

The following six AAs within the five states were selected for full-scope reviews: Hattiesburg MSA, Gulfport-Biloxi MSA, Daphne-Fairhope-Foley MSA, Baton Rouge MSA, Tallahassee MSA and Thomas County Non-MSA. We selected the full-scope AAs after considering the number of originated 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. While we reviewed all six AAs in five states, greater weight was placed on those states with the highest percentages of deposits, loans, branches and presence within the AAs: Mississippi, Louisiana, Alabama, and Florida. The least amount of weight was given to the state of Georgia. As of December 31, 2019, the state of Georgia included 4.27 percent of total loans; 1.90 percent of total deposits and 1.35 percent of total branches.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

### **Ratings**

The bank’s overall rating is a blend of all five state ratings, placing more weight on the states of Mississippi, Louisiana, Alabama and Florida. The First operates in Mississippi, Louisiana, Alabama, Georgia and Florida. Each state is based on performance in each of the AAs for the respective state, with the most weight placed on the full-scope AAs in the states of Mississippi, Louisiana, Alabama and Florida. 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.

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

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Mississippi

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

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

**The Investment Test is rated:** Low Sat

**The Service Test is rated:** Low Sat

The major factors that support this rating include:

- The First has an excellent level of CD lending, and adequate geographic and good borrower distribution of lending, within the AAs.
- The bank has an adequate level of qualified investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The First's delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AAs.

### Description of Institution's Operations in Mississippi

The First operates in four AAs within the state of Mississippi which includes two MSAs (Hattiesburg, and Gulfport-Biloxi), and two Non-MSAs (Jones County and Pearl River County). During 2017 and 2018, the bank operated in a fifth AA which was Stone County, Non-MSA; however, due to 2019 census map changes, the AA became a part of the Gulfport-Biloxi MSA. The primary business focus is business lending with residential lending as a secondary product. Mississippi is the largest rating area in terms of loans and the second largest area regarding deposits. As of December 31, 2019, the state comprised 31.03 percent of total loans and 28.62 percent of total deposits. Competitors make up other local banks in its markets and some of the United States' largest national banks that have nationwide footprints, as well as nonbank financial institutions that compete for business and residential loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information and conducting community contacts. The most critical needs identified from the Community Contacts were commercial loans, particularly small business loans, and those for downtown economic and revitalization development and mortgage loans. Other needs comprised of the expansion of broadband internet access throughout Gulfport, as well as workforce training in technical and technology trades.

### Hattiesburg MSA

As of December 31, 2019, the Hattiesburg MSA is comprised of Covington, Forrest, Lamar, and Perry Counties. Management determined the entire MSA would be too large to serve, as the bank has branches in Forrest and Lamar Counties, only; therefore, of the four Counties within the MSA, management delineated Forrest and Lamar Counties, as the bank's AA.

The First has five branches and five ATMs in the Hattiesburg AA. Hattiesburg is the principle city of the Hattiesburg MSA. The AA complies with the requirements of the CRA regulations and does not



arbitrarily exclude low-income and moderate-income areas. There are 25 CTs in this AA, with four being low-income, four moderate-income, 11 middle-income, and six upper-income.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Hattiesburg</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 (Census Tracts)	25.00	16.00	16.00	44.00	24.00	0.00
Population by Geography	135,152	12.77	9.20	44.82	33.21	0.00
Housing Units by Geography	56,683	12.89	10.25	46.41	30.44	0.00
Owner-Occupied Units by Geography	29,884	4.53	8.61	46.96	39.90	0.00
Occupied Rental Units by Geography	19,964	22.87	12.30	45.49	19.34	0.00
Vacant Units by Geography	6,835	20.35	11.44	46.69	21.52	0.00
Businesses by Geography	9,377	10.80	7.63	52.36	29.21	0.00
Farms by Geography	234	2.14	6.84	44.02	47.01	0.00
Family Distribution by Income Level	33,371	8.36	9.13	44.79	37.72	0.00
Household Distribution by Income Level	49,848	11.87	10.09	46.37	31.66	0.00
Median Family Income MSA-		\$56,400	Median Housing Value			\$130,779
			Median Gross Rent			\$771
			Families Below Poverty Level			11,140
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA is 135,152. Within the AA, there are 33,371 families. There are 56,683 housing units, of which 29,884 (52.72 percent) are owner-occupied. Of total owner-occupied housing units, approximately 4.53 percent are in low-income geographies, 8.61 percent are in moderate income geographies, 46.96 percent are in middle-income geographies, and 39.90 percent are in upper-income geographies. The median housing cost as of 2019 was \$130,779.

The Federal Financial Institutions Examination Council’s (FFIEC) updated 2019 median family income for the AA was \$56,400. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to 119 percent of the median family income. Upper-income is defined as income of 120 percent of the median family income and greater. The table below details income classification categories.

<b>Income Categories – Hattiesburg AA</b>			
<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>
<\$28,200	\$28,200 - \$45,119	\$45,120 to <\$67,680	>\$67,680

Source: FFIEC 2019

Low-income families earning a median family income less than \$28,200 represent 27.39 percent of families in the Hattiesburg MSA. Moderate-income families comprised of 35.66 percent of the AA's population.

According to the June 30, 2019, FDIC Summary of Deposit Market Share report, The First's deposit market share within the AA was 9.22 percent, ranking fifth out of 19 institutions within the AA. The First's primary competitors are BancorpSouth Bank (nine offices, 17.97 percent market share), Trustmark National Bank (10 offices, 14.61 percent market share), Hancock Whitney Bank (six offices, 12.84 percent market share), and Regions Bank (eight offices, 12.39 percent market share).

The Hattiesburg AA has a diverse economy comprised of a variety of businesses and industries, including education, healthcare services, military, and manufacturing. One of the largest employers in the AA is the University of Southern Mississippi. Another university is William Carey. Combined, these universities represent in excess of 20,000 students who seek housing, specifically rental properties, within the city of Hattiesburg. Many students are considered low-and moderate-income due to a lack of income or little income. As stated above, of 56,683 total housing units, 35.33 percent are rental occupied units. A significant majority of the rental units are occupied by students who attend both universities. Other employers are Forrest General Hospital, Hattiesburg Clinic, Camp Shelby Army Base, Maximus Call Center, Merit Health Wesley, and Channel Control Merchants.

The unemployment rate as of December 31, 2019, was 4.10 percent, which compares favorably to the state average of 5.60 percent at the time and is the lowest in the state.

## Gulfport-Biloxi MSA

The First has 11 branches and 12 ATMs in the Gulfport-Biloxi MSA. The Gulfport-Biloxi MSA includes Hancock County, Harrison County, Jackson County, and Stone County. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 86 CTs in this AA, with seven being low-income, 14 moderate-income, 44 middle-income, 16 upper-income, and five being "not applicable". A CT may be "not applicable" if it was part of the county at one time but is no longer due to map changes.

<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)	86	8.14	16.28	51.16	18.60	5.81
Population by Geography	400,549	5.57	14.06	56.49	23.77	0.11
Housing Units by Geography	180,122	6.13	15.05	57.08	21.65	0.10
Owner-Occupied Units by Geography	96,703	3.39	10.95	59.50	26.12	0.04
Occupied Rental Units by Geography	53,776	10.26	19.66	54.50	15.32	0.26
Vacant Units by Geography	29,643	7.56	20.03	53.87	18.54	0.00

Businesses by Geography	25,472	7.56	14.18	55.47	22.46	0.33
Farms by Geography	572	2.45	8.39	63.99	25.00	0.17
Family Distribution by Income Level	101,074	5.13	13.37	57.68	23.78	0.04
Household Distribution by Income Level	150,479	5.85	14.06	57.71	22.26	0.12
Median Family Income MSA-	\$57,500		Median Housing Value		\$130,353	
			Median Gross Rent		\$832	
			Families Below Poverty Level		26,981	
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA is 400,549. Within the AA, there are 101,074 families. There are 180,122 housing units, of which 96,703 (53.69 percent) are owner-occupied. Of total owner-occupied housing units, approximately 3.39 percent are in low-income geographies, 10.95 percent are in moderate-income geographies, 59.50 percent are in middle-income geographies, and 26.12 percent are in upper-income geographies. The median housing cost as of 2019 was \$130,353.

The Federal Financial Institutions Examination Council's (FFIEC) updated 2019 median family income was \$57,500. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to 119 percent of the median family income. Upper-income is defined as income of 120 percent of the median family income and greater. The table below details income classification categories.

<b>Income Categories – Gulfport-Biloxi AA</b>			
Low	Moderate	Middle	Upper
<\$28,700	\$28,700 - \$45,919	\$45,920 to <\$68,880	>\$68,880

*Source: FFIEC 2019*

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, the First's deposit market share within the AA was 8.60 percent, ranking second out of 17 institutions within the AA. The First's primary competitor is Hancock Whitney commanding 44.7 percent of the market share with 29 branches.

Low-income families earning a median family income less than \$28,700 represent 22.68 percent of families in the Hattiesburg MSA. Moderate-income families comprised of 16.26 percent of the AA's population.

The Gulfport-Biloxi AA has a diverse economy that is comprised of a variety of businesses and industries, including gaming, healthcare services, military, and manufacturing. Some of the largest employers in the area are Keesler Air Force Base, Ingalls Shipbuilding, Chevron Refinery, Naval Construction Battalion Center, Memorial Hospital, Harrison County School District, Island View Casino, Hancock Bank, Mississippi Power, and Beau Rivage Casino and Resort.

The unemployment rate as of December 31, 2019 was 5.40 percent, which is slightly lower than the state average of 5.60 percent at the time.

### Scope of Evaluation in Mississippi

The evaluation period for our review of HMDA loans was July 1, 2017, through December 31, 2019; the evaluation period for CD loans, investments and services was June 28, 2017, to December 31, 2019. The evaluation period for small loans to businesses was January 1, 2018, through December 31, 2019. We also evaluated CD grants and retail services and considered the level of innovation, complexity, and responsiveness to community credit needs.

As discussed earlier, the Hattiesburg and Gulfport-Biloxi MSA AAs were selected for full-scope reviews. Limited-scope reviews were Jones and Pearl River Counties. See Selection of Areas for Full-Scope Review, page 6.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI

### LENDING TEST

The bank’s performance under the Lending Test in Mississippi is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Hattiesburg and Gulfport-Biloxi MSAs is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Hattiesburg MSA	209	131	0	3	343	25.0	31.4
Gulfport-Biloxi MSA	325	203	0	5	533	53.0	47.8
Jones and Pearl River Counties Non-MSAs	79	29	0	1	109	15.3	12.5
Stone County Non-MSA	15	6	0	0	21	4.9	8.1
Statewide	0	0	0	2	2	0	0
Total	628	369	0	11	1,008	98.2	99.8

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

Dollar Volume of Loans* 2017 through 2018
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Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Hattiesburg MSA	45,970	22,319	0	3,830	72,119	45.1	25.2
Gulfport-Biloxi MSA	47,335	27,594	0	12,114	87,043	36.5	52.6
Jones and Pearl River Counties Non-MSAs	15,377	5,556	0	2,500	23,433	11.3	17.1
Stone County MSA	2,003	545	0	0	2,548	0.9	4.6
Statewide	0	0	0	13,876	13,876	0	0
Total	110,685	56,014	0	32,320	199,019	93.8	99.5

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

Number of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Hattiesburg MSA	172	138	0	5	315	24.6	31.2
Gulfport-Biloxi MSA	184	199	0	5	388	57.3	54.9
Jones and Pearl River Counties Non-MSAs	49	41	0	5	95	16.1	13.7
Statewide	0	0	0	0	0	0	0
Total	405	378	0	15	798	98.0	99.8

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

Dollar Volume of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Hattiesburg MSA	35,581	24,309	0	12,407	72,297	45.0	30.1
Gulfport-Biloxi MSA	33,686	27,677	0	29,625	90,988	36.8	53.0
Jones and Pearl River Counties Non-MSAs	14,324	10,266	0	9,422	34,012	11.4	16.4
Statewide	0	0	0	0	0	0	0
Total	83,591	62,252	0	51,454	197,297	93.2	99.5

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

The bank's performance under the Lending Test in MS is rated "High Satisfactory". Based on full-scope reviews, the lending performance in the Hattiesburg and Gulfport AAs was considered good.

#### Hattiesburg AA

The First's lending in the Hattiesburg AA is good when the high level of CD loans is considered.

## **Home Mortgage Loans**

Based on FDIC Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 9.88 percent and ranked 5th among 17 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 202 lenders in the AA. The First ranked 8<sup>th</sup>, by the number of loans achieving a market share of 3.41 percent. The bank's market share of 3.41 percent in loans is weaker than the bank's market share in deposits. Top five lending competitors are larger national banks with a combined market share of 29.86 percent: BancorpSouth Bank, Trustmark National Bank, Community Bank of Mississippi, Regions Bank and Wells Fargo Bank.

## **Small Loans to Businesses**

Based on 2018 Peer Small Business data, there were 66 small business lenders in the AA. The First ranked 4<sup>th</sup> by number of loans, achieving a market share of 5.90 percent, and 2<sup>nd</sup>, by dollar amount, attaining a market share of 15.95 percent. The three top competitors are American Express FSB, BancorpSouth, and Trustmark National Bank, with a combined market share of 36.60 percent. The bank's small loans to businesses market share by dollar amount and rank, exceeds the First's deposit market share and rank.

### Gulfport-Biloxi AA

The First's lending in the Gulfport-Biloxi AA is good.

## **Home Mortgage Loans**

Based on FDIC Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 8.43 percent and ranked 3<sup>rd</sup> among 15 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 300 lenders in the AA. The First ranked 12<sup>th</sup>, by the number of loans achieving a market share of 2.21 percent. The bank's market share of 2.21 percent and rank in loans are weaker than the bank's market share and rank in deposits.

## **Small Loans to Businesses**

Based on 2018 Peer Small Business data, there were 86 small business lenders in the AA. The First ranked 11<sup>th</sup> by number of loans, achieving a market share of 3.23 percent, and 3<sup>rd</sup> by dollar amount, reaching a market share of 11.00 percent. The top five competitors commanded 51.47 percent of the market share. The competitors are American Express National Bank, Hancock Whitney Bank, Lake Forest Bank and Trust, Synchrony Bank, and Texas Capital Bank. The bank's small loans to businesses market share and rank, exceed the First's deposit market share and rank.

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

The bank exhibits an adequate geographic distribution of loans in its AAs, given the strong level of competition. As previously said, business lending received the most weight considering this line of business has a strategic focus. Refer to the Scope.

***Home Mortgage Loans***

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 bank's home mortgage loan originations and purchases.

Hattiesburg AA

The geographic distribution of loans in the bank's AA reflects an adequate dispersion in low-income and moderate-income CTs.

For calendar years 2017 and 2018, while the proportion of loans in low-income geographies was somewhat lower than the proportion of owner-occupied housing units, the bank's proportion of loans exceeded the aggregate distribution of loans. The distribution of loans in moderate-income geographies was lower than the proportion of owner-occupied housing units and somewhat lower than the aggregate distribution of loans.

For calendar year 2019, while the bank's proportion of loans in low-income geographies was somewhat lower than the proportion of owner-occupied housing units, the proportion of loans exceeded aggregate distribution of loans. The distribution of loans in moderate-income geographies was lower than the proportion of owner-occupied housing units; but, exceeded the aggregate distribution of loans.

Gulfport-Biloxi AA

The geographic distribution of loans in the bank's AA reflects an adequate dispersion in low-income and moderate-income CTs.

For calendar years 2017 and 2018, the proportion of loans in low-income geographies was lower than the proportion of owner-occupied housing units, but near to or equal to the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies was somewhat lower than the proportion of owner-occupied housing units; but, exceeded the aggregate distribution of loans.

For calendar year 2019, while the proportion of loans in low-income geographies was lower than the proportion of owner-occupied housing units; however, the proportion of loans exceeded the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies was lower than the proportion of owner-occupied housing units, as well as the aggregate distribution of loans.

***Small Loans to Businesses***

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.

Hattiesburg AA

The geographic distribution of loans to businesses is adequate.

For calendar year 2018, the small business lending in low-income geographies was lower than both the percentage of businesses located in low-income geographies, as well as the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the percentage of lending

was near to the percentage of small businesses in moderate-income geographies; but, exceeded the aggregate lending to small businesses in moderate-income geographies.

For calendar year 2019, the small business lending in low-income geographies was lower than both the percentage of businesses located in low-income geographies, as well as the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the percentage of small business lending was somewhat lower than the percentages of businesses and aggregate lending in moderate-income geographies.

### Gulfport-Biloxi AA

The geographic distribution of loans to businesses is adequate.

For calendar year 2018, the small business lending in low-income geographies exceeded both the percentages of businesses located in low-income geographies, as well as 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 in moderate-income geographies, as well as the aggregate lending to small businesses in moderate-income geographies.

For calendar year 2019, the small business lending in low-income geographies exceeded both the percentages of businesses located in low-income geographies, as well as 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 in moderate-income geographies, as well as 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 AA 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**

The 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 and the strong level of competition. More weight was placed on the bank's small loans to businesses because of its strategic focus.

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

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 bank's home mortgage loan originations and purchases.

### Hattiesburg AA

The distribution of the bank's home mortgage loans is adequate.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was adequate. The proportion of loans was significantly lower than the percentage of low-income families and



somewhat lower than the aggregate data; however, the proportion of loans exceeded the percentage of moderate-income families and aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was adequate. The proportion of loans was significantly lower than the percentage of low-income families, and lower than the aggregate. The proportion of loans was somewhat lower than the percentages of moderate-income families and was slightly lower than the aggregate data.

#### Gulfport-Biloxi AA

The distribution of the bank's home mortgage loans is poor.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was poor. The proportion of loans was significantly lower than the percentage of low-income families and somewhat lower than the aggregate data. The proportion of loans was lower than both the percentages of moderate-income families and aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was poor. The proportion of loans was significantly lower than the percentage of low-income families, and equal to the aggregate data. The proportion of loans was significantly lower than the percentage of moderate-income families and the aggregate data.

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

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 bank's origination and purchase of small loans to businesses.

#### Hattiesburg MSA

The borrower distribution of the bank's originations of small loans to businesses is good.

During 2018, the distribution of the bank's small loans to businesses by revenue was good. The proportion of loans was near to the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses. Performance in the 2019 analysis period was consistent with performance during 2018; hence, the distribution of the bank's small loans was good.

#### Gulfport-Biloxi MSA

The borrower distribution of the bank's originations of small loans to businesses is excellent.

During 2018, the distribution of the bank's small loans to businesses by revenue was excellent. The proportion of loans was near to the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses. Performance in the 2019 analysis period was consistent with performance in the 2018 period; hence, the distribution of the bank's small loans was excellent.

#### **Community Development Lending**

The institution is a leader in making CD loans. The community development lending activity had a positive impact on the overall Lending Test.

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.

### Hattiesburg AA

The First made an excellent level of CD loans in the AA during the review period.

#### 2017 and 2018

The First made three loans totaling approximately \$3.83 million during 2017-2018. CD loan volume was approximately eight percent of allocated tier 1 capital. CD loans were responsive to identified community needs. Those needs included economic revitalization of the AA to provide employment to LMI. Specific examples include:

- A loan for \$1.47 million for the construction of a convenience store and adjacent building in a moderate-income census tract.

#### 2019

The First made five loans totaling approximately \$12.4 million in 2019. CD loan volume was 27 percent of allocated tier 1 capital. CD loans were responsive to identified community needs including economic revitalization. Specific examples include:

- A loan for \$1.1 million for a car dealership in a moderate-income census tract that would employ several LMI individuals.

### Gulfport-Biloxi AA

The First made an excellent level of CD loans in the AA during the review period.

#### 2017 and 2018

The First made five loans totaling approximately \$12.1 million during 2017 and 2018. CD loan volume was approximately 16 percent of allocated tier 1 capital. CD loans were considered responsive to identified community needs including economic development. Specific examples include:

- A loan for \$3.5 million for the construction of a restaurant that will employ approximately 25 LMI jobs.
- A loan for \$1.4 million for the purchase of a 36-unit apartment complex in a moderate-income census tract that will rent all units to LMI renters.

#### 2019

The First made five loans totaling approximately \$29.6 million in 2019. CD loan volume was approximately 38 percent of allocated tier 1 capital. CD loans were responsive to identified community needs including economic development. Specific examples include:

- A loan for approximately \$16.1 million for the construction of an assisted living facility that will provide a variety of jobs to LMI individuals.
- A \$2.7 million loan to acquire, construct, finance, equip and lease a new fire station in Orange Grove.

### **Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Jones County Non-MSA and Pearl River County Non-MSA is consistent with the bank's overall performance under the Lending Test in the full-scope area(s).

Refer to Tables O through R in the state of Mississippi section of Appendix D for the facts and data that support these conclusions.

### **Performance in Broader/Regional Areas**

In addition to the CD loans that benefit the bank's AAs in Mississippi, The First originated two qualified CD loans, totaling approximately \$10.7 million, located in the state of Mississippi. CD loans originated in the broader regional area of Mississippi had a positive impact on the bank's CD lending performance. Highlights of the lending in the broader regional area include: a loan to construct a hotel in Oxford, Mississippi that will provide LMI jobs, as well as a participation loan for \$3.2 million in Jackson, Mississippi for the construction of a single room nursing home where 51 percent of the 60 units will be set aside for LMI individuals.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Mississippi is rated Low Satisfactory.

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

Based on full-scope reviews, the bank's performance in the Hattiesburg AA is excellent, while the bank's performance in the Gulfport-Biloxi AA is poor.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution 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-scope</b>										
Hattiesburg	0	0	65	3,680	65	46.43	3,680	61.85	0	0
Gulfport-Biloxi	4	993	58	74	62	44.29	1,067	17.93	0	0
<b>Limited-scope</b>										
Jones County	0	0	8	1,198	8	5.71	1,198	20.13	0	0
Pearl River County	0	0	1	1	1	0.71	1	0.02	0	0
<b>Total</b>	<b>4</b>	<b>993</b>	<b>132</b>	<b>4,953</b>	<b>136</b>	<b>100</b>	<b>5,946</b>	<b>100</b>		

\* 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.

### Hattiesburg AA

During the review period, The First made three investments totaling \$3,571,515 in 2017. An additional \$71,600 in grants were made in 2017-2018 and \$37,350 in 2019 for total investments in the AA of \$3,680,456, which represents 7.9 percent of allocated tier 1 capital, which is considered excellent. Two investments focused on revitalizing schools that offer more than 50 percent of the student population free and reduced lunches, while the third involved the revitalization and conversion of a former hospital into a public safety complex.

### Gulfport-Biloxi

The First held four prior period investments totaling \$993,290. An additional \$34,934 in grants were made in 2017 and 2018 and \$38,835 in 2019 for a total investment in the AA of \$1,067,059, which represents less than one percent of allocated tier 1 capital. The four prior period investments each involved repairs to existing schools that offer more than 50 percent of the student population free and reduced lunches.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Jones AA is consistent with the bank's overall performance under the Investment Test in the full-scope area. The bank's performance under the Investment Test in the Pearl River AA is weaker than the bank's overall performance under the Investment Test in the full-scope area.

## **SERVICE TEST**

The bank's performance under the Service Test in Mississippi is rated Low Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Hattiesburg AA and the Gulfport-Biloxi AA is adequate.

### Retail Banking Services

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

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Mississippi Non - MSA	15.91	2	10.53	0.00	0.00	50.00	50.00	4.90	8.69	36.34	50.07
Hattiesburg MSA	29.12	5	26.32	0.00	0.00	80.00	20.00	12.77	9.20	44.82	33.21
Gulfport-Biloxi MSA	54.43	11	57.89	18.18	18.18	45.45	18.18	5.57	14.06	56.49	23.77
Jackson MSA	0.51	1	5.26	0.00	0.00	0.00	100.00	7.59	6.24	21.89	64.27

#### Hattiesburg AA

Branch delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA in the Hattiesburg AA. Overall, there are five full-service branches in the AA, and none are located in low- or moderate-income geographies. However, it should be noted that management has developed specific programs to target LMI individuals and families living adjacent to these branches. Specifically, the bank created a program called First Aid that was designed to help in emergencies and was targeted to LMI individuals. This product, and general financial planning options, were disseminated through radio ads targeted to LMI individuals.

#### Gulfport-Biloxi AA

Branch delivery systems are readily accessible to geographies and individuals of different income levels in the Gulfport-Biloxi MSA. Overall, there are eleven full-service branches in the MSA. The First has two branches in low-income CTs and two branches located in moderate-income CTs. The percentage of branch offices located in low-income CTs is significantly higher than the percentage of the population within the low-income CTs. The percentage of branch offices located in moderate-income CTs is higher than the percentage of the population within the moderate-income CTs.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Hattiesburg AA	0	0	0	0	0	0
Gulfport-Biloxi AA	0	0	0	0	0	0
Mississippi Non-MSA	0	0	0	0	0	0

### Hattiesburg AA

To the extent changes have been made, opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in LMI geographies and/or to LMI individuals. The First has not opened or closed any branches within the Hattiesburg MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT where each branch is located.

### Gulfport-Biloxi AA

To the extent changes have been made, opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in LMI geographies and/or to LMI individuals. The First has not opened or closed any branches within the Gulfport-Biloxi MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT where each branch is located.

## **Community Development Services**

The institution provides an adequate level of CD services.

### Hattiesburg AA

The First provides an adequate level of CD services in the AA. During the evaluation period, eight employees provided expertise to 12 different CD organizations for a total of 483 service hours. Some of these services included participating on the board of directors for community organizations that provided job placements to low-income individuals. Additional highlights include:

- JumpStart to Success. Students from nine schools in Forrest, Lamar, and Perry counties were able to interact with exhibitors. The First uses the Game of Life in a scenario where students are given an occupation with a salary and must make life decisions. The First has sponsored this program since 2015 and is an ongoing activity.
- Bank On Hattiesburg is a grassroots program providing financial literacy education, while promoting the advantages of mainstream banking services in general. It is the first program in Mississippi undertaking such a broadly collaborative and coordinated approach to financial

literacy among mainstream financial institutions. The First administered the program from 2016 through 2019, when it turned it completely over to the United Way.

- Southern Entrepreneurship Program (SEP) is a program of the University of Southern Mississippi's Center for Economic and Entrepreneurship Education. The First has been providing funding and judges that showcase high school students in a “SharkTank” type environment over a two-day competition that ultimately rewards a state-wide youth entrepreneurial champion.

Gulfport-Biloxi AA

The First provides a relatively high level of CD services in the AA. During the evaluation period, 17 employees provided expertise to 34 different CD organizations for a total of 756.15 service hours. Some of these services included participating on the board of directors for community organizations that provided financial education and credit counseling for low income individuals.

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

Based on the limited-scope reviews, the bank’s performance in the Mississippi Non-MSAs is weaker than the bank’s overall performance in the full-scope AAs, based primarily on a significant reduction in CD services being provided in those AAs.

**State Rating**

**State of Louisiana**

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

**The Lending Test is rated:** High Sat  
**The Investment Test is rated:** Low Sat  
**The Service Test is rated:** Low Sat

The major factors that support this rating include:

- The First has an excellent level of CD lending, and adequate geographic and good borrower distribution of lending, within the AAs.
- The bank has an adequate level of qualified investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The First’s delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AAs.

**Description of Institution’s Operations in Louisiana**

The First operates in four AAs in the state of Louisiana. AAs include the Baton Rouge MSA, Hammond MSA, New Orleans-Metairie MSA, and the Washington Parish Non-MSA. During 2017 and 2018, the bank operated in a fifth AA which was the Assumption Parish Non-MSA; however, due to 2019 census map changes, the AA became a part of the Baton Rouge MSA. The primary business focus is business lending with residential lending as a secondary product. Competitors comprise of other local banks in its markets and some of the United States’ largest national banks that have nationwide footprints, as well as nonbank financial institutions that compete for business and residential loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information and conducting community contacts. A representative stated CD loans to revitalize the community, as well as loans to small businesses were needs of the AA.

## Baton Rouge MSA

The First has 11 branches and 11 ATMs in the AA. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 141 CTs in this AA, with 17 being low-income, 37 moderate-income, 47 middle-income, 39 upper-income; and one being not applicable. A CT can be “not applicable” if it was part of the parish at one time but is no longer due to map changes.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Baton Rouge MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	141	12.06	26.24	33.33	27.66	0.71
Population by Geography	774,332	7.30	22.89	34.55	35.25	0.00
Housing Units by Geography	319,743	7.90	23.37	34.18	34.55	0.00
Owner-Occupied Units by Geography	193,121	3.87	19.00	38.85	38.28	0.00
Occupied Rental Units by Geography	92,747	14.30	30.43	25.30	29.97	0.00
Vacant Units by Geography	33,875	13.39	28.95	31.88	25.78	0.00
Businesses by Geography	81,125	6.37	21.51	31.46	40.62	0.05
Farms by Geography	1,481	3.44	14.65	38.01	43.89	0.00
Family Distribution by Income Level	188,777	5.70	21.27	36.69	36.35	0.00
Household Distribution by Income Level	285,868	7.25	22.71	34.45	35.58	0.00
Median Family Income MSA -		\$70,500	Median Housing Value			\$165,681
			Median Gross Rent			\$848
			Families Below Poverty Level			46,554
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA at 774,332. Within the AA, there are 188,777 families. There are 319,743 housing units, of which 193,121 (60.40 percent) are owner-occupied. Of total owner-occupied housing units, approximately 3.87 percent are in the low-income geographies, 19.00 percent are in moderate-income geographies, 38.85 percent are in middle-income geographies, and 38.28 percent are in upper-income geographies. The median housing cost as of 2019 was \$165,681.



The Federal Financial Institutions Examination Council’s (FFIEC’s) updated 2019 median family income for the AA was \$70,500. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119 percent of the median family income. Upper- income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

Income Categories - Baton Rouge AA			
Low	Moderate	Middle	Upper
<\$35,249	\$35,250 - \$45,759	\$56,500 to <\$84,599	>\$84,600

Source: FFIEC 2019

According to the June 30, 2019, FDIC Summary of Deposit Market Share report, The First’s deposit market share within the AA was 1.19 percent, ranking the institution 11<sup>th</sup> out of 35 institutions within the AA. The First’s primary competitors are JPMorgan Chase (28 offices, 31.60 percent market share); Capital One (21 offices, 18.16 percent market share), Hancock Whitney (31 offices, 13.82 percent market share), and Regions Bank (24 offices, 8.03 percent market share).

The Baton Rouge AA has a diverse economy that is comprised of a variety of businesses and industries including: education, government, healthcare services, and manufacturing. Some of the largest employers in the area are: Turner Industries, Louisiana State University System, Performance Contractors, Our Lady of Lake Regional Medical Hospital, Exxon Mobil, and the State of Louisiana.

The unemployment rate as of December 31, 2019, was 4.5 percent which compares favorably with the state’s average of 5.2 percent for the same period.

## Scope of Evaluation in Louisiana

The evaluation period for our review of HMDA loans was July 1, 2017, through December 31, 2019; the evaluation period for CD loans, investments and services was June 28, 2017, to December 31, 2019. The evaluation period for small loans to businesses was January 1, 2018, through December 31, 2019. We also evaluated CD grants and retail services and considered the level of innovation, complexity, and responsiveness to community credit needs.

As discussed earlier, the Baton Rouge AA was selected for a full-scope review. Limited scope reviews were the Hammond, New Orleans-Metairie and Washington Parish AAs. See Selection of Areas for Full-Scope Review, page 6.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA

### LENDING TEST

The bank’s performance under the Lending Test in Louisiana is rated High Satisfactory considering the high level of CD loans.

Based on a full-scope review, the bank's performance in the Baton Rouge AA is good.

## Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Assumption Parish Non-MSA	6	12	0	0	18	6.1	18.0
Baton Rouge MSA	92	57	0	3	152	80.3	67.5
Hammond MSA	1	0	0	0	1	0.0	0
New Orleans-Metairie MSA	6	16	0	0	22	7.4	0.6
Washington Parish Non-MSA	0	6	0	0	6	6.2	13.9
Statewide	0	0	0	1	1	0	0
Total	105	91	0	4	200	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* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
Assumption Parish Non-MSA	558	2,378	0	0	2936	1.3	16.2
Baton Rouge MSA	14,966	11,032	0	5,228	31,226	78.3	72.0
Hammond MSA	425	0	0	0	425	0.0	0.0
New Orleans-Metairie MSA	1,565	3,666	0	0	5,231	18.8	0.6
Washington Parish Non-MSA	0	446	0	0	446	1.6	11.2
Statewide	0	0	0	2,000	2,000	0	0
Total	17,089	17,522	0	7,228	41,839	100	100

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

Number of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Baton Rouge MSA	76	83	0	1	160	35.4	46.2
Hammond MSA	74	138	0	0	212	47.5	41.0
New Orleans-Metairie MSA	75	54	0	5	134	14.8	5.3
Washington Parish Non-MSA	6	9	0	1	16	2.3	7.5
Statewide	0	0	0	0	0	0	0
Total	231	284	0	7	515	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* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State*	%State Deposits

Baton Rouge MSA	16,563	12,844	0	2,600	32,007	40.8	42.8
Hammond MSA	9,283	11,168	0	0	20,451	27.6	40.3
New Orleans-Metairie MSA	18,570	10,398	0	16,947	45,915	30.7	11.7
Washington Parish Non-MSA	1,270	2,514	0	750	4,534	0.9	5.2
Statewide	0	0	0	0	0	0	0
Total	45,686	36,924	0	20,297	102,907	100	100

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

## Lending Activity

The bank's performance under the Lending Test in Louisiana is rated "High Satisfactory". Based on a full-scope review, the lending performance in the Baton Rouge AA was considered good.

The First's lending in the Baton Rouge AA is considered good, as more weight was placed on the bank's primary product of loans to small businesses.

## Home Mortgage Loans

Based on FDIC Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 1.00 percent and ranked 13th among 35 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 415 lenders in the AA. The First ranked 80<sup>th</sup>, by the number of loans achieving a market share of 0.24 percent. The bank's market share of 0.24 percent in loans is weaker than its market share in deposits. Top five lending competitors are GMFS LLC, JPMorgan Chase Bank, Hancock Whitney Bank, Wells Fargo Bank, and Quicken Loans, with a combined market share of 27.27 percent.

## Small Loans to Businesses

Based on 2018 Peer Small Business data, there were 97 small business lenders in the AA. The First ranked 41<sup>st</sup> by number of loans, achieving a market share of 0.35 percent, but first by dollar amount, attaining a market share of 1.49 percent. The three top competitors are US Bank, Schaumburg Bank and Trust, and Branch Banking and Trust. Small loans to businesses market share by dollar amount and rank, exceed the First's deposit market share and rank.

## Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AA. The geographic distribution of home mortgage loans and loans to small businesses is adequate. We placed greater weight on small loans to businesses because it's the bank's primary product. The bank ranked first, dollar-wise regarding small loans to businesses within this AA. Our community contact stated, loans to small businesses are needs of 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.

Baton Rouge AA

The geographic distribution of loans in the bank's AA reflects a good dispersion in low-income and moderate-income CTs.

For calendar years 2017 and 2018, while the bank's proportion of loans in low-income geographies was lower than the proportion of owner-occupied housing units, the bank's proportion of loans exceeded the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies exceeded both the proportion of owner-occupied housing units and the aggregate distribution of loans.

***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 bank's originations and purchases of small loans to businesses.

Baton Rouge AA

The geographic distribution of loans to businesses is adequate.

For calendar year 2018, the small business lending in low-income geographies was lower than both the percentage of businesses located in low-income geographies, as well as the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the percentage of lending was somewhat lower than the percentage of small businesses in moderate-income geographies, as well as the aggregate lending to small businesses in moderate-income geographies.

For calendar year 2019, the small business lending in low-income geographies was lower than both the percentage of businesses located in low-income geographies, as well as the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the percentage of small business lending was somewhat lower than the percentages of businesses, but, exceeded the aggregate lending in moderate-income geographies.

***Lending Gap Analysis***

No unexplained, conspicuous gaps in lending were identified. We evaluated the lending distribution in the full-scope AA 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**

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution. More weight was placed on the bank's loans to small businesses, as these are The First's primary lending product.

***Home Mortgage Loans***

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 bank's home mortgage loan originations and purchases.

Baton Rouge AA

The distribution of the bank's home mortgage loans is poor.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was poor. The proportion of loans was lower than the percentage of low-income families and significantly lower than the aggregate data. The proportion of loans was lower than the percentage of moderate-income families and lower than aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was poor. The proportion of loans was significantly lower than the percentage of low-income families, and lower than the aggregate data. The proportion of loans was near to or equal to the percentages of moderate-income families, and somewhat lower than aggregate data.

***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 bank's origination and purchase of small loans to businesses.

Baton Rouge AA

The borrower distribution of the bank's originations of small loans to businesses is good.

During 2018, the distribution of the bank's small loans to businesses by revenue was good. The proportion of loans was somewhat lower than the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses. Performance in the 2019 analysis period was consistent with performance in 2018; hence, the distribution of the bank's small loans was good.

**Community Development Lending**

The institution is a leader in making CD loans. The community development lending activity had a positive impact on the overall Lending Test.

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.

The First made an excellent level of community development loans in the AA during the review period.

2017 and 2018

The First made three loans totaling approximately \$5.23 million during 2017-2018. CD loan volume was approximately 13 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. Those needs included economic revitalization of the AA to provide employment to LMI. Specific examples include:

- A loan for \$2.7 million for the construction of a restaurant that will employ several LMI individuals.

2019

The First made one loan totaling \$2.6 million in 2019. CD loan volume was approximately nine percent of allocated tier 1 capital. The loan was responsive to identified community needs which included economic revitalization of the AA. The loan was for the following:

- A loan for \$2.6 million for the purchase of crops.

**Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Assumption Parish AA was weaker than the performance in the full-scope area. The bank's performance in the New Orleans-Metairie AA, Hammond AA, and Washington Parish Non-MSA AA is consistent with the bank's overall performance under the CD Lending Test in the full-scope area.

Refer to Tables O through R in the state of Louisiana section of Appendix D for the facts and data that support these conclusions.

**Performance in Broader/Regional Areas**

In addition to the CD loans that benefit the bank's AAs in Louisiana, The First originated one qualified CD loan totaling approximately \$2 million, located in the state of Louisiana. The CD loans originated in the broader regional area of Louisiana had a positive impact on the bank's CD lending performance. Highlights of the lending in the broader regional area include a loan to construct medical offices that will employ approximately 26 individuals.

**INVESTMENT TEST**

The bank's performance under the Investment Test in Louisiana is rated Low Satisfactory.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Baton Rouge AA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution 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)
Full-scope										
Baton Rouge	0	0	17	636	17	56.67	636	98.76	0	0
Limited-scope										
Hammond	0	0	7	3	7	23.33	3	0.47	0	0
New Orleans-Metairie	0	0	1	3	1	3.33	3	0.47	0	0
Washington Parish	0	0	5	2	5	16.67	2	0.30	0	0
Total	0	0	30	644	30	100	644	100	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.

During the review period, the First made one investment totaling \$601,948 in 2018. An additional \$15,890 in grants were made in 2017-2018 and \$18,140 in 2019 for a total investment in the AA of \$635,978, which represents 2.1 percent of allocated tier 1 capital. The investment was a bond for the financing of the construction of an apartment building where approximately 60 percent of the units would be set aside for LMI borrowers.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the New Orleans-Metairie MSA, Hammond MSA, and Washington Parish Non-MSA, is weaker than the bank's overall performance under the Investment Test in the full-scope area.

### SERVICE TEST

The bank's performance under the Service Test in Louisiana is rated Low Satisfactory.

### Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Baton Rouge AA is adequate.

### Retail Banking Services

Delivery systems are reasonably accessible to portions of the AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals.

Distribution of Branch Delivery System											
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
Washington Parish Non – MSA	5.15	1	5.00	0.00	100.00	0.00	0.00	2.88	19.47	69.71	12.43
Baton Rouge MSA	43.27	11	55.00	0.00	0.00	72.73	27.27	7.30	22.89	34.55	35.25
Hammond MSA	45.84	5	25.00	0.00	40.00	40.00	20.00	4.24	15.57	54.72	25.39
New Orleans-Metairie MSA	5.72	3	15.00	0.00	0.00	33.33	66.67	4.11	19.51	44.04	31.85

Overall, there are eleven full-service branches in the AA but none of those branches are located in either low- or moderate-income census tracts while approximately 30 percent of the population lives in LMI geographies. However, management has developed specific programs to target LMI individuals and families living adjacent to these branches. Specifically, the bank created a product called First Aid that was designed to help in emergencies and was targeted to LMI. This product, and general financial planning options, were disseminated through radio adds targeted to LMI.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Hammond MSA	4	0	0	+2	+2	0
New Orleans-Metairie MSA	3	0	0	0	0	+3

The institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. There were no branch openings or closing in LMI geographies during the review period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT where each branch is located.



## Community Development Services

The institution provides an adequate level of CD services.

During the evaluation period, nine employees provided expertise to 15 different CD organizations for a total of 226 service hours in the Baton Rouge AA. Some of these services included participating on the board of directors for community organizations that provided financial education, credit counseling and homebuying workshops for low income individuals. Additional highlights include:

- Bank staff participated in the Capital Area United Way - VITA & Bank On Baton Rouge Super Tax and Financial Literacy Forum – Served over 300 LMI/underserved residents direct and indirectly with Tax Preparation, financial education/literacy for Super Tax Day.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope reviews, performance in the Washington Parish AA is inconsistent with the bank's overall performance in the full-scope AA. The performance in the New Orleans-Metairie MSA AA is consistent with the bank's overall performance in the full-scope AA. The performance in the Hammond AA is stronger than the bank's overall performance in the full-scope AA.

## State Rating

### State of Alabama

<b>CRA rating for the State of Alabama:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	High Sat
<b>The Investment Test is rated:</b>	Low Sat
<b>The Service Test is rated:</b>	High Sat

The major factors that support this rating include:

- The First has an excellent level of CD lending, good geographic and good borrower distribution of lending, within the AAs.
- The Bank has an adequate level of qualified investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The First's delivery systems are readily accessible to geographies and individuals of different income levels in its AAs; opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in LMI areas and/or to LMI. Services do not vary in a way that inconveniences portions of the AAs. The bank provides an adequate level of CD services.

## Description of Institution's Operations in Alabama

The First operates within two AAs in the state of Alabama: Mobile MSA and Daphne-Fairhope-Foley MSA. During 2017 and 2018, the bank operated in a third AA, the Washington County Non-MSA; however, due to 2019 census map changes, the AA became a part of the Mobile MSA. The primary business focus is business lending with residential lending as a secondary product. Competitors comprise of other local banks in its markets and some of the United States' largest national banks that have

nationwide footprints, as well as nonbank financial institutions that compete for business and residential loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information and conducting community contacts. The representative stated loans to new and existing small business owners are the primary needs of the AA.

### Daphne-Fairhope-Foley MSA

The First has seven branches and seven ATMs in the Daphne-Fairhope-Foley AA. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 32 CTs in this AA, with zero being low-income, six moderate-income, 20 middle-income, five upper-income, and one being not applicable. A CT can be “not applicable” if it was part of the county at one time but is no longer due to map changes.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Daphne-Fairhope-Foley</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 (Census Tracts)	32.00	0.00	18.75	62.50	15.63	3.13
Population by Geography	195,121	0.00	16.43	64.58	18.99	0.00
Housing Units by Geography	106,422	0.00	19.32	59.92	20.76	0.00
Owner-Occupied Units by Geography	52,997	0.00	14.88	65.02	20.10	0.00
Occupied Rental Units by Geography	21,107	0.00	21.79	61.14	17.07	0.00
Vacant Units by Geography	32,318	0.00	24.97	50.76	24.27	0.00
Businesses by Geography	16,675	0.00	19.27	59.92	20.81	0.00
Farms by Geography	585	0.00	19.66	63.25	17.09	0.00
Family Distribution by Income Level	50,276	0.00	15.28	64.24	20.49	0.00
Household Distribution by Income Level	74,104	0.00	16.85	63.91	19.24	0.00
Median Family Income MSA-		\$80,500	Median Housing Value			\$184,430
			Median Gross Rent			\$894
			Families Below Poverty Level			9,179
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 106,422 housing units, of which 52,997 (49.80 percent) are owner-occupied. Of total owner-occupied housing units, 0.0 percent are in low-income geographies, 14.88 percent are located in moderate income geographies, 65.02 percent are located in middle-income geographies, and 20.10

percent are located in upper-income geographies. The 2015 ACS Census reported the total population of the AA is 195,121. Within the AA, there are 50,276 geographies. The median housing cost as of 2019 was \$184,430.

The FFIEC updated 2019 median family income for the AA was \$80,500. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to 119 percent of the median family income. Upper income is defined as income of 120 percent of the median family income and greater. The table below details income classification categories.

<b>Income Categories – Daphne-Fairhope-Foley AA</b>			
Low	Moderate	Middle	Upper
<\$40,249	\$40,250 - \$64,399	\$64,400 to <\$96,599	>\$96,600

Source: FFIEC 2019

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, The First’s deposit market share within the AA was 6.31 percent, ranking sixth out of 25 institutions within the AA. The First’s primary competitors are Regions Bank (11 offices, 21.84 percent market share), Wells Fargo Bank (seven offices, 9.78 percent market share), BBVA USA (five offices, 9.72 percent market share), PNC Bank (10 offices, 8.76 percent market share), and Centennial Bank (five offices, 7.79 percent market share).

The Daphne-Fairhope-Foley AA has a diverse economy comprised of a variety of businesses and industries, including education, healthcare services, hospitality, manufacturing, and retail. Some of the largest employers in the area are the Baldwin County Board of Education, Wal-Mart, Infirmar Health, Collins Aerospace, Columbia Southern University, South Baldwin Regional Medical Center, and Marriott Grand Hotel.

The unemployment rate as of December 31, 2019 was 2.40 percent, which compares favorably to state average of 2.70 percent at the time.

**Scope of Evaluation in Alabama**

The evaluation period for our review of HMDA loans was July 1, 2017, through December 31, 2019; the evaluation period for CD loans, investments and services was June 28, 2017, to December 31, 2019. The evaluation period for small loans to businesses was January 1, 2018, through December 31, 2019. We also evaluated CD grants and retail services and considered the level of innovation, complexity, and responsiveness to community credit needs.

As discussed earlier, the Daphne-Fairhope-Foley AA was selected for a full-scope review. A limited scope review was conducted in the Mobile AA. See Selection of Areas for Full-Scope Review, page 6.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALABAMA**

**LENDING TEST**

The bank’s performance under the Lending Test in Alabama is rated High Satisfactory.

## Conclusions for Daphne-Fairhope-Foley Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Daphne-Fairhope-Foley AA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Mobile MSA	136	140	0	3	279	45.4	51.9
Daphne-Fairhope-Foley MSA	127	166	0	1	294	35.0	27.8
Washington County Non-MSA	5	19	0	0	24	19.6	20.3
Statewide	0	0	0	0	0	0	0
Total	268	325	0	4	597	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* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Mobile MSA	22,431	19,961	0	3,736	46,128	40.1	36.8
Daphne-Fairhope-Foley MSA	36,446	21,614	0	3,325	61,385	55.5	44.5
Washington County Non-MSA	501	2,176	0	0	2,677	4.4	18.7
Statewide	0	0	0	0	0	0	0
Total	59,378	43,751	0	7,061	110,190	100	100

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

Number of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Mobile MSA	123	124	0	2	249	64.9	71.9
Daphne-Fairhope-Foley MSA	98	150	0	2	250	35.1	28.1
Statewide	0	0	0	0	0	0	0
Total	221	274	0	4	499	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* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Mobile MSA	17,833	18,386	0	3,866	40,085	44.4	54.3
Daphne-Fairhope-Foley MSA	24,844	18,136	0	3,325	46,305	55.6	45.7
Statewide	0	0	0	0	0	0	0
Total	42,677	36,522	0	7,191	86,390	100	100

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

The bank's performance under the Lending Test in AL is rated "High Satisfactory". Based on full-scope reviews, the lending performance in the Daphne-Fairhope-Foley AA was considered good. As stated in the scope, The First's primary product is loans to small businesses; therefore, greater weight was given to performance regarding these loan products.

### **Home Mortgage Loans**

Based on FDIC Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 6.50 percent and ranked 6th among 23 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 478 lenders in the AA. The First ranked 34<sup>th</sup>, by the number of loans achieving a market share of 0.70 percent. The bank's market share of 0.70 percent in loans is weaker than the bank's market share in deposits. Top five lending competitors are Regions Bank, Wells Fargo Bank, Quicken Loans, DHI Mortgage Company and Platinum Mortgage, Inc.

### **Small Loans to Businesses**

Based on 2018 Peer Small Business data, there were 80 small business lenders in the AA. The First ranked 11<sup>th</sup> by number of loans, achieving a market share of 2.84 percent, and 4th, by dollar amount, attaining a market share of 7.11 percent. The bank's small loans to businesses market share by dollar amount and rank is stronger than The First's market share and rank in deposits.

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

The bank exhibits a good geographic distribution of loans in its AA. More weight was placed on small loans to businesses, as those products are the bank's primary lending ones.

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

Refer to Table O in the state of Alabama 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 loans in the bank's AA reflects an excellent dispersion in low-income and moderate-income CTs.

For calendar years 2017 and 2018, there were no low-income CTs in this AA. The bank's distribution of loans in moderate-income geographies exceeded the proportion of owner-occupied housing units and aggregate distribution of loans.

For calendar year 2019, there were no low-income CTs in this AA. The bank's distribution of loans in moderate-income geographies exceeded the proportion of owner-occupied housing units and aggregate distribution of loans.

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

Refer to Table Q in the state of Alabama 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.

The geographic distribution of loans to businesses is good. There were no low-income CTs during the calendar years of 2018 and 2019.

For calendar year 2018, the bank's small business lending in moderate-income geographies was somewhat lower than the percentage of businesses located in moderate-income geographies, but exceeded aggregate lending to small businesses in moderate-income geographies

For calendar year 2019, the bank's small business lending in moderate-income geographies was somewhat lower than the percentage of businesses located in moderate-income geographies but exceeded 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 AA 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**

The 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. While the distribution of home mortgage loans is poor, the distribution of small loans to businesses is excellent. More weight is given to small loans to businesses.

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

Refer to Table P in the state of Alabama section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans to LMI borrowers is poor.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was poor. The proportion of loans was significantly lower than the percentage of low-income families and aggregate data, and somewhat lower than the aggregate data. The proportion of loans was lower than the percentage of moderate-income families and aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was poor. The proportion of loans was significantly below the percentage of low-income families, and lower than the aggregate. The proportion of loans was lower than the percentage of moderate-income families and the aggregate.

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

Refer to Table R in the state of Alabama section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of the bank's originations of small loans to businesses is excellent. More weight was placed on the bank's loans to small businesses, as these are the bank's primary lending products.

During 2018, the distribution of the bank's small loans to businesses by revenue was excellent. The proportion of loans was near to the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses. Performance in the 2019 analysis period was consistent with performance in the 2018 period; hence, the distribution of the bank's small loans was excellent.

### **Community Development Lending**

The institution is a leader in making CD loans. The community development lending activity had a positive impact on the overall Lending Test.

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.

#### 2017-2018

The First made three loans totaling approximately \$3.73 million during 2017-2018. CD loan volume was 7.8 percent of allocated tier 1 capital. The three loans that were made focused on economic development and therefore were responsive to identified community development needs. One such loan was for \$1.25 million for the construction of a nursing home that will employ 10 LMI individuals.

#### 2019

The First made two loans totaling approximately \$3.9 million in 2019. CD loan volume was 9 percent of allocated tier 1 capital. The two loans that were made focused on economic development and therefore were responsive to identified community development needs. One such loan was for \$2.2 million for a car wash located in a moderate-income census tract which will employ several LMI individuals.

### **Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Mobile County AA was consistent with the bank's overall performance under the Lending Test in the full-scope area. The bank's performance under the Lending Test in the Washington County Non-MSA AA was weaker, as there were no CD loans originated during the review period.

Refer to Tables O through R in the state of Alabama section of Appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Alabama is rated Low Satisfactory.

## Conclusions for Area Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Daphne-Fairhope-Foley AA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution 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)
Full-scope										
Daphne-Fairhope-Foley	0	0	21	1,412	21	35.0	1,412	84.05	0	0
Limited-scope										
Mobile	0	0	37	265	37	62.71	265	88.91	0	0
Washington County	0	0	2	3	2	3.39	3	1.02	0	0
Total	0	0	60	1,680	60	100	1,680	100		

\* 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.

The First made one investment in the AA during the review period, totaling \$1,382,442 and \$30,420 in grants, representing 3.1 percent of allocated tier 1 capital. Of those grants, \$15,070 were made in 2017-2018 while \$15,350 were made in 2019.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Mobile AA and Washington AA is consistent with the bank's overall performance under the Investment Test in the full-scope area.

## SERVICE TEST

The bank's performance under the Service Test in Alabama is rated High Satisfactory.

## Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Daphne-Fairhope AA is good.



## Retail Banking Services

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

Distribution of Branch Delivery System								Population			
Assessment Area	Deposits	Branches						% of Population within Each Geography			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				Low	Mod	Mid	Upp
				Low	Mod	Mid	Upp				
Mobile MSA	54.71	9	56.25	0	0	77.78	22.22	8.91	17.51	39.04	34.38
Daphne-Fairhope-Foley MSA	45.29	7	43.75	0	28.57	57.14	14.29	0.00	16.43	64.58	18.99

There are seven full-service branches in the AA, with two branches located in the moderate-income CTs. The percentage of branch offices located in moderate-income CTs is significantly higher the percentage of the population within the moderate-income CTs. There are no low-income census tracts in the AA. The First's branch distribution system is augmented by a robust ATM distributions system that provides ATM access to LMI individuals and families throughout the AA.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Mobile MSA	7	0	0	0	+6	+1
Daphne-Fairhope-Foley MSA	3	2	0	0	+1	0

The institution's opening and closing of branches has not affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The First opened three branches and closed two branches in the full scope AA during the review period. None of the opened or closed branches were in LMI geographies.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT that each branch is located in.

## Community Development Services

The institution provides an adequate level of CD services.

The First provided an adequate level of CD services during the review period. During the evaluation period, nine employees provided expertise to 12 different CD organizations for a total of 260 service hours. Some of these services included participating on the board of directors for community organizations that provided services to small businesses and additional organizations that provide nutritious food to meet the challenge of feeding people who are affected by systemic poverty, personal crisis, or disaster.

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

Based on limited scope reviews, the performance in the Mobile AA is consistent with the bank’s overall performance in the full-scope AA.

**State Rating**

**State of Georgia**

<b>CRA rating for the State of Georgia:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	High Sat
<b>The Investment Test is rated:</b>	Substantial Noncompliance
<b>The Service Test is rated:</b>	Low Sat

The major factors that support this rating include:

- The First has a good geographic and an adequate borrower distribution of lending, within the AA.
- The First has few qualified investments, and the bank exhibits very poor responsiveness to credit and community development needs. The bank makes no use of innovative or complex qualified investments.
- The First’s delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AAs.

**Description of Institution’s Operations in Georgia**

The First operates one branch and two ATMs in the Thomas County AA. The county seat for Thomas County is Thomasville. Thomas County is located in Southwest Georgia and borders Florida to the south. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low- and moderate-income areas. There are 11 census tracts in this AA, with none being low-income, three moderate-income, seven middle income, and one upper-income. The branch location is in a distressed middle-income CT.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Thomas County Non-MSA</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 (Census Tracts)	11	0.00	27.27	63.64	9.09	0.00
Population by Geography	44,824	0.00	30.32	60.76	8.93	0.00
Housing Units by Geography	20,306	0.00	30.00	61.54	8.47	0.00
Owner-Occupied Units by Geography	10,420	0.00	26.09	63.13	10.78	0.00
Occupied Rental Units by Geography	6,965	0.00	33.54	60.13	6.33	0.00
Vacant Units by Geography	2,921	0.00	35.47	59.23	5.31	0.00
Businesses by Geography	3,450	0.00	32.26	61.54	6.20	0.00
Farms by Geography	200	0.00	18.50	73.00	8.50	0.00
Family Distribution by Income Level	11,520	0.00	28.42	62.24	9.34	0.00
Household Distribution by Income Level	17,385	0.00	29.08	61.93	9.00	0.00
Median Family Income MSA -		\$49,700	Median Housing Value			\$122,613
			Median Gross Rent			\$720
			Families Below Poverty Level			3,963
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA at 44,824. Within the AA, there are 11,520 families. There are 20,306 housing units of which 10,420 or 51.31 percent are owner-occupied. Approximately, 26.09 percent of owner-occupied housing is located in moderate-income geographies; 63.13 percent of owner-occupied housing is located in middle-income geographies; and 10.78 percent are located in upper-income geographies. The median housing cost as of 2019 was \$122,613.

The FFIEC's updated 2019 median family income for the AA was \$49,700. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

<b>Income Categories - Thomas County Non-MSA</b>			
<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>
<\$24,849	\$24,850 - \$39,759	\$39,760 to <\$59,639	>\$59,640

*Source: FFIEC 2019*

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, The First's deposit market share within the AA was 4.04 percent, ranking the institution last out of six institutions within the AA. The First's competitors are Thomasville National Bank (one office, 51.35 percent market share), Synovus Bank (four offices, 19.07 percent market share); and TC Federal Bank (one office, 14.74 percent market share).

The economy of Thomas County is comprised of a variety of businesses and industries, including education, healthcare services, and manufacturing. Some of the largest employers in the area are Archbold Medical Center, Thomas County School System, Thomasville City School System, City of Thomasville, and Hurst Boiler and Welding Company.

The unemployment rate as of December 31, 2019, was 3.4 percent which compares unfavorably to the state average of 2.9 percent for the same period.

To help identify needs and opportunities in the Thomas County AA examiners conducted an outreach to community nonprofit and government organizations within the AA to seek information regarding local conditions, needs and opportunities. The information obtained indicates needs and opportunities include affordable housing; small business loans; small business training and development; first-time homebuyer programs and financial literacy programs.

### Scope of Evaluation in Georgia

The evaluation period for our review of HMDA loans was July 1, 2017, through December 31, 2019; the evaluation period for CD loans, investments and services was June 28, 2017, to December 31, 2019. The evaluation period for small loans to businesses was January 1, 2018 through December 31, 2019. We also evaluated CD grants and retail services and considered the level of innovation, complexity, and responsiveness to community credit needs.

As discussed earlier, the Thomas County AA was selected for a full-scope review and is the only AA in the state of Georgia.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GEORGIA

### LENDING TEST

The bank’s performance under the Lending Test in Georgia is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Thomas County AA is good.

### Lending Activity

Lending levels reflect a good responsiveness to AA credit needs.

Number of Loans* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Thomas County Non-MSA	30	198	0	0	228	100	100
Statewide	0	0	0	0	0	0	0
Total	30	198	0	0	228	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* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Thomas County Non-MSA	3,178	11,043	0	0	14,221	100	100
Statewide	0	0	0	0	0	0	0
Total	3,178	11,043	0	0	14,221	100	100

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

Number of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Thomas County Non-MSA	17	74	0	0	91	100	100
Statewide	0	0	0	0	0	0	0
Total	17	74	0	0	91	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* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Thomas County Non-MSA	2,575	6,216	0	0	8,791	100	100
Statewide	0	0	0	0	0	0	0
Total	2,575	6,216	0	0	8,791	100	100

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

The bank's performance under the Lending Test in Georgia is rated "High Satisfactory". Based on a full-scope review, the lending performance in the Thomas County AA was considered good. As stated in the scope, the First's primary product is loans to small businesses; therefore, greater weight was given to performance regarding these loan products.

The First's lending in the Thomas County AA is considered good.

### Home Mortgage Loans

Based on Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 20.00 percent and ranked 2nd among 7 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 171 lenders in the AA. The First ranked 11<sup>th</sup>, by the number of loans achieving a market share of 2.06 percent. The bank's market share of 2.06 percent in loans is weaker than the bank's market share in deposits. Top five lending competitors were Thomasville National Bank, Synovus Bank, Wells Fargo Bank, Firstbank, and Synovus Mortgage Corporation.

### Small Loans to Businesses

Based on 2018 Peer Small Business data, there were 45 small business lenders in the AA. The First ranked 1<sup>st</sup> by number of loans, achieving a market share of 22.43 percent, and 2nd, by dollar amount,

attaining a market share of 29.46 percent. The bank's rank and market share by number of loans and dollar exceeds the bank's rank and market share in deposits.

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

The bank exhibits a good geographic distribution of loans in its AA. More weight was placed on small loans to businesses.

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

Refer to Table O in the state of Georgia 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 loans in the bank's AA reflects an excellent dispersion in moderate-income CTs. There were no low-income CTs.

For calendar years 2017 and 2018, the bank's distribution of loans in moderate-income geographies exceeded the proportion of owner-occupied housing units and aggregate distribution of loans.

For calendar year 2019, the bank's distribution of loans in moderate-income geographies exceeded the proportion of owner-occupied housing units and aggregate distribution of loans.

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

Refer to Table Q in the state of Georgia 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.

The geographic distribution of loans to businesses is good. There were no low-income CTs in this AA.

For calendar year 2018, the bank's small business lending in moderate-income geographies was lower than the percentage of businesses located in moderate-income geographies, and lower than aggregate lending to small businesses in moderate-income geographies

For calendar year 2019, the bank's small business lending in moderate-income geographies exceeded the percentage of businesses located in moderate-income geographies, as well as 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 AA 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**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution. More weight was placed on small loans to businesses.

***Home Mortgage Loans***

Refer to Table P in the state of Georgia section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans to LMI borrowers is poor.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was poor. The proportion of loans was significantly lower than the percentage of low-income families and aggregate data. The proportion of loans was significantly lower than the percentage of moderate-income families and aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was poor. The proportion of loans was significantly lower than the percentage of low-income families, as well as the aggregate data. The proportion of loans was below the percentage of moderate-income families but exceeded the aggregate data.

***Small Loans to Businesses***

Refer to Table R in the state of Georgia section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of the bank's originations of small loans to businesses is good.

During 2018, the distribution of the bank's small loans to businesses by revenue was excellent. The bank's proportion of loans exceeded the percentage of small businesses and the aggregate distribution of loans to those businesses.

During 2019, the distribution of the bank's small loans to businesses by revenue was adequate. The proportion of bank loans was lower than the percentage of small businesses but exceeded the aggregate distribution of loans to those businesses.

**Community Development Lending**

The institution has made few, if any, CD loans. The CD lending activity had a neutral impact on the overall Lending Test.

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.

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

There were no limited scopes in the state of Georgia. The bank has only one branch located in Thomas County.

**Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

**INVESTMENT TEST**

The bank’s performance under the Investment Test in Georgia is rated Substantial Noncompliance.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Thomas AA is very poor.

The institution has few qualified CD investments or grants, particularly those that are not routinely provided by private investors.

The institution exhibits very poor responsiveness to credit and community economic development needs. The institution does not use 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)
Full-scope										
Thomas	0	0	4	6	4	100	6	100	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>

\* 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.

The First did not make any investments in the AA during the review period and only \$5,950 in grants, which represents less than one percent of allocated tier 1 capital. Of those grants, \$1,250 were made in 2017-2018 and \$4,700 were made during 2019.

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

There were no limited scopes in the state of Georgia. The bank has only one branch located in Thomas County.

**SERVICE TEST**

The bank’s performance under the Service Test in Georgia is rated Low Satisfactory.



### Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Thomas County AA is adequate.

### Retail Banking Services

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

Distribution of Branch Delivery System											
Assessment Area	Deposits	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
	% of Rated Area Deposits in AA			Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Thomas County MSA	100.00	1	100.00	0.00	0.00	100.00	0.00	0.00	30.32	60.76	8.93

The First operates with one branch in the AA, located in a middle-income CT. While there were no branches in the moderate-income CTs, all middle CTs are distressed or underserved. Furthermore, approximately 61 percent of the population resides in the middle-income CTs. There are no low-income CTs in the AA.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Thomas County MSA	1	0	0	0	+1	0

To the extent changes have been made, opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in LMI geographies and/or to LMI individuals. The First did not close any branches located within the Thomas County MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT that each branch is located in.

### Community Development Services

The First provided few, if any, CD services in the Thomas County AA. During the evaluation period, three employees provided expertise to four different CD organizations for a total of 23 service hours. Some of these services included participating on the board of directors for community organizations that promote economic development by creating jobs.

## State Rating

### State of Florida

<b>CRA rating for the State of Florida:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	High Sat
<b>The Investment Test is rated:</b>	Substantial Noncompliance
<b>The Service Test is rated:</b>	Low Sat

The major factors that support this rating include:

- The First has an excellent level of CD lending, an adequate geographic and borrower distribution of lending, within the AA.
- The First has few qualified investments, and the bank exhibits very poor responsiveness to credit and community development needs. The bank makes no use of innovative or complex qualified investments.
- The First's delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AAs.

### Description of Institution's Operations in Florida

The First operates in four assessment areas in the state of Florida. AAs include the Crestview-Fort Walton Beach-Destin MSA, comprised of Okaloosa County and Walton County; Panama City MSA, comprised of Bay County; Pensacola-Ferry Pass-Brent MSA, comprised of Escambia County and Santa Rosa County; and the Tallahassee MSA, comprised of Leon County and Jefferson County (excluding Gadsden and Wakulla counties).

#### Tallahassee MSA

The First operates seven branches and eight ATMs in the Tallahassee AA. The Tallahassee AA includes the counties of Jefferson and Leon, but excludes Gadsden and Wakulla, which are also part of the Tallahassee MSA. Management determined the entire MSA would be too large to serve, and the bank's branches are only located in Leon and Jefferson counties; therefore, the AA includes the two counties, only. Tallahassee is the principle city of the Tallahassee MSA. The AA complies with the requirements of the CRA regulations and does not arbitrarily exclude low-income and moderate-income areas. There are 86 CTs in this AA, with 14 being low-income, 21 moderate-income, 28 middle-income, 19 upper-income; and four being not applicable. A CT can be "not applicable" if it was part of the county at one time but is no longer due to map changes.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Tallahassee MSA 2019</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 (Census Tracts)	86	16.28	24.42	32.56	22.09	4.65
Population by Geography	374,690	14.13	22.28	35.94	24.03	3.61
Housing Units by Geography	164,810	14.91	22.58	37.46	22.70	2.34
Owner-Occupied Units by Geography	82,146	4.85	17.99	41.86	34.73	0.57
Occupied Rental Units by Geography	61,754	26.69	26.49	31.68	10.33	4.81
Vacant Units by Geography	20,910	16.70	16.36	12.63	6.71	10.59
Businesses by Geography	40,920	7.77	20.34	40.83	29.77	1.30
Farms by Geography	1,314	4.34	16.89	48.10	30.14	0.53
Family Distribution by Income Level	83,490	8.07	21.08	39.62	30.46	0.78
Household Distribution by Income Level	143,900	14.22	21.64	37.49	24.26	2.39
Median Family Income MSA -		\$69,100	Median Housing Value			\$152,385
			Median Gross Rent			\$896
			Families Below Poverty Level			29,953
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ACS Census reported the total population of the AA at 374,690. Within the AA, there are 83,490 families. There are 164,810 housing units of which, 82,146 or 49.84 percent are owner-occupied. Approximately, 4.85 percent of owner-occupied housing is located in the low-income geographies; 17.99 percent of owner-occupied housing is located in moderate-income geographies; 41.86 percent of owner-occupied housing is located in middle-income geographies; and 35.30 percent are located in upper-income geographies. The median housing cost as of 2019 was \$152,385.

The FFIEC's updated 2019 median family income for the AA was \$69,100. Low-income is defined as less than 50 percent of the median family income. Moderate-income is defined as 50 percent to less than 80 percent of the median family income. Middle-income is defined as 80 percent to less than 119 percent of the median family income. Upper-income is defined as income of 120 percent and over the median family income. The table below depicts income classification categories.

<b>Income Categories - Tallahassee AA</b>			
<b>Low</b>	<b>Moderate</b>	<b>Middle</b>	<b>Upper</b>
<\$34,549	\$34,550 - \$55,279	\$55,280 to <\$82,919	>\$82,920

*Source: FFIEC 2019*

According to the June 30, 2019 FDIC Summary of Deposit Market Share report, The First's deposit market share within the AA was 5.45 percent, ranking the institution 5<sup>th</sup> out of 18 institutions within

the AA. The First's primary competitors are Capital City Bank (43 offices, 14.68 percent market share), SunTrust Bank (six offices, 14.51 percent market share); Wells Fargo (6 offices, 13.21 percent market share), and Bank of America (seven offices, 11.01 percent market share).

The Tallahassee MSA has a diverse economic base that is comprised of a variety of businesses and industries including: education, healthcare services, and government. Some of the largest employers in the area are Florida State University, State of Florida, Tallahassee Memorial Healthcare Inc., City of Tallahassee, and Florida A&M University.

The unemployment rate as of December 31, 2019, was 2.6 percent which compares favorably to the state average of 2.9 percent for the same period.

To help identify needs and opportunities in the Tallahassee MSA AA, examiners conducted an outreach to community nonprofit and government organizations within the AA to seek information regarding local conditions, needs and opportunities. The information obtained indicates needs and opportunities in the following areas:

- Counseling on forbearances and foreclosure prevention
- Student loan debt assistance
- Increased bank participation in home ownership programs

## **Scope of Evaluation in Florida**

The evaluation period for our review of HMDA loans was July 1, 2017, through December 31, 2019; the evaluation period for CD loans, investments and services was June 28, 2017, to December 31, 2019. The evaluation period for small loans to businesses was January 1, 2018, through December 31, 2019. We also evaluated CD grants and retail services and considered the level of innovation, complexity, and responsiveness to community credit needs.

As discussed earlier, the Tallahassee AA was selected for a full-scope review. Limited-scope reviews were conducted in Crestview-Fort Walton Beach-Destin, Panama City and Pensacola AAs.

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

### **LENDING TEST**

The bank's performance under the Lending Test in Florida is rated High Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review performance in the state of Florida is adequate.

## Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Number of Loans* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Pensacola MSA	94	72	0	1	167	11.7	13.2
Tallahassee MSA	88	367	0	4	459	88.3	86.8
Statewide	0	0	0	1	1	0	0
Total	182	439	0	6	627	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* 2017 through 2018							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Pensacola MSA	22,207	16,145	0	1,450	39,802	17.6	15.7
Tallahassee MSA	20,595	58,637	0	6,498	85,730	82.4	84.3
Statewide	0	0	0	10,000	10,000	0	0
Total	42,802	74,782	0	17,948	135,532	100	100

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

Number of Loans* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Pensacola MSA	55	61	0	8	124	10.2	11.7
Tallahassee MSA	93	195	0	3	291	71.1	71.2
Crestview MSA	194	114	0	0	308	16.9	16.4
Panama City MSA	51	8	0	0	59	1.8	0.7
Statewide	0	0	0	0	0	0	0
Total	393	378	0	11	782	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* 2019							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Pensacola MSA	13,424	10,962	0	14,949	39,335	15.1	9.5
Tallahassee MSA	20,814	22,474	0	4,918	48,206	48.3	51.2
Crestview MSA	69,192	23,565	0	0	92,757	33.5	37.6
Panama City MSA	13,190	2,040	0	0	15,230	3.1	1.7
Statewide	0	0	0	0	0	0	0
Total	116,620	59,041	0	19,867	195,528	100	100

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

The bank's performance under the Lending Test in Florida is rated "High Satisfactory". Based on full-scope reviews, the lending performance in the Tallahassee AA was considered good (inclusive of CD lending). As stated in the scope, the First's primary product is loans to small businesses; therefore, greater weight was given to performance regarding these loan products.

## **Home Mortgage Loans**

Based on FDIC Deposit Market Share data as of June 30, 2018, The First had a deposit market share of 1.80 percent and ranked 13th among 18 depository institutions.

Based on 2018 Peer Mortgage Data, competition for home mortgage loans was strong, with 410 lenders in the AA. The First ranked 33rd, by the number of loans achieving a market share of 0.81 percent. The bank's market share of 0.81 percent in loans is weaker than the bank's market share in deposits. Top five lending competitors were Caliber Home Loans, Nationstar Mortgage, Navy Federal Credit Union, New Day Financial, and Suntrust Mortgage, Inc.

## **Small Loans to Businesses**

Based on 2018 Peer Small Business data, there were 86 small business lenders in the AA. The First ranked 6<sup>th</sup> by number of loans, achieving a market share of 5.74 percent, and 1st, by dollar amount, attaining a market share of 24.39 percent. The bank's rank and market share by small loans to businesses, exceeds the bank's rank and market share in deposits.

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

The bank exhibits an adequate geographic distribution of loans in its AA.

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

Refer to Table O in the state of Florida 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 distribution of the bank's home mortgage loans to LMI borrowers is adequate.

For calendar years 2017 and 2018, the bank's distribution of loans in low-income geographies is lower than the proportion of owner-occupied housing units, and somewhat lower than the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies is lower than the proportion of owner-occupied housing units, and near to or equal to aggregate data of loans.

For calendar year 2019, the bank's distribution of loans in low-income geographies is somewhat lower than the proportion of owner-occupied housing units, but, exceeded the aggregate distribution of loans. The bank's distribution of loans in moderate-income geographies is lower than both the proportion of owner-occupied housing units, as well as the aggregate data of loans.

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

Refer to Table Q in the state of Florida 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.

The geographic distribution of loans to businesses is poor.

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

percentage of lending was somewhat lower than the percentage of small businesses in moderate-income geographies, as well as the aggregate lending to small businesses in moderate-income geographies.

For calendar year 2019, the small business lending in low-income geographies was significantly lower than both the percentage of businesses located in low-income geographies, as well as the aggregate lending to small businesses in low-income geographies. For moderate-income geographies, the percentage of small business lending was lower than the percentages of businesses located in moderate-income geographies, as well as aggregate lending 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**

The bank exhibits an adequate 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***

Refer to Table P in the state of Florida section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans to LMI borrowers is poor.

The distribution of the bank's home mortgage lending in calendar years 2017 and 2018 was poor. The proportion of loans was significantly below the percentage of low-income families and lower than aggregate data. The proportion of loans was below the percentage of moderate-income families and aggregate data.

The distribution of the bank's home mortgage lending in calendar year 2019 was poor. The proportion of loans was significantly below the percentage of low-income families, and lower than aggregate data. The proportion of loans was below the percentage of moderate-income families, as well as aggregate data.

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

Refer to Table R in the state of Florida section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of the bank's originations of small loans to businesses is good.

During 2018, the distribution of the bank's small loans to businesses by revenue was good. The bank's proportion of loans was lower than the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses.

During 2019, the distribution of the bank's small loans to businesses by revenue was good. The bank's proportion of loans was lower than the percentage of small businesses, but, exceeded the aggregate distribution of loans to those businesses.

### **Community Development Lending**

The institution is a leader in making CD loans. The community development lending activity had a positive impact on the overall Lending Test.

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.

#### 2017 and 2018

The First made four loans totaling approximately \$6.5 million during 2017-2018. CD loan volume constituted 12 percent of allocated tier 1 capital. The four loans that were made focused on economic development and therefore were responsive to identified community development needs. One such loan was for \$2 million for the construction of a healthcare facility.

#### 2019

The First made three loans totaling approximately \$4.9 million in 2019. CD loan volume constituted approximately nine percent of allocated tier 1 capital. The three loans that were made focused on economic development and therefore were responsive to identified community development needs. One such loan was for \$2.3 million for the construction of a department store.

### **Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Pensacola AA was consistent with the bank's overall performance under the Lending Test in the full-scope area. The bank's performance in the Crestview AA and Panama City AA was weaker, as the bank did not make any CD loans in those AAs.

### **Performance in Broader/Regional Areas**

In addition to the CD loans that benefit the bank's AAs in Florida, The First originated one qualified CD loan, totaling approximately \$10 million, located in the state of Florida. CD loans originated in the broader regional area of Florida had a positive impact on the bank's CD lending performance. The loan was for the construction of a restaurant that would employ LMI individuals.



## INVESTMENT TEST

The bank's performance under the Investment Test in Florida is rated Substantial Noncompliance.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Tallahassee AA is very poor.

The institution has a few, if any, qualified CD investments or grants, particularly those that are not routinely provided by private investors.

The institution exhibits very poor responsiveness to credit and community economic development needs. The institution does not use 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)
Full-scope										
Tallahassee	0	0	13	16	13	38.24	16	15.24	0	0
Limited-scope										
Pensacola	0	0	21	89	21	61.76	89	84.76	0	0
Crestview	0	0	0	0	0	0	0	0	0	0
Panama City	0	0	0	0	0	0	0	0	0	0
Total	0	0	34	105	34	100	105	100		

\* 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.

The First did not make any investments in the AA during the review period and only \$15,595 in grants, which represents less than one percent of allocated tier 1 capital. All grants made in the AA were made in 2019.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Pensacola AA is consistent with the bank's overall performance in the full-scope area; the bank's performance in the Crestview and Panama City AAs is weaker than the overall bank's performance in the full-scope area because management did not make any investments or grants in those two AAs under the Investment Test.

## SERVICE TEST

The bank's performance under the Service Test in Florida is rated Low Satisfactory.

## Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Tallahassee AA is adequate.

### Retail Banking Services

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

Distribution of Branch Delivery System											
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
Pensacola-AA	9.5	5	27.78	0.00	20.00	60.00	20.00	2.53	18.59	54.81	24.07
Tallahassee AA	51.19	7	38.89	0.00	42.86	28.57	28.57	14.13	22.28	35.94	24.03
Crestview AA	37.58	5	27.78	0.00	0.00	60.00	40.00	0.00	14.80	63.35	21.85
Panama City AA	1.72	1	5.56	0.00	100.00	0.00	0.00	3.56	16.69	52.25	27.51

Branch delivery systems are reasonably accessible to geographies and individuals of different income levels in the Tallahassee AA. Overall, there are seven full-service branches in the MSA. While the First has no branches in low-income CTs, there are three located in moderate-income CTs. The percentage of branch offices located in moderate-income CTs is higher than the percentage of the population within the moderate-income CTs. The First's branch distribution system is augmented by a robust ATM distributions system that provides ATM access to LMI individuals and families throughout the AA.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Tallahassee AA	10	3	0	+3	+2	+1
Crestview AA	5	0	0	0	+3	+2
Panama City AA	1	0	0	+1	0	0
Pensacola AA	0	0	0	0	0	0

To the extent changes have been made, opening and closing of branches improved the accessibility of delivery systems, particularly in LMI geographies and/or to LMI individuals. The First opened seven branches and closed three branches within the Tallahassee MSA during the evaluation period. Of these, three opened branches and one closed branch were in moderate-income CTs. However, this did not adversely affect the AA's LMI CTs or its LMI individuals.

Services, including where appropriate, business hours, do not vary in a way that inconveniences portions of the MSA, particularly LMI CTs or LMI individuals. Services offered, and hours of operation are comparable among locations regardless of the income level of the CT that each branch is located in.

### **Community Development Services**

The institution provides an adequate level of CD services.

The First provided an adequate level of CD services during the review period. During the evaluation period, seven employees provided expertise to 11 different CD organizations for a total of 143 service hours. Some of these services included participating on the board of directors for community organizations that create job training programs and employment placement. In addition, some organizations aided with finding affordable housing, family budgeting, and financial guidance.

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

Based on limited scope reviews, the performance in the Pensacola AA and Panama City AA is consistent with the bank's overall performance in the full-scope AA. The performance in the Crestview AAs is considered weaker than the performance in the full scope AA as there were no community development services in the AA during the review period.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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>	January 1, 2017 to December 31, 2019	
<b>Bank Products Reviewed:</b>	Home mortgage, small loans to businesses, Community development loans, qualified investments and services.	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State</b>		
<b>Mississippi:</b>		
Hattiesburg MSA	Full-Scope	
Gulfport-Biloxi MSA	Full-Scope	
Pearl River and Jones Counties Non-MSAs	Limited-Scope	Insufficient volume to allow for a meaningful analysis
<b>Louisiana:</b>		
Baton Rouge MSA	Full-Scope	
Hammond MSA	Limited-Scope	Acquired during 2019
New Orleans-Metairie-MSA	Limited-Scope	Acquired during 2019
Washington Parish Non-MSA	Limited-Scope	Insufficient volume to allow for a meaningful analysis
<b>Alabama:</b>		
Daphne-Fairhope-Foley MSA	Full-Scope	
Mobile MSA	Limited-Scope	Less loans, deposits and branches than Daphne
<b>Georgia:</b>		
Thomas County Non-MSA	Full-Scope	
<b>Florida:</b>		
Crestview-Fort Walton Beach MSA	Limited-Scope	Acquired during 2019
Panama City MSA	Limited-Scope	Acquired during 2019
Pensacola MSA	Limited-Scope	
Tallahassee MSA	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      The First, A National Banking Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State
	High Sat	Low Sat	Low Sat	Satisfactory
State:				
Mississippi	High Sat	Low Sat	Low Sat	Satisfactory
Louisiana	High Sat	Low Sat	Low Sat	Satisfactory
Alabama	High Sat	Low Sat	High Sat	Satisfactory
Georgia	High Sat	Substantial Noncompliance	Low Sat	Satisfactory
Florida	High Sat	Substantial Noncompliance	Low Sat	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/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts 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 low- or moderate-income 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 low- or moderate-income 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 census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that 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 census tract 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/assessment area.

**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 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 counties that represent an

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

**Metropolitan Statistical Area:** 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 Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or 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.

**MMSA (state):** Any multistate metropolitan statistical area 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 community development.

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

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

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

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



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

## 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 multistate metropolitan statistical areas, 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/assessment area. 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. Assessment Area 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. Assessment Area 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/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area 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 counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area 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. Assessment Area 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 counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area 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 thousand) 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. Assessment Area 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. Assessment Area 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/assessment area.

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

Assessment Area:	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
Assumption Parish Non-MSA	6	558	0.5	341	0.0	0.0	0.0	0.0	0.0	0.0	40.8	33.3	43.7	59.2	66.7	56.3	0.0	0.0	0.0
Baton Rouge MSA	92	14,966	7.6	21,389	4.3	1.1	1.8	19.0	22.8	14.4	38.5	41.3	36.8	38.2	34.8	47.0	0.0	0.0	0.0
Crestview MSA	3	2,716	0.2	14,264	0.0	0.0	0.0	12.2	0.0	5.4	62.3	33.3	58.4	25.5	66.7	36.2	0.0	0.0	0.0
Daphne-Fairhope-Foley MSA	127	36,446	10.4	10,933	0.0	0.0	0.0	14.9	16.5	15.6	65.0	55.9	59.0	20.1	27.6	25.4	0.0	0.0	0.0
Gulfport-Biloxi MSA	325	47,335	26.7	9,903	3.6	1.5	1.7	10.8	9.2	8.9	58.2	48.0	54.2	27.4	41.2	35.2	0.0	0.0	0.0
Hammond MSA	1	425	0.1	3,329	0.0	0.0	0.0	16.7	0.0	7.4	47.8	100.0	48.4	35.5	0.0	44.2	0.0	0.0	0.0
Hattiesburg MSA	209	45,970	17.2	3,858	4.5	2.9	2.5	8.6	3.8	4.3	52.2	58.9	52.0	34.7	34.5	41.2	0.0	0.0	0.0
Mobile MSA	136	22,431	11.2	9,398	5.7	2.9	1.2	15.0	14.0	7.6	38.5	44.1	37.2	40.9	39.0	54.0	0.0	0.0	0.0
New Orleans -Metairie MSA	6	1,565	0.5	18,972	2.1	0.0	1.0	14.5	16.7	12.9	46.1	16.7	44.8	37.1	66.7	41.0	0.3	0.0	0.3
Panama City MSA	0	0	0.0	6,460	1.7	0.0	0.8	11.9	0.0	5.8	53.6	0.0	58.7	32.8	0.0	34.7	0.0	0.0	0.0
Pearl River & Jones Counties Non-MSA	79	15,377	6.5	5,382	2.0	0.0	0.6	7.8	5.1	4.0	30.9	30.4	19.6	59.3	64.6	75.8	0.0	0.0	0.0
Pensacola MSA	94	22,207	7.7	17,970	1.6	0.0	0.4	15.2	9.6	9.5	54.7	54.3	51.2	28.5	36.2	38.9	0.0	0.0	0.0
Stone County Non-MSA	15	2,003	1.2	300	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Tallahassee MSA	88	20,595	10.4	9,126	4.9	3.4	3.9	18.0	12.5	13.0	41.9	44.3	42.4	34.7	36.4	39.8	0.6	3.4	1.0
Thomas County Non-MSA	30	3,178	3.5	1,098	0.0	0.0	0.0	26.1	36.7	21.5	63.1	53.3	68.8	10.8	10.0	9.7	0.0	0.0	0.0
Washington County Non-MSA	5	501	0.6	203	0.0	0.0	0.0	0.0	0.0	0.0	77.5	80.0	73.4	22.5	20.0	26.6	0.0	0.0	0.0
Washington Parish Non-MSA	0	0	0.0	707	1.8	0.0	3.3	16.3	0.0	14.4	66.7	0.0	65.9	15.1	0.0	16.4	0.0	0.0	0.0
<b>Total</b>	<b>1,216</b>	<b>236,274</b>	<b>100.0</b>	<b>133,633</b>	<b>2.8</b>	<b>1.6</b>	<b>1.1</b>	<b>14.7</b>	<b>11.1</b>	<b>10.4</b>	<b>48.3</b>	<b>49.5</b>	<b>47.4</b>	<b>34.1</b>	<b>37.6</b>	<b>41.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</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 O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019
Assessment Area:	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	
Baton Rouge MSA	76	16,563	6.0	21,730	3.9	1.3	1.8	19.0	18.4	14.1	38.8	31.6	36.9	38.3	48.7	47.2	0.0	0.0	0.0	
Crestview MSA	194	69,192	15.3	14,264	0.0	0.0	0.0	12.2	3.6	5.4	62.3	47.9	58.4	25.5	48.5	36.2	0.0	0.0	0.0	
Daphne-Fairhope-Foley MSA	98	24,844	7.7	10,933	0.0	0.0	0.0	14.9	19.4	15.6	65.0	64.3	59.0	20.1	16.3	25.4	0.0	0.0	0.0	
Gulfport-Biloxi MSA	184	33,686	14.5	9,903	3.6	2.2	1.7	10.8	6.0	8.9	58.2	44.6	54.2	27.4	47.3	35.2	0.0	0.0	0.0	
Hammond MSA	74	9,283	5.8	3,329	0.0	0.0	0.0	16.7	6.8	7.4	47.8	64.9	48.4	35.5	28.4	44.2	0.0	0.0	0.0	
Hattiesburg MSA	172	35,581	13.6	3,858	4.5	4.1	2.5	8.6	5.2	4.3	47.0	47.1	52.0	39.9	43.6	41.2	0.0	0.0	0.0	
Mobile MSA	123	17,833	9.7	9,601	5.4	3.3	1.2	14.3	13.8	7.4	41.5	52.0	38.0	38.9	30.9	53.5	0.0	0.0	0.0	
New Orleans-Metairie MSA	75	18,570	5.9	18,972	2.1	1.3	1.0	14.5	6.7	12.9	46.1	30.7	44.8	37.1	60.0	41.0	0.3	1.3	0.3	
Panama City MSA	51	13,190	4.0	6,460	2.5	0.0	0.8	13.3	0.0	5.8	52.4	74.5	58.7	31.8	25.5	34.7	0.0	0.0	0.0	
Pearl River and Jones Counties Non-MSA	49	14,324	3.9	5,382	2.0	0.0	0.6	6.9	0.0	4.0	33.5	22.4	19.6	57.7	77.6	75.8	0.0	0.0	0.0	
Pensacola MSA	55	13,424	4.3	17,970	1.6	1.8	0.4	15.2	12.7	9.5	54.7	49.1	51.2	28.5	36.4	38.9	0.0	0.0	0.0	
Tallahassee MSA	93	20,814	7.3	9,126	4.9	4.3	3.9	18.0	7.5	13.0	41.9	48.4	42.4	34.7	39.8	39.8	0.6	0.0	1.0	
Thomas County Non-MSA	17	2,575	1.3	1,098	0.0	0.0	0.0	26.1	29.4	21.5	63.1	70.6	68.8	10.8	0.0	9.7	0.0	0.0	0.0	
Washington Parish Non-MSA	6	1,270	0.5	707	1.8	0.0	3.3	16.3	16.7	14.4	66.7	83.3	65.9	15.1	0.0	16.4	0.0	0.0	0.0	
<b>Total</b>	<b>1,267</b>	<b>291,146</b>	<b>100.0</b>	<b>133,333</b>	<b>2.8</b>	<b>1.7</b>	<b>1.1</b>	<b>14.9</b>	<b>8.4</b>	<b>10.4</b>	<b>48.1</b>	<b>48.6</b>	<b>47.3</b>	<b>34.1</b>	<b>41.1</b>	<b>41.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Assumption Parish Non-MSA	6	310	1.6	341	17.8	0.0	2.9	15.3	0.0	10.0	14.3	33.3	19.4	52.6	50.0	51.3	0.0	16.7	16.4
Baton Rouge MSA	92	14,966	10.9	21,389	23.7	3.3	6.5	16.1	6.5	18.0	18.0	16.3	19.9	42.3	21.7	34.5	0.0	52.2	21.1
Crestview MSA	3	2,716	0.2	14,264	20.3	0.0	3.0	17.9	0.0	11.5	21.5	0.0	18.4	40.3	100.0	50.0	0.0	0.0	17.1
Daphne-Fairhope-Foley MSA	127	36,446	10.4	10,933	20.6	3.2	5.9	17.7	11.8	16.3	20.9	15.0	19.6	40.9	55.1	41.5	0.0	15.0	16.8
Gulfport-Biloxi MSA	325	47,335	26.7	9,903	23.0	2.8	3.8	16.4	11.7	13.3	19.4	23.4	21.9	41.2	42.5	43.5	0.0	19.7	17.4
Hammond MSA	1	425	0.1	3,329	25.9	0.0	6.0	16.4	0.0	16.1	15.5	0.0	21.5	42.2	100.0	32.5	0.0	0.0	23.8
Hattiesburg MSA	209	45,970	17.2	3,858	24.2	3.3	5.0	14.3	14.4	12.6	19.0	12.0	19.3	42.5	62.7	41.0	0.0	7.7	22.1
Mobile MSA	136	22,431	16.1	9,398	24.0	3.7	6.5	15.6	14.0	17.6	19.0	8.1	22.8	41.4	42.6	35.2	0.0	31.6	18.1
New Orleans-Metairie MSA	6	1,036	1.6	18,972	21.1	0.0	5.1	15.7	16.7	16.4	18.4	33.3	19.5	44.9	50.0	40.2	0.0	0.0	18.8
Panama City MSA	0	0	0.0	6,460	21.1	0.0	4.3	17.7	0.0	12.5	19.9	0.0	21.1	41.3	0.0	46.7	0.0	0.0	15.5
Pearl River & Jones Counties Non-MSA	79	15,377	9.3	5,382	17.3	0.0	2.7	12.8	7.6	9.3	15.9	19.0	18.3	54.0	64.6	53.7	0.0	8.9	16.1
Pensacola MSA	94	22,207	7.7	17,970	18.6	8.5	5.7	19.1	18.1	16.2	22.7	10.6	21.3	39.7	56.4	37.0	0.0	6.4	19.8
Stone County Non-MSA	15	2,003	1.8	300	14.9	6.7	3.7	13.2	20.0	11.0	24.9	46.7	26.3	47.0	26.7	43.0	0.0	0.0	16.0
Tallahassee MSA	88	20,595	10.4	9,126	23.4	3.4	4.8	16.7	6.8	16.7	19.6	20.5	18.8	40.2	53.4	38.6	0.0	15.9	21.1
Thomas County Non-MSA	30	3,178	3.5	1,098	23.8	6.7	3.3	16.7	0.0	8.4	19.3	13.3	19.1	40.2	20.0	47.5	0.0	60.0	21.7
Washington County Non-MSA	5	501	0.6	203	19.7	0.0	3.4	14.1	0.0	10.3	21.6	40.0	23.6	44.6	60.0	50.2	0.0	0.0	12.3
Washington Parish Non-MSA	0	0	0.0	707	28.2	0.0	6.2	16.1	0.0	13.2	17.3	0.0	20.8	38.5	0.0	41.2	0.0	0.0	18.7
<b>Total</b>	<b>1,216</b>	<b>236,274</b>	<b>100.0</b>	<b>133,633</b>	<b>22.0</b>	<b>3.5</b>	<b>5.1</b>	<b>16.4</b>	<b>11.6</b>	<b>15.3</b>	<b>19.2</b>	<b>16.9</b>	<b>20.2</b>	<b>42.3</b>	<b>48.6</b>	<b>40.6</b>	<b>0.0</b>	<b>19.4</b>	<b>18.9</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: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Baton Rouge MSA	76	16,563	6.0	21,730	23.5	3.9	6.5	16.1	15.8	17.9	17.8	17.1	19.9	42.6	42.1	34.7	0.0	21.1	21.0
Crestview MSA	194	69,192	15.3	14,264	20.3	2.1	3.0	17.9	11.9	11.5	21.5	20.1	18.4	40.3	63.4	50.0	0.0	2.6	17.1
Daphne-Fairhope-Foley MSA	98	24,844	7.7	10,933	20.6	8.2	5.9	17.7	11.2	16.3	20.9	18.4	19.6	40.9	43.9	41.5	0.0	18.4	16.8
Gulfport-Biloxi MSA	184	33,686	14.5	9,903	23.0	3.8	3.8	16.4	6.5	13.3	19.4	15.8	21.9	41.2	53.8	43.5	0.0	20.1	17.4
Hammond MSA	74	9,283	5.8	3,329	25.9	12.2	6.0	16.4	13.5	16.1	15.5	21.6	21.5	42.2	35.1	32.5	0.0	17.6	23.8
Hattiesburg MSA	172	35,581	13.6	3,858	24.2	2.9	5.0	14.3	11.6	12.6	19.0	12.2	19.3	42.5	57.0	41.0	0.0	16.3	22.1
Mobile MSA	123	17,833	9.7	9,601	23.8	6.5	6.4	15.6	9.8	17.4	19.1	13.0	22.8	41.5	44.7	35.5	0.0	26.0	17.9
New Orleans-Metairie MSA	75	18,570	5.9	18,972	21.1	4.0	5.1	15.7	6.7	16.4	18.4	20.0	19.5	44.9	44.0	40.2	0.0	25.3	18.8
Panama City MSA	51	13,190	4.0	6,460	21.1	0.0	4.3	17.7	7.8	12.5	19.9	13.7	21.1	41.3	76.5	46.7	0.0	2.0	15.5
Pearl River and Jones Counties Non-MSA	49	14,324	3.9	5,382	17.3	0.0	2.7	12.8	14.3	9.3	15.9	22.4	18.3	54.0	55.1	53.7	0.0	8.2	16.1
Pensacola MSA	55	13,424	4.3	17,970	18.6	1.8	5.7	19.1	14.5	16.2	22.7	20.0	21.3	39.7	49.1	37.0	0.0	14.5	19.8
Tallahassee MSA	93	20,814	7.3	9,126	23.4	1.1	4.8	16.7	12.9	16.7	19.6	16.1	18.8	40.2	54.8	38.6	0.0	15.1	21.1
Thomas County Non-MSA	17	2,575	1.3	1,098	23.8	0.0	3.3	16.7	11.8	8.4	19.3	0.0	19.1	40.2	52.9	47.5	0.0	35.3	21.7
Washington Parish Non-MSA	6	1,270	0.5	707	28.2	0.0	6.2	16.1	0.0	13.2	17.3	16.7	20.8	38.5	66.7	41.2	0.0	16.7	18.7
<b>Total</b>	<b>1,267</b>	<b>291,146</b>	<b>100.0</b>	<b>133,333</b>	<b>22.0</b>	<b>3.9</b>	<b>5.1</b>	<b>16.4</b>	<b>10.9</b>	<b>15.3</b>	<b>19.2</b>	<b>16.7</b>	<b>20.1</b>	<b>42.3</b>	<b>52.6</b>	<b>40.6</b>	<b>0.0</b>	<b>15.9</b>	<b>18.9</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%



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

Assessment Area:	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
Assumption Parish Non-MSA	12	2,378	0.8	250	0.0	0.0	0.0	0.0	0.0	0.0	41.7	41.7	38.8	58.3	58.3	61.2	0.0	0.0	0.0
Baton Rouge MSA	57	11,032	4.0	15,963	7.0	1.8	5.2	21.8	14.0	19.1	32.1	28.1	32.6	39.1	56.1	43.1	0.1	0.0	0.1
Crestview MSA	1	250	0.1	7,298	0.0	0.0	0.0	10.5	0.0	10.2	53.4	100.0	50.2	36.0	0.0	39.5	0.0	0.0	0.0
Daphne-Fairhope-Foley MSA	166	21,614	11.6	5,695	0.0	0.0	0.0	19.3	17.5	16.5	60.4	57.8	57.3	20.3	24.7	26.2	0.0	0.0	0.0
Gulfport-Biloxi MSA	203	27,594	14.2	6,209	8.5	11.3	8.2	13.7	7.9	11.5	55.1	61.1	56.6	22.4	19.7	23.5	0.4	0.0	0.2
Hammond MSA	0	0	0.0	2,010	0.0	0.0	0.0	21.8	0.0	24.3	52.6	0.0	50.2	25.6	0.0	25.5	0.0	0.0	0.0
Hattiesburg MSA	131	22,319	9.2	2,136	11.4	3.1	8.5	7.7	6.9	6.4	56.7	57.3	54.5	24.2	32.8	30.7	0.0	0.0	0.0
Mobile MSA	140	19,961	9.8	8,322	7.2	1.4	6.6	20.5	22.1	18.3	31.4	42.9	31.2	40.8	33.6	43.8	0.2	0.0	0.0
New Orleans-Metairie MSA	16	3,666	1.1	18,869	4.1	0.0	4.3	17.6	18.8	16.8	38.6	50.0	34.7	38.9	31.3	43.5	0.7	0.0	0.6
Panama City MSA	3	853	0.2	4,279	2.6	0.0	1.8	17.0	0.0	16.0	54.8	100.0	54.9	25.6	0.0	27.3	0.0	0.0	0.0
Pearl River & Jones Counties Non-MSA	29	5,556	2.0	3,781	1.3	0.0	0.9	15.9	10.3	11.2	24.2	37.9	21.9	58.6	51.7	66.1	0.0	0.0	0.0
Pensacola MSA	72	16,145	5.0	9,101	2.3	1.4	2.3	20.7	33.3	20.0	50.7	43.1	50.0	26.3	22.2	27.6	0.0	0.0	0.0
Stone County Non-SA	6	545	0.4	166	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Tallahassee MSA	367	58,637	25.7	6,983	7.6	4.6	6.1	20.2	13.9	20.2	40.8	55.0	41.7	30.0	26.4	30.9	1.3	0.0	1.0
Thomas County Non-MSA	198	11,043	13.9	867	0.0	0.0	0.0	32.9	21.7	28.1	61.4	70.7	65.4	5.7	7.6	6.5	0.0	0.0	0.0
Washington County Non-MSA	19	2,176	1.3	122	0.0	0.0	0.0	0.0	0.0	0.0	66.6	47.4	72.1	33.4	52.6	27.9	0.0	0.0	0.0
Washington Parish Non-MSA	6	446	0.4	494	7.7	33.3	9.5	20.1	16.7	16.2	62.0	50.0	62.1	10.2	0.0	12.1	0.0	0.0	0.0
<b>Total</b>	<b>1,426</b>	<b>204,215</b>	<b>100.0</b>	<b>92,545</b>	<b>4.6</b>	<b>3.5</b>	<b>4.0</b>	<b>18.3</b>	<b>15.3</b>	<b>16.7</b>	<b>43.1</b>	<b>55.4</b>	<b>42.0</b>	<b>33.6</b>	<b>25.8</b>	<b>37.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

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

Assessment Area:	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
Baton Rouge MSA	83	12,844	6.0	16,213	6.4	1.2	5.1	21.5	19.3	18.8	31.5	48.2	32.7	40.6	31.3	43.3	0.1	0.0	0.1
Crestview MSA	114	23,565	8.2	7,298	0.0	0.0	0.0	10.2	8.8	10.2	53.0	33.3	50.2	36.7	57.9	39.5	0.0	0.0	0.0
Daphne-Fairhope-Foley MSA	150	18,136	10.8	5,695	0.0	0.0	0.0	19.3	18.7	16.5	59.9	62.0	57.3	20.8	19.3	26.2	0.0	0.0	0.0
Gulfport-Biloxi MSA	199	27,677	14.3	6,209	7.8	10.1	8.2	13.2	8.0	11.5	55.4	60.8	56.6	23.2	21.1	23.5	0.3	0.0	0.2
Hammond MSA	138	11,168	9.9	2,010	0.0	0.0	0.0	21.3	21.0	24.3	52.5	58.0	50.2	26.2	21.0	25.5	0.0	0.0	0.0
Hattiesburg MSA	138	24,309	9.9	2,136	10.8	2.9	8.5	7.6	5.8	6.4	52.4	53.6	54.5	29.2	37.7	30.7	0.0	0.0	0.0
Mobile MSA	124	18,386	8.9	8,444	6.7	3.2	6.5	19.8	6.5	18.1	33.3	61.3	31.8	40.0	29.0	43.6	0.2	0.0	0.0
New Orleans-Metairie MSA	54	10,398	3.9	18,869	4.2	1.9	4.3	17.7	22.2	16.8	38.5	25.9	34.7	39.0	50.0	43.5	0.7	0.0	0.6
Panama City MSA	8	2,040	0.6	4,279	3.2	0.0	1.8	18.5	12.5	16.0	53.0	25.0	54.9	25.3	62.5	27.3	0.0	0.0	0.0
Pearl River and Jones Counties Non-MSA	41	10,266	3.0	3,781	1.3	0.0	0.9	7.7	9.8	11.2	32.3	51.2	21.9	58.7	39.0	66.1	0.0	0.0	0.0
Pensacola MSA	61	10,962	4.4	9,101	2.3	0.0	2.3	20.6	31.1	20.0	50.4	54.1	50.0	26.7	14.8	27.6	0.0	0.0	0.0
Tallahassee MSA	195	22,474	14.0	6,983	7.8	2.1	6.1	20.3	12.8	20.2	40.8	55.9	41.7	29.8	29.2	30.9	1.3	0.0	1.0
Thomas County Non-MSA	74	6,216	5.3	867	0.0	0.0	0.0	32.3	32.4	28.1	61.5	60.8	65.4	6.2	6.8	6.5	0.0	0.0	0.0
Washington Parish Non-MSA	9	2,514	0.6	494	7.7	22.2	9.5	19.8	11.1	16.2	62.0	66.7	62.1	10.5	0.0	12.1	0.0	0.0	0.0
<b>Total</b>	<b>1,388</b>	<b>200,955</b>	<b>100.0</b>	<b>92,379</b>	<b>4.5</b>	<b>2.6</b>	<b>4.0</b>	<b>18.1</b>	<b>14.5</b>	<b>16.7</b>	<b>43.1</b>	<b>54.2</b>	<b>41.9</b>	<b>34.1</b>	<b>28.7</b>	<b>37.2</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Assessment Area:	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
Assumption Parish Non-MSA	12	2,378	0.8	250	89.7	33.3	34.0	3.1	66.7	7.1	0.0
Baton Rouge MSA	57	11,032	4.0	15,963	86.8	71.9	34.5	4.2	28.1	9.0	0.0
Crestview MSA	1	250	0.1	7,298	88.2	100.0	40.5	3.4	0.0	8.5	0.0
Daphne-Fairhope-Foley MSA	166	21,614	11.6	5,695	84.4	79.5	45.7	4.9	19.3	10.7	1.2
Gulfport-Biloxi MSA	203	27,594	14.2	6,209	81.7	75.4	39.1	4.5	23.6	13.9	1.0
Hammond MSA	--	--	--	2,010	88.5	--	35.2	3.1	--	8.4	--
Hattiesburg MSA	131	22,319	9.2	2,136	80.6	71.0	45.3	5.2	28.2	14.2	0.8
Mobile MSA	140	19,961	9.8	8,322	78.9	65.0	40.6	7.1	32.1	14.0	2.9
New Orleans-Metairie MSA	16	3,666	1.1	18,869	88.5	62.5	34.1	4.2	37.5	7.3	0.0
Panama City MSA	3	853	0.2	4,279	86.2	66.7	39.9	4.1	33.3	9.7	0.0
Pearl River and Jones Counties Non-MSA	29	5,556	2.0	3,781	84.2	69.0	43.3	5.5	31.0	10.3	0.0
Pensacola MSA	72	16,145	5.0	9,101	88.7	59.7	40.1	3.6	40.3	7.7	0.0
Stone County Non-MSA	6	545	0.4	166	81.1	66.7	41.0	3.8	33.3	15.1	0.0
Tallahassee MSA	367	58,637	25.7	6,983	87.3	74.1	50.2	3.6	18.0	9.1	7.9
Thomas County Non-MSA	198	11,043	13.9	867	79.4	86.9	51.6	6.8	9.1	13.8	4.0
Washington County Non-MSA	19	2,176	1.3	122	75.1	68.4	46.7	4.9	26.3	20.0	5.3
Washington Parish Non-MSA	6	446	0.4	494	87.4	50.0	31.2	3.0	50.0	9.6	0.0
<b>Total</b>	<b>1,426</b>	<b>204,215</b>	<b>100.0</b>	<b>92,545</b>	<b>86.4</b>	<b>73.9</b>	<b>39.2</b>	<b>4.3</b>	<b>22.8</b>	<b>9.4</b>	<b>3.3</b>

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019
Assessment Area:	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
Baton Rouge MSA	83	12,844	6.0	16,213	87.9	61.4	34.5	3.7	36.1	8.4	2.4
Crestview MSA	114	23,565	8.2	7,298	90.0	51.8	40.5	2.7	19.3	7.3	28.9
Daphne-Fairhope-Foley MSA	150	18,136	10.8	5,695	85.9	76.0	45.7	4.4	24.0	9.7	0.0
Gulfport-Biloxi MSA	199	27,677	14.3	6,209	83.9	70.9	39.1	3.8	28.1	12.3	1.0
Hammond MSA	138	11,168	9.9	2,010	88.9	88.4	35.2	2.9	8.7	8.2	2.9
Hattiesburg MSA	138	24,309	9.9	2,136	82.5	65.9	45.3	4.7	33.3	12.9	0.7
Mobile MSA	124	18,386	8.9	8,444	80.9	74.2	40.7	6.1	25.8	12.9	0.0
New Orleans-Metairie MSA	54	10,398	3.9	18,869	89.5	77.8	34.1	3.7	20.4	6.7	1.9
Panama City MSA	8	2,040	0.6	4,279	88.3	50.0	39.9	3.4	50.0	8.4	0.0
Pearl River and Jones Counties Non-MSA	41	10,266	3.0	3,781	86.2	46.3	43.3	4.7	53.7	9.2	0.0
Pensacola MSA	61	10,962	4.4	9,101	90.1	50.8	40.1	3.0	47.5	6.8	1.6
Tallahassee MSA	195	22,474	14.0	6,983	88.5	69.7	50.2	3.2	28.2	8.4	2.1
Thomas County Non-MSA	74	6,216	5.3	867	81.8	75.7	51.6	5.8	23.0	12.3	1.4
Washington Parish Non-MSA	9	2,514	0.6	494	87.9	88.9	31.2	2.9	11.1	9.2	0.0
<b>Total</b>	<b>1,388</b>	<b>200,955</b>	<b>100.0</b>	<b>92,379</b>	<b>87.8</b>	<b>69.6</b>	<b>39.2</b>	<b>3.7</b>	<b>26.9</b>	<b>8.5</b>	<b>3.5</b>

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%