



## **PUBLIC DISCLOSURE**

August 08, 2016

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

Trustmark National Bank  
**Charter Number 10523**

248 East Capitol Street  
Jackson, MS 39201

Office of the Comptroller of the Currency

400 7th Street S.W.  
Washington, DC 20219

**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 Trustmark National Bank (TNB or the bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Trustmark National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

The Lending Test is emphasized more heavily than the investment and service tests in arriving at an overall rating.

Factors that were considered in this rating include:

- The substantial majority of loans originated during the review period are inside the assessment areas.
- The geographic distribution of loans is poor. Good dispersion of small loans to small businesses augments very poor home mortgage performance.
- The dispersion of loans by borrower income level is adequate. TNB’s dispersion of both home mortgage and small loans to businesses are adequate.
- CD lending performance is excellent and responsive to identified community needs. The CD lending activity ranged from adequate in Florida and the Memphis MMSA to excellent in Mississippi, Alabama, and Texas. Excellent CD lending compensated for weaker retail loan performance in the latter three states.
- Qualified investment activity is excellent as the bank was responsive to the identified needs in the AAs.
- Overall, TNB’s retail delivery systems are accessible throughout the AAs with exception of Memphis. Branch opening and closings, generally did not have an adverse impact on the ratings.
- Overall, TNB’s CD service activities are good and demonstrate good responsiveness to the community service needs in the AAs.
- The OCC did not identify any evidence of discriminatory or illegal credit practices.

## Definitions and Common Abbreviations

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

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

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

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

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community service 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with

the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Description of Institution

Trustmark National Bank (TNB) is an interstate financial institution headquartered in Jackson, Hinds County, Mississippi. Based on June 30, 2015 deposits, TNB is the third largest independently owned bank headquartered in Mississippi and the largest institution headquartered in Jackson. TNB has 215 banking offices located throughout Alabama, Florida, Mississippi, Texas, and the Memphis TN-MS-AR multistate metropolitan statistical area (MMSA). As of December 31, 2015, Trustmark had total assets of \$13 billion and Tier One Capital of \$1.2 billion.

The bank's primary market area is Mississippi where 69.98 percent of deposits and 128 branches (59.53 percent), exist, of which seven branches are included in the Memphis multistate MSA. Within the state of Mississippi, the Jackson Metropolitan Area is the primary market area with 50 (23 percent) banking offices.

Competition in most of the major markets ranges from modest to strong. Larger institutions with a regional or national footprint dominate in these markets and have a significant presence. Institutions such as Bank of America, Wells Fargo, Regions Bank, and JPMorgan Chase Bank are major competitors in these markets.

As of December 31, 2015, total loans were \$7.6 billion representing 57.97 percent of total assets. About 65.71 percent of the loan portfolio consists of real estate loans including commercial and 1-4 family residential properties (\$4.9 billion), 18.33 percent commercial loans (\$1.4 billion), 13.04 percent other loans (\$1.1 billion), 2.44 percent consumer loans (\$175 million), and 0.48 percent agricultural loans (\$35 million). In addition, TNB offers Federal Housing Administration (FHA), Veterans Administration (VA), Rural Development Housing and Small Business Administration (SBA). While TNB offers all products in all markets, the focus in Texas is commercial loans due to strong competition in the Houston AA for home mortgage loans and TNB only originates home mortgage loans as an accommodation to its business clients in this AA. TNB also maintains a trust department, and provides investment and insurance products and services to its customers through its affiliates and wholly owned subsidiaries, Fisher Brown Bottrell Insurance, Inc. and Trustmark Investment Advisors. These subsidiaries do not have a CRA impact.

TNB is a wholly owned subsidiary of Trustmark Corporation (TMC). TMC is a \$13 billion one-bank holding company headquartered in Jackson, Mississippi. On January 1, 2014, TMC transferred Somerville Bank and Trust, TN to TNB. Somerville was a \$200 million institution headquartered in Fayette County, TN and a subsidiary of TMC.

On February 15, 2013, TNB acquired BancTrust Financial Group Inc. (BancTrust), a one-bank holding company headquartered in Mobile, Alabama. This acquisition expanded TNB's footprint into Alabama and increased their presence in Florida as they gained 49 banking offices located throughout Alabama and Florida. The acquisition activity had a positive impact on the scope of operations during this evaluation period.

There are no legal, financial, or other factors that impede the bank from helping to meet the credit needs in its AAs. TNB received an Outstanding rating in the last CRA evaluation dated December 31, 2012.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

TNB qualifies as a large bank under the CRA regulation and is subject to evaluation under the Lending, Investment, and Service Test.

The scope of this evaluation includes all loans subject to filing under the HMDA and all small loans to businesses and farms subject to filing under CRA data collection. CD loans, investments, and services include all activities that meet the regulatory definition.

The evaluation period includes all loans originated or purchased from January 1, 2013 through December 31, 2015 with the exception of Alabama. Due to the acquisition of BancTrust, the evaluation period for loans originated in Alabama starts February 15, 2013 through December 31, 2015 and reflects the acquisition date.

The Office of Management and Budget (OMB) revised the geographic boundaries for metropolitan areas and these revisions became effective for CRA purposes on January 1, 2014. Because of the OMB changes, we performed two separate analyses for each AA for the Lending Test. Loans originated between January 1, 2013 and December 31, 2013 were analyzed using 2010 census data. Loans originated between January 1, 2014 and December 31, 2015 were analyzed using 2010 census data, but also included changes to the AA made by OMB. We performed separate reviews for the geographic and borrower distribution analyses and all other analyses covered the entire evaluation period.

We reviewed primary loan products with at least 20 loans within the AA for each analysis period. A minimum of 20 loans is needed to perform a quantitative analysis. The primary loan products, HMDA and CRA reportable loans, were analyzed under the Lending Test to evaluate the bank's lending activity, geographic and borrower distribution performances.

Except for Alabama, the evaluation period for CD loans, investments and services (including retail banking services) include all activities from January 1, 2013 through December 31, 2015. The evaluation period for Alabama is February 15, 2013 through December 31, 2015.

### *Inside/Outside Ratio*

This ratio is calculated bank-wide and not by individual rating area or AA. The analysis is limited to originations and purchases and does not include any affiliate lending. For the evaluation period, TNB originated a substantial majority of all loan products inside the AAs (83.21 percent). Based on the number of loans, 79.14 percent of the home mortgage loans and 91.97 percent of the small loans to businesses are inside their AAs. Small loans to farms showed similar results with 81.80 percent inside the AAs. By individual home mortgage product, 77.17 percent of home purchase loans, 88.13 percent of home improvement loans, and 79.90 percent of refinance loans are inside the AAs.

## **Data Integrity**

The OCC verified the accuracy of the HMDA, small loans to businesses and farm loan data in January 2016. We also reviewed the appropriateness of the bank's CD loans, investments, and service activities that management provided us for consideration. We based this evaluation on accurate data.

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

In each state where the bank has an office, we selected a sample of assessment areas (AAs) within that state for full-scope reviews. TNB has one multistate AA, the Memphis multistate AA. We also selected this AA to receive a full-scope review.

Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for the information on the full-scope AAs selected for review.

## **Ratings**

The overall rating is a blend of the multistate metropolitan area rating and state ratings. The state of Mississippi is given more consideration in assigning the overall rating. The state of Mississippi represents the majority of the TNB's deposits, lending activity, and branches. As of December 31, 2015, Mississippi represents 68.98 percent of the total deposits, 59.53 percent of the branch network, and 61.77 percent of reportable HMDA and small business and farm loans originated or purchased during the evaluation period.

The geographic and borrower distribution conclusions for home mortgage loans, small businesses, and small farms provided the most useable data for determining the overall Lending Test conclusions. A significant volume of CD loans that were responsive to the identified needs in the community reflected positively on the Lending Test rating and thereby influenced the rating in some rating areas.

In evaluating the performance under the Lending Test, more consideration was given to the lending activity in 2014 and 2015 as this data best reflects the lending activity during the evaluation period and business focus. Our analysis of 2013 data includes a shorter period of performance, in Alabama and therefore received less consideration in determining overall conclusions.

Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. We also considered lending performance to low- and moderate-income geographies and individuals. Refer to each rating area for additional information on the emphasis placed on these factors.

For all rating areas except Texas, home mortgage loans represent the bank's primary loan product and business focus; therefore, we gave more consideration to this loan product than small loans to businesses or farms. In addition, affordable housing is a need identified in all AAs. For HMDA products, we gave home purchase loans, followed by refinance loans more emphasis. Home improvement loans received the least consideration of all three loan products. This decision considered the dollar volume and number of home mortgage loans during the evaluation period. TNB does not make a significant volume of small farm loans; therefore, small farm loans received minimal consideration in those AAs where there was a sufficient volume to perform a quantitative analysis. TNB did not originate or purchase a sufficient volume of multifamily loans in any rating area to perform a quantitative analysis. We considered

multifamily loans meeting a primary purpose of community development in the community development loan criteria.

The Investment Test considered the dollar volume of investments and their responsiveness to the community's credit needs. The Service Test conclusions considered accessibility of branch offices and changes in branch locations. Branch hours and services as well as community development service received somewhat less emphasis. However, the volume and responsiveness of community development service can have a positive or negative impact on the Service Test rating.

We based the overall Lending, Investment and Service Test ratings for the multistate MSA and each state on conclusions drawn from those areas that received full-scope reviews. However, the performance in the limited-scope AAs can have an impact on the overall multistate MSA or state rating if the performance in the limited-scope areas is significant.

Refer to the "Scope of Evaluation" section under each State and Multistate Metropolitan Area Rating section to gather details of how we weighted the results in arriving at the respective ratings.

#### Other Performance Data – Lending Test

In conjunction with their financial education program, TNB offers individuals a credit enhancement product designed to help individuals rebuild their credit rating. This small dollar loan product, up to \$500, deposits loan proceeds into a TNB Certificate of Deposit. The loan term is 12 months and payment is due each month. Prior to loan approval, the individual must attend a five-week financial boot camp and the individual receives a completion certificate, which is valid for two years. After repayment in full, the borrower has use of the loan proceeds, and can obtain another loan under the program if their completion certificate is still valid.

#### Other Performance Data – Service Test

TNB offers a banking at work product to employers with a large number of unbanked customers. The product allows the employer to deposit funds at TNB and employees can withdraw funds electronically. Funds are immediately accessible to the employee using a card issued by TNB through an ATM withdrawal, cash advance, or cash back with a purchase. TNB offers this product in all markets; however, TNB did not provide data showing the number of employers or employees using this service. As a result, we could not quantify the impact of this alternative delivery system has on each rating area and therefore we did not factor it into the overall Service Test rating.

#### Community Contacts

Community Affairs Officers (CAOs) from the OCC obtained recent community contacts made by the regulatory agencies to assess the needs and opportunities in the full-scope AAs. In cases where there was not a current contact, the CAOs completed and updated community contacts on file for the full-scope AAs. Refer to Appendix C Market Profiles for a summary of the full-scope areas.

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

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

The OCC does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC considered information made available on a confidential basis during its consultations.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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

## **Multistate Metropolitan Area Rating**

### **Memphis TN-MS-AR Multistate Metropolitan Area**

**CRA rating for the Memphis TN-MS-AR Multistate Metropolitan Area<sup>1</sup>: Needs to Improve**

**The Lending Test is rated: Needs to Improve**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: Needs to Improve**

The major factors that were considered in this rating include:

- Overall a very poor geographic distribution of loans. The geographic distribution of home mortgage loans is very poor. The geographic distribution of small loans to businesses is poor.
- Overall good dispersion of loans by borrower income level. The dispersion of home mortgage loans by borrower income is good. The dispersion of loans to small businesses is adequate.
- The level of CD lending is adequate and had a neutral impact on the lending test.
- CD investment activity is excellent based on the volume of investments made and the responsiveness to the identified needs in the AA.
- Retail delivery systems are accessible to limited portions of the AA.

### **Description of Institution's Operations in the Memphis Multistate Metropolitan Area (MMSA)**

The Memphis TN-MS-AR MMSA AA includes the counties of Desoto in Mississippi and Shelby and Fayette Counties in Tennessee in their entirety. Fayette County was added to the Memphis MMSA when Somerville Bank and Trust became part of TNB in January 2014.

TNB has 23 branches in the AA, which represents 10.7 percent of the total branch network. TNB has seven branches in Desoto, five in Fayette, and 11 in Shelby Counties. Competition for deposits within the AA is moderate. Based on June 30, 2015 Federal Deposit Insurance Corporation (FDIC) deposit information, there were \$24.9 billion in deposits held among 45 financial institutions with 315 offices located in the AA. The primary competitors are large national or regional banks. The top five competitors had 144 offices and controlled 67.41 percent of the total market share. TNB has a deposit market share of 3.10 percent in the AA. TNB has \$771 million in deposits in the AA, which represents 7.86 percent of the bank's total deposit base.

Refer to the market profile for the Memphis MMSA in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

## **Scope of Evaluation in Memphis MMSA**

We selected the Memphis MMSA to receive a full-scope review, as it is the only AA in the Memphis rating area.

## **LENDING TEST**

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

Based on a full-scope review, performance under the Lending Test in the Memphis MMSA is poor and is rated Needs to Improve. As described below, although TNB's overall lending activity and borrower distribution is good, the geographic distribution of loans ranged from poor to very poor. CD lending had a neutral impact on the overall rating.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the Memphis Multistate Metropolitan Area section of Appendix D-5 for the facts and data used to evaluate lending activity.

Lending activity is good. The home mortgage lending activity is good. The small loans to business lending activity is good. This assessment considers the number of loans made during this evaluation period as well as the deposit and loan market ranks and shares. Based on June 30, 2015, FDIC deposit information, TNB ranks six in the AA with a deposit market share of 3.10 percent among 45 institutions, which means they rank in the top 13 percent of depository institutions in the AA.

During this evaluation period, TNB originated 1,275 home mortgage loans, of which 767 were home purchase, 141 home improvement and 365 refinance loans. In addition, TNB originated 360 small loans to businesses and 43 small loans to farms.

Based on 2014 HMDA Peer data, TNB ranks eighth among 398 lenders in originations of home mortgage loans in the AA with a market share of 3.69 percent. By individual loan product, TNB ranks seventh in both home purchase and home improvement loans with market shares of 4.09 percent and 6.52 percent, respectively. There are 298 home purchase lenders and 72 home improvement lenders. In terms of refinance loans, TNB ranks ninth among 277 lenders with a market share of 2.62 percent. This places TNB in the top 3 percent in refinance loans, top 10 percent in home improvement loans, and top 2 percent in home purchase loans in this AA.

Based on 2014 Peer Small Business data, TNB ranks 16<sup>th</sup> in the AA among 81 lenders originating small loans to businesses with a market share of 1.38 percent. However, eight of the top 15 lenders are credit card banks and dominate the market with a total market share of 56.1 percent. In terms of small loans to farms, TNB ranks number one in the AA among 17 lenders with a market share of 23.81 percent. This means TNB is in the top 20 percent in originations to small loans in the AA.

Given consideration of the deposit market share and rank as well as the market share among the various loan products and number of loans originated, the overall lending activity assessment is good.

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

Overall, the geographic distribution of TNB's lending in this AA is very poor. The distribution of home mortgage loans and small loans to farms is very poor. The distribution of small loans to businesses is poor. We gave more consideration to home mortgage loans since it is the bank's primary lending focus in this market.

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

Refer to Tables 2, 3, 4, and 5 in the Memphis MMSA section of Appendix D-6, D-7, D-8 and D-9 for the facts and data used to evaluate the geographic distribution of home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans is very poor.

The overall geographic distribution of home purchase loans is very poor. Performance in the 2014 through 2015 analysis period was very poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in those geographies. The market share in both low- and moderate-income tracts was significantly below the overall market share in the AA. This reflected very poor performance.

Performance in 2013 was consistent with the performance in 2014 through 2015 and had a neutral impact on the rating.

The overall geographic distribution of home improvement loans is poor. Performance in the 2014 through 2015 analysis period was poor. Loans in low-income geographies reflects very poor performance as the percentage of loans was significantly below the percentage of owner-occupied housing units in those geographies. The distribution of loans in moderate-income tracts was adequate as the distribution of loans is below the percentage of owner-occupied units in the AA. The market share in both low- and moderate-income tracts was significantly below the overall market share in the AA. This reflected very poor performance.

The performance in 2013 for home improvement loans was stronger than the performance in 2014 through 2015, and was adequate. This was due to primarily to stronger performance in moderate-income geographies. The distribution of loans in moderate-income tracts during this period was excellent and exceeded the percentage of owner-occupied units in these tracts. However, there were no home improvement loans originated in low-income geographies which reflects very poor performance. The market share in moderate-income tracts exceeded the overall market share, with no penetration in low income market share. This performance was not significant enough to have an overall positive influence the overall poor geographic distribution of home improvement loan conclusion.

The overall geographic distribution of home refinance loans is very poor. Performance in the 2014 through 2015 analysis period was very poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in these geographies. In addition, the market share in both low- and moderate-income tracts was significantly below the overall market share in the AA. This reflected very poor performance.

The performance in 2013 was consistent with the performance in 2014 through 2015 and had a neutral impact on the overall very poor rating.

TNB originated two multifamily loans in this AA during the evaluation period. One of these loans is in a moderate-income tract. The population of loans is too small to perform a quantitative analysis.

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

Refer to Table 6 in the Memphis MMSA section of Appendix D-10 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is poor. Performance in the 2014 through 2015 analysis period was poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of small business in those geographies. The market share in both low- and moderate-income tracts was significantly below the overall market share of small businesses in the AA and reflects poor performance.

The performance in 2013 is stronger than the performance in 2014-2015, and is adequate. The distribution of loans in low-income tracts was slightly below the percentage of businesses in these tracts. The distribution of loans in moderate-income tracts was slightly below the percentage of businesses in these tracts. The market share in the low-income tract was excellent and exceeded the overall market share. The market share in moderate-income tracts was adequate and slightly below the overall market share. This performance was not significant enough to influence the overall poor rating for small loans to businesses.

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

Refer to Table 7 in the Memphis MMSA section of Appendix D-11 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to farms.

The distribution of small loans to farms is very poor. This conclusion considers only a small population of 43 loans. During 2014 through 2015, there are no loans made in either low- or moderate-income tracts.

In 2013, TNB originate four small loans to farms in this AA.

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

We reviewed lending reports and maps of lending activity in the AA during the evaluation period. We did not identify any unexplained or conspicuous lending gaps.

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

Overall, the borrower distribution of lending is good. We based the assessment on a good dispersion of home mortgage loans and small loans to farms and an adequate distribution of small loans to businesses. In determining the overall conclusion, we gave more consideration to the home mortgage lending performance, which TNB identified as a community credit need.



### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 in the Memphis MMSA section of Appendix D-12, D-13 and D-14 for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Overall, the distribution of home mortgage loans to borrowers of different incomes is good. According to the Federal Housing Finance Authority, the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$137,230 at the end of 2013 to \$149,750 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

The overall borrower distribution of home purchase loans is good. Performance in the 2014 through 2015 analysis period was good. The percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families in the AA. This reflects poor performance. The distribution of home mortgage loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families in the AA. The market share was excellent as the market share of home purchase loans to both low- and moderate-income borrowers exceeded the overall market share in the AA. The demographics of the Memphis MMSA has a population of over \$1 million people with Median Family Income of \$60.4 thousand. The 2010 Census data shows a moderate number of housing units in low and moderate income geographies.

Performance in 2013 was consistent with the performance in 2014 through 2015, and considered good.

The overall borrower distribution of home improvement loans is excellent. Performance in the 2014-15 analysis period is excellent. The dispersion of home-improvement loans to both low- and moderate-income borrowers exceeded the percentage of these families in the AA. This reflected excellent performance. The market share of home improvement loans to low-income borrowers was excellent and exceeded the overall market share of loans to all borrowers. The market share to moderate-income borrowers was poor and was significantly below the overall market share in the AA.

Performance in 2013 was weaker than performance in 2014 and 2015 and was good. The dispersion of loans to low-income borrowers was significantly below the percentage of these families in the AA. The market share of home improvement loans to low-income borrowers was significantly below the overall market share in the AA. This performance was not significant enough to influence the overall home improvement conclusion.

The overall borrower distribution of home refinance loans is good. Performance in the 2014 through 2015 analysis period was good. The percentage of home refinance loans to low income borrowers was significantly below and home refinance loans to moderate-income borrowers was slightly below the percentage of these families in the AA. This reflected adequate performance. The market share of home refinance loans to both low- and moderate-income borrowers was excellent and exceeded their overall market share in the AA.

Performance in 2013 was stronger than performance in 2014 through 2015 and was excellent. The dispersion of loans to moderate-income borrowers exceeded the percentage of these families. This performance was not significant enough to influence the overall home refinance conclusion.

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

Refer to Table 11 in the Memphis MMSA section of Appendix D-15 for the facts and data used to evaluate the borrower distribution of the origination and purchase of small loans to businesses.

The overall borrower distribution of small loans to businesses is adequate. Performance in the 2014 through 2015 analysis period was adequate. The percentage of small loans to businesses (defined as businesses with gross annual revenues of \$1 million or less) was significantly below the percentage of small businesses in the AA. This reflects poor performance. The market share of small loans to businesses exceeded the overall market share in the AA, which reflected excellent performance.

Performance in the 2013 analysis period was consistent with the 2014 through 2015 performance.

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

Refer to Table 12 in the Memphis MMSA section of Appendix D-15 for the facts and data used to evaluate the borrower distribution of originations and purchase of small loans to farms.

The dispersion of small loans to farms is good. The 2014 through 2015 performance was good. This assessment is based on a small population of 43 loans. The percentage of small loans to farms was below the percentage of small farms in the AA. The market share of small loans to farms exceeded the overall market share in the AA and was excellent.

TNB made four small loans to farms in 2013 in this AA.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the Memphis MMSA section of Appendix D-5 for the facts and data used to evaluate the level of community development lending. This table includes all community development loans, including multifamily loans that qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that qualify as community development loans. Table 5 does not separately list community development loans, however.

The level of CD lending is adequate in the AA, and had a neutral impact on the lending performance rating in the AA. During this evaluation period, TNB originated six loans totaling \$3.9 million representing 4.2 percent of allocated Tier One capital. Based on the number of loans and dollar volume of loans made in the AA, the CD lending activity is adequate. While these loans were not complex or innovative, they did address some of the affordable housing and community service needs in the AA. The community credit needs of the community is identified as affordable housing and community service. Specific examples of these loans include:

*Affordable Housing* – The bank made five loans totaling \$3.927 million that provided affordable housing for low- and moderate-income individuals. The funding included a loan to an organization to construct a 50-unit Low Income Housing Tax Credit (LIHTC) project that will provide affordable housing for seniors. The bank originated another loan to renovate a 25-unit multifamily apartment complex, where rental rates are affordable for low- and moderate-income individuals. In addition, a

working capital loan was originated to a non-profit organization that creates partnerships with various city, county, and neighborhood associations to rehabilitate, demolish or sell vacant, abandoned or blighted properties in the AA.

*Community Service* – TNB originated one loan for \$20,100 to an organization whose mission is to serve abused women and their children.

### Statewide Tennessee CD Loans

TNB was responsive to the CD needs in the AA. When reaching our conclusion, we also considered CD activities conducted in the broader statewide or regional area that includes the AA. TNB made two loans totaling \$3.240 million in the state. One loan was originated to construct a grocery store, which will provide permanent jobs for 40 low- and moderate-income individuals, and the other loan was a tax anticipation note that provided working capital for a school. The majority of the students in the school are eligible for reduced or free lunches. While these activities are not directly in the AA, they did benefit a broader regional area that includes the AA.

### **Product Innovation and Flexibility**

TNB's use of innovative and flexible lending products had a neutral impact on the lending performance. TNB offers a standard mix of loans including FHA, VA, and SBA loans. TNB also offers a small dollar loan product that we discussed in the Overall Scope of Evaluation section. TNB did not provide any detailed data regarding the use or impact of these products in the AAs.

## **INVESTMENT TEST**

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

Performance under the Investment Test in the Memphis MMSA is rated Outstanding. Based on a full-scope review, the performance is excellent.

Refer to Table 14 in the Memphis MMSA section of Appendix D-17 for the facts and data used to evaluate the level of qualified investments.

Considering current and prior period investments, TNB's investment activity is excellent. This assessment considers the numerous opportunities for investments in this AA, the volume of investments made and responsiveness to the identified needs in the community. We identified numerous community organizations that operate in the AA and affordable housing is an identified need in this AA. TNB met this need by purchasing mortgage-backed securities and through grants and donations. These investments were not innovative or complex in nature but showed good responsiveness to meeting the affordable housing needs of the AA. Other needs identified in this AA include flexible mortgage loan products, small business loans and job training programs.

TNB made 110 investments totaling \$15.652 million and this investment amount represents 16.58 percent of allocated Tier One capital. Of this investment amount, TNB made 91 qualified investments totaling \$7.188 million in the AA during the current evaluation period. Of the total, \$7.070 million consist entirely of mortgage backed securities (MBSs) secured by mortgages to LMI individuals in the AA. TNB's purchase of these MBSs provide liquidity to secondary mortgage lenders and enable these lenders to purchase other mortgage loans in the AA.

TNB also has \$8.5 million in investments outstanding from the prior period. These MBSs include mortgages of low- and moderate-income individuals in the AA. These GNMA and FNMA pools continue to have a positive impact on the AA by enabling individuals in the AA to purchase affordable homes. We considered these prior period investments in the overall rating for this AA.

TNB also extended 75 grants and donations totaling \$118,087. The vast majority of grants and donations support community service activities that benefit low- and moderate-income individuals in the AA. Some examples include donations to an organization that helps the distressed and underserved population with job opportunities, a mobile food pantry that distributes food to needy families, a non-profit organization that provides affordable health care to the medically uninsured, and a non-profit that provides services for adult learners in acquiring, improving, and applying basic literacy skills.

## **SERVICE TEST**

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

Performance under the Service Test in the Memphis MMSA is rated Needs to Improve. Based on a full-scope review, performance is poor.

#### **Retail Banking Services**

Refer to Table 15 in the Memphis MMSA section of Appendix D-18 for the facts and data used to evaluate the distribution of the branch delivery system and branch openings and closings.

The distribution of retail delivery systems is very poor. Retail delivery systems are inaccessible to significant portions of its AAs, particularly to low- and moderate-income geographies and individuals. TNB has 23 branches in the AA. Of this total, there are no branches in low-income geographies, and only one (4.35 percent) in a moderate-income tract. The percentage of branches in low income and moderate-income tracts is significantly less than the percentage of the population in these tracts. Low-income tracts contain 13.47 percent of the population, while moderate-income tracts contain 20.05 percent of the population. This reflects very poor performance.

Branch opening and closings had an adverse effect on the accessibility of retail banking services in the AA. During this evaluation period, one branch closed in a moderate-income tract with only a full-service ATM location remaining. Management indicated the branch closure was due to a decline in profitability and its close proximity to the Collierville branch. During the evaluation period, TNB opened two offices, one in a middle-income and another in an upper-income tract.

Retail banking services offered in the MMSA are good. Products include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market Accounts. TNB also offers alternative delivery systems such as on-line banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for a description of the bank at work program.

Branch hours and services offered throughout the AA are adequate. The normal banking hours are 9:00 a.m. until 4:30 p.m. Monday through Thursday and 9 a.m. until 5:00 or 6:00 p.m. on Friday. The drive thru locations open during normal banking hours Monday through Thursday and 8:30 a.m. until 6:00

p.m. on Friday and 9:00 a.m. until 12 p.m. on Saturday. Generally, banking hours are comparable bank wide across all banking locations and geographies.

### **Community Development Service**

TNB's performance in providing community development service is good based on the number of activities provided and their responsiveness to identified needs in the community.

During this evaluation period, TNB employees provided 76 financial literacy seminars to 4,306 individuals, including students, seniors and low- and moderate-income individuals in the AA. Topics of discussion include elder abuse, saving money, building good credit, and the importance of budgeting and financial responsibility. Included in this total are 357 students that participated in the FDIC's MoneySmart program. These students attended schools primarily composed of low- and moderate-income students.

In addition, one TNB employee serves on the board for an economic development corporation and another employee serves as a campaign chairperson for an organization that provides community service to low- and moderate-income individuals. TNB obtained a down payment assistance grant from Home Equity Leverage Partnership (HELP) program for a low-income individual in this AA. The FHLB Dallas administers HELP, providing homebuyers counseling and down payment assistance to low- and moderate-income individuals. A TNB employee spent eight financial service hours to obtain this grant for this individual.

## State Rating

### State of Mississippi

#### **CRA Rating for Mississippi<sup>2</sup>: Satisfactory**

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

**The Investment Test is rated: Outstanding**

**The Service Test is rated: Outstanding**

The major factors that were considered in this rating include:

- The overall geographic distribution of loans is poor. Excellent small business lending performance augmented very poor home mortgage lending performance.
- The dispersion of home mortgage loans and small loans to businesses is adequate.
- An excellent volume of CD loans that are highly responsive to identified needs had a positive impact on the lending test.
- CD investment activity is excellent and responsive to meeting the needs of the AAs.
- Retail delivery systems are readily accessible to geographies and individuals of different income levels in the AA. CD service performance is good.

#### **Description of Institution's Operations in Mississippi**

TNB's primary operations are in the state of Mississippi. Headquartered in Mississippi, most of the deposits, branches, and lending activity are within the state. TNB operates 128 banking offices in the state. The state of Mississippi represents 59.53 percent of the bank's total branch network and 69.98 percent of their total deposit base. CRA performance in Mississippi has a significant impact on the overall CRA rating.

TNB has \$6.9 billion in deposits in Mississippi. Based on June 30, 2015 FDIC market share information, TNB ranks second in the state with a deposit market share of 13.85 percent. Competition is moderate with 100 financial institutions with banking offices in the state. Regions Bank ranks number one with a deposit market share of 14.17 percent. TNB has eight AAs in the state with the Jackson MSA, AA accounting for a significant percentage of the deposit base, branches and lending activity. The other seven AAs include Gulfport-Biloxi MSA, Hattiesburg MSA, Central Non-MSA, East Non-MSA, North Non-MSA, Southern Non-MSA, and West Non-MSA. We removed Bolivar County from the West Non-MSA AA in 2015 as the bank only has a cash dispensing ATM in the county. TNB also removed Greene County from the East Non-MSA AA in 2014, as TNB had no branch in the county and limited lending activity. Refer to Appendix A for additional information on the counties included in each AA.

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<sup>2</sup>For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

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

## **Scope of Evaluation in Mississippi**

We selected two full-scope AAs to review in the state of Mississippi. These are the Jackson MSA and the Southern Non-MSA. In selecting these full-scope AAs, we considered several factors including the level of lending, community development opportunities, presence in the AAs, and the importance of the AAs to operations in the rating area.

Performance in the Jackson MSA influenced the overall rating more than other AAs as the Jackson AA represents 58.96 percent of deposits in the state and 41.32 percent of the branch network in Mississippi. The Jackson MSA also has the largest volume of reportable loans in the state with 52.81 percent. The Southern Non-MSA represents 8.38 percent of the state's deposits and 9.92 percent of the branches in the state. The Southern Non-MSA has 9.48 percent of the reportable loans in the state.

The ratings are based primarily on conclusions arrived from results in the full-scope AA areas. We performed limited scope reviews in the Gulfport-Biloxi MSA, Hattiesburg MSA, Central Non-MSA, East Non-MSA, North Non-MSA, and West Non-MSA AAs.

## **LENDING TEST**

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

The performance under the Lending Test in Mississippi is rated Low Satisfactory. Based on full-scope reviews, the performance in the Jackson MSA is adequate. Performance in the Southern Non-MSA, is good. As described below, although the overall lending activity in the state is good to excellent, the geographic distribution of loans is poor and the borrower distribution is adequate. A significant volume of CD loans that are highly responsive to the identified needs in the community had a positive impact on our assessment of the lending test conclusions in both the Jackson MSA and Southern Non-MSA.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the state of Mississippi section of Appendix D-5 for the facts and data used to evaluate the lending activity.

#### Jackson MSA

TNB's lending activity in the Jackson MSA, AA is excellent, considering the loan competition. The lending activity in all three loan products, home mortgages, small loans to businesses and small loans to farms, is excellent.

During this evaluation period, TNB originated 8,218 HMDA loans, 3,552 small loans to businesses and 477 small loans to farms. TNB originated 3,955 home purchase loans, 702 home improvement loans, and 3,552 refinance loans. TNB also originated nine multifamily loans. TNB is not a significant multifamily lender.

Based upon FDIC Deposit Market Share data as of June 30, 2015, TNB has a 31.30 percent deposit market share, ranking first among 27 FDIC-insured financial institutions in the AA.

Based upon 2014 Peer Mortgage Data, TNB ranks first in all three home mortgage loan products for loan originations in this AA. The market share of home purchase loans is 16.74 percent, home improvement loans 23.76 percent and refinance loans 18.75 percent. There are 181 home purchase lenders, 53 home improvement lenders and 164 refinance lenders in this AA. Given the moderate competition in this AA for home mortgage loans and the high rankings and market share for these products, overall home mortgage lending activity is excellent.

In terms of small loans to businesses, TNB ranked second among 67 lenders with a market share of 14.38 percent. This is based on 2014 Peer Data for small loans to businesses. Given the competition from the other reporting lenders in the AA and the ranking and market share, small business-lending activity is excellent.

TNB's small farm lending activity is excellent. TNB has a 49.56 percent market share of small farm loans and ranks first among 17 reporting lenders. The small farm lending activity is excellent given the ranking and market share compared to the deposit market share and small farm lending competition within the AA.

#### Southern Non-MSA

TNB's lending activity in the Southern Non-MSA AA is good, considering the loan competition. Home mortgage lending activity is good, small business lending activity is excellent, and small farm lending activity is excellent.

Based upon FDIC Deposit Market Share data as of June 30, 2015, TNB has a 27.27 percent deposit market share in this Non-MSA, ranking first among 11 FDIC-insured financial institutions in the AA.

During this evaluation period, TNB originated 750 mortgage loans, 1,110 small loans to businesses and 338 small loans to farms in this Non-MSA. TNB originated 251 home purchase loans, 174 home improvement loans, and 322 refinance loans. There were also three multifamily loans originated in this AA, none of which were in a low- or moderate-income tract.

Based on 2014 Peer Mortgage Data, TNB ranks third for home purchase loans (8.11 percent market share), second in home improvement loans (21.22 percent market share), and second in refinance loans (11.67 percent market share). There are 86 home purchase lenders, 21 home improvement lenders and 83 refinance lenders. TNB ranks in the top three percent in originating home purchase loans, top 10 percent in home improvement loans and top two percent in refinance loans. Given the competition from the other reporting lenders in the AA, the ranking and market share of loans for each product, the overall mortgage lending activity is good.

Based on 2014 Small Business data, TNB has a 20.99 percent market share in loan originations to small businesses and ranks first among 39 reporting lenders or the top 2.56 percent of lenders. The volume of loans is excellent considering the ranking and market share during the evaluation period.

TNB's small farm lending activity is excellent. TNB has a 52.76 percent market share for lending to small farms, ranking first among 11 reporting lenders. The small farm lending activity is excellent given the market share and ranking when compared to the deposit market share and rank.



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

Overall, the geographic distribution of loans is poor. The distribution of loans in the Jackson MSA is poor and the distribution of loans in the Southern Non-MSA is good.

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

Overall, the geographic distribution of mortgage loans is very poor. The geographic distribution of loans in the Jackson MSA is very poor. The distribution of loans in the Southern Non-MSA is adequate. Based upon factors previously described about the Jackson MSA, geographic distribution of mortgage lending in Jackson MSA is more significant in the overall conclusion.

Refer to Tables 2, 3, 4, and 5 in the state of Mississippi section of Appendix D-20-25, for the facts and data used to evaluate the geographic distribution of mortgage loan originations/purchases.

### **Jackson MSA**

Overall, the geographic distribution of home mortgage loans is very poor.

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

The overall geographic distribution of home purchase loans is very poor. Performance in the 2014 through 2015 analysis period was very poor. The distribution of home purchase loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in those geographies. This reflected very poor performance. The market share performance was poor. In both low- and moderate-income tracts, the market share was significantly below the overall market share in the AA.

Performance in 2013 was consistent with the performance in 2014 through 2015, and was very poor.

### ***Home Improvement Loans***

The overall borrower distribution of home improvement loans is excellent. Performance in the 2014 through 2015 analysis period was excellent. The distribution of home improvement loans in both low- and moderate-income tracts exceeded the percentage of owner-occupied housing units in those tracts. The market share in low-income tracts exceeded the overall market share and the market share in moderate-income tracts was near the overall market share in the AA. This reflected excellent performance.

Performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period, and was excellent.

### ***Refinance Loans***

The overall geographic distribution of home refinance loans is poor. Performance in the 2014 through 2015 analysis period was poor. The distribution of refinance loans in both low- and moderate-income tracts was below the percentage of owner-occupied housing units in those geographies. This reflected poor performance. The market share in both low- and moderate-income tracts was adequate and was slightly below the overall market share in the AA.

Performance in 2013 was consistent with the performance noted in 2014 through 2015, and overall is considered poor.

Southern Non-MSA

The overall geographic distribution of mortgage loans is adequate. In determining the geographic distribution conclusion, we considered demographic factors, which could hamper the ability to make loans in the AA. In this AA, there is one low-income tract, which has 720 owner-occupied units compared to 5,000 owner-occupied units in moderate-income tracts. Therefore, we placed more emphasis on the performance in moderate-income tracts to determine the overall conclusion.

*Home Purchase Loans*

The overall geographic distribution of home purchase loans is adequate. Performance in the 2014 through 2015 analysis period was adequate. The percentage of home purchase loans in the low-income geography was significantly below the percentage of owner-occupied housing units in those geographies. This reflects very poor performance. The distribution of loans in moderate-income tracts was excellent and exceeded the percentage of owner-occupied units in those tracts. The market share was poor. TNB originated no loans in low-income tracts in 2014 and the market share in moderate-income tracts was significantly below the overall market share in the AA.

The performance in 2013 is stronger than the performance noted in 2014 through 2015, and overall is good. This conclusion was due to stronger market share performance. TNB's market share in both low- and moderate-income CTs exceeded the overall market share in the AA. This performance was not significant enough to have a greater impact on the overall home purchase conclusion.

*Home Improvement Loans*

The distribution of home improvement loans is poor. Performance in the 2014 through 2015 analysis period was adequate. The percentage of home improvement loans in the low-income geography was significantly below the percentage of owner-occupied housing units in that CT. This reflects very poor performance. The distribution of loans in moderate-income tracts was adequate and slightly below the percentage of owner-occupied units in those tracts. This reflects poor performance. The market share was good. In low-income tracts, the market share was near the overall market share of loans in all tracts. In moderate-income tracts, the market share exceeded its overall market share in the AA.

The performance in 2013 is weaker than performance in the 2014 through 2015 analysis period, and was very poor. The distribution of home improvement loans in both low- and moderate-income geographies was significantly below the percentage of owner-occupied housing units in those geographies. The market share in both low- and moderate-income tracts was significantly below their overall market share in the AA.

*Refinance Loans*

The overall geographic distribution of home refinance loans is good. Performance in the 2014 through 2015 analysis period was good. The distribution of home refinance loans in the low-income CT is excellent and exceeded the percentage of owner-occupied housing units in that geography. The percentage of loans in moderate-income geographies was adequate and was below the percentage of owner-occupied housing units in those geographies. The market share was good. In low-income tracts, the market share exceeded the overall market share. In moderate-income tracts, the market share was good and was slightly below the overall market share.

Performance in 2013 was stronger than the performance noted in 2014 through 2015, and overall is considered excellent. The percentage of home refinance loans in low income geographies was excellent.

The percentage of home refinance loans to low income geographies exceeded the percentage of owner-occupied housing units in those geographies. The percentage of home refinance loans in moderate-income geographies was slightly below the percentage of owner-occupied housing units in those geographies and is good. The market share in low and moderate-income geographies exceeded the overall market share in the AA. These factors had a neutral impact on the overall rating for geographic distribution of refinance loans.

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

Overall, the geographic distribution of small loans to businesses is excellent. The distribution of small loans to businesses in both the Jackson MSA and Southern Non-MSA is excellent.

Refer to Table 6 in the state of Mississippi section of Appendix D-24 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to businesses.

#### **Jackson MSA**

The overall geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in the 2014 through 2015 analysis period is excellent. The distribution of loans in both low- and moderate-income tracts approximated the percentage of businesses in those tracts. The market share in both low- and moderate-income tracts is excellent and exceeded the overall market share of small loans to businesses.

The performance in 2013 was consistent with the performance noted in 2014 through 2015, and is excellent

#### **Southern Non-MSA**

The overall geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in the 2014 through 2015 analysis period was excellent. The percentage of small loans to businesses made in the low-income tract was poor and was significantly below the percentage of businesses in that CT. However, lending opportunity is limited as there are only 202 small businesses in this low-income tract. Therefore, performance in moderate-income tracts had a greater influence on the rating. The distribution of loans in moderate-income tracts was excellent and exceeded the percentage of businesses in those CTs. The market share was excellent and exceeded the overall market share of small loans to businesses in both low- and moderate-income tracts.

Performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period.

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

Overall, the geographic distribution of small loans to farms is excellent. The geographic distribution of small loans to farms in the Jackson MSA is excellent and the geographic distribution of small loans to farms in the Southern Non-MSA is good.

Refer to Table 7 in the state of Mississippi section of Appendix D-25, for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to farms.

Jackson MSA

The overall geographic distribution of small loans to farms is excellent after considering the very limited opportunities to originate small loans to farms. According to the 2010 Census data, there are 43 and 213 farms in the low- and moderate-income geographies, respectively.

The geographic distribution of small loans to farms in the 2014 through 2015 analysis period is excellent. Given consideration of the limited opportunities to make loans in the low-income tracts, the conclusions on performance in moderate-income tracts was a bigger factor in the rating. The distribution of loans in the low-income CTs was significantly below the percentage of farms in these geographies. The distribution of loans in moderate-income tracts was excellent and exceeded the percentage of farms in these tracts. The market share was good. In low-income tracts, the market share was adequate and slightly below the overall market share. In the moderate-income tracts, the market share was excellent and exceeded the overall market share for small loans to farms.

Performance in 2013 was consistent with the performance in 2014 through 2015.

Southern Non-MSA

The overall geographic distribution of small loans to farms is good considering the extremely limited opportunities to originate small loans to farms. According to the 2010 Census data, there are three farms in the low-income geography and 56 farms in the moderate-income CTs. Because of the extremely limited opportunities in low-income tracts, performance in moderate-income tracts was a bigger factor in the rating.

TNB's geographic distribution of small loans to farms in the 2014 through 2015 analysis period was excellent. TNB originated no small loans to farms in low-income CTs. In moderate-income tracts, the distribution of loans was excellent and exceeded the percentage of farms in these tracts. The market share in moderate-income tracts was excellent and exceeded the overall market share for small loans to farms.

The performance in 2013 was weaker than the performance noted in 2014-2015, and is adequate. The percentage of small loans to farms originated in moderate-income geographies was significantly below the percentage of small farms in those geographies. The market share in moderate-income geographies was near to the overall market share for small loans to farms. This performance had an impact on the overall small loans to farms conclusion.

***Lending Gap Analysis***

We reviewed summary reports, maps, and analyzed TNB's home mortgage and small business lending activities during the evaluation period to determine whether there are gaps in the geographic distribution of loans. We did not identify any unexplained gaps.

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

The overall distribution of lending by income level of borrowers is adequate. The dispersion of loans in both the Jackson MSA and Southern Non-MSA AA is adequate. In the Southern Non-MSA AA, excellent lending of small loans to businesses, had a positive influence on poor home mortgage lending performance.

### *Home Mortgage Loans*

Refer to Tables 8, 9 and 10 in the state of Mississippi section of Appendix D-26, D-27 and D-28, for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Overall, the borrower distribution of home mortgage loans is adequate. According to the Federal Housing Finance Authority, the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$154,810 at the end of 2013 to \$162,840 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

#### Jackson MSA

Overall, the borrower distribution of home mortgage loans is adequate.

### *Home Purchase Loans*

The overall borrower distribution of home purchase loans is adequate. Performance in the 2014 through 2015 analysis period was adequate. The percentage of home purchase loans to low-income borrowers was significantly below the percentage of low-income families in the AA. This reflects poor performance. The dispersion of loans to moderate-income borrowers was excellent and near the percentage of moderate-income families in the AA. The market share was adequate. The market share to low-income borrowers was below the overall market share and considered good. The market share to moderate-income borrowers was poor and was significantly below their overall market share in the AA.

Performance in 2013 was consistent with 2014 through 2015 performance.

### *Home Improvement Loans*

The overall dispersion of home-improvement loans is excellent. The distribution of loans during the 2014 through 2015 analysis period was excellent. The dispersion of loans to low-income borrowers was near the percentage of low-income families in the AA and considered excellent. The dispersion of home-improvement loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA and considered excellent. The market share of loans to both low- and moderate-income borrowers was excellent and exceeded its overall market share of home-improvement loans.

The performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period.

### *Refinance Loans*

The overall borrower distribution of home refinance loans is good. The borrower distribution of home refinance loans during the 2014 through 2015 analysis period was good when considering market share performance. The percentage of home refinance loans to low-income borrowers was significantly below the percentage of low-income families. This reflects poor performance. The dispersion of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families in the AA. The market share of loans was excellent. The market share to low- and moderate-income borrowers approximated and exceeded the overall market share of refinance loans, respectively.

Performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period.

Southern Non-MSA

Overall, the borrower distribution of home mortgage loans is poor. According to 2010 census data, the median age for housing in the LMI geographies is 44 and 35 years respectively. Older housing often cost less to purchase, but requires additional funds to maintain, repair or rehabilitate.

*Home Purchase Loans*

The overall borrower distribution of home purchase loans is poor when considering 2013 performance. Performance in the 2014 through 2015 analysis period was very poor. The distribution of home purchase loans to low-income borrowers was very poor and was significantly below the percentage of low-income families in the AA. The distribution of loans to moderate-income borrowers was excellent. The distribution of loans to moderate-income borrowers was slightly below the percentage of moderate-income families in the AA. The market share of home purchase loans was adequate. The market share to low income borrowers is very poor. The market share of loans to low income borrowers was significantly below the market share for the area. The market share to moderate-income borrowers was also good and slightly below their overall market share of home purchase loans in the AA. One factor contributing to poor performance in low-income tracts in the Southern Non-MSA, is attributed to having no branches in low income tracts.

The performance in 2013 is slightly better than performance during 2014 through 2015 analysis period and is poor. The dispersion of loans to low income borrowers was significantly below the percentage of those families in the AA and considered very poor. The dispersion of loans to moderate income borrowers was poor. The market share of home purchase loans to both low and moderate-income borrowers was significantly below the overall market share in the AA and considered poor. The performance had a positive impact on the home purchase conclusion.

*Home-Improvement Loans*

The overall borrower distribution of home-improvement loans is good. The distribution of loans during the 2014 through 2015 analysis period was good. The distribution of home-improvement loans to low-income borrowers was good. The distribution of loans to low income borrowers was slightly below the low income owner occupied units in the AA. The distribution of loans to moderate-income borrowers exceeded the percentage of moderate-income families and is excellent. The market share of home-improvement loans was good. The market share to low-income borrowers was adequate and below the overall market share of home-improvement loans. The market share of loans to moderate-income borrowers was excellent and exceeded the overall market share of home-improvement loans.

Performance in 2013 was consistent with performance in the 2014 through 2015 analysis period and is good.

*Refinance Loans*

The overall borrower distribution of home refinance loans is poor. The distribution of loans during 2014 through 2015 analysis period is adequate when considering market share performance. The dispersion of home refinance loans to low income borrowers was significantly below the percentage of these families in the AA. This reflects poor performance. The dispersion of home refinance loans to moderate income borrowers was significantly below the percentage of these families in the AA and considered very poor. The market share was adequate. The market share of loans to low-income borrowers is excellent and exceeded the overall market share of refinance loans. The market share to moderate-income borrowers was poor. The market share of loans to moderate-income borrowers was significantly below the overall market share of refinance loans.

Performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period and is poor.

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

The overall borrower distribution of small loans to businesses is adequate.

Refer to Table 11 in the state of Mississippi section of Appendix D-29 for the facts and data used to evaluate the borrower distribution of origination and purchase of small loans to businesses.

#### Jackson MSA

The overall borrower distribution of small loans to businesses is adequate. The distribution of small loans to businesses during the 2014 through 2015 analysis period was adequate. The percentage of small loans to businesses (businesses with gross annual revenue of \$1 million or less) was significantly below the percentage of small businesses in the AA. While the percentage of loans reflected poor performance, other lenders did not fare better than TNB in reaching these businesses, as reflected by the market share data. The market share of small loans to businesses approximated the same as the overall market share of loans to all businesses which reflected good performance.

TNB's performance in 2013 reflected stronger performance than was noted in 2014 through 2015, and overall is good. The percentage of small loans to small businesses was adequate and below the percentage of small businesses in the AA. The market share of small loans to businesses exceeded the overall market share of loans to small businesses and is excellent. This performance was considered in the overall small loans to businesses conclusion.

#### Southern Non-MSA

The overall borrower distribution of small loans to businesses is good. The borrower distribution of small loans to businesses during the 2014 through 2015 analysis period was adequate. The distribution of small loans to businesses was significantly below the percentage of small businesses in the AA and considered adequate. While the percentage of loans reflected adequate performance, other lenders did not fare better than TNB in reaching business, as reflected by the market share data. The market share of small loans to small businesses exceeded the overall market share of loans to small businesses which reflected excellent performance.

TNB's performance in 2013 was weaker than the performance noted in 2014 through 2015, and overall is adequate. This rating was due to weaker market share performance. The distribution of loans to small businesses was significantly below the percentage of small businesses in the AA and considered adequate. The market share of small loans to businesses was near the overall market share of loans to all businesses and considered good. This performance was not significant enough to influence the overall small loans to businesses conclusion.

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

The overall borrower distribution of small loans to farms is adequate.

Refer to Table 12 in the state of Mississippi section of Appendix D-30 for the facts and data used to evaluate the borrower distribution of originations and purchase of small loans to farms.

Jackson MSA

The overall borrower distribution of small loans to farms is good. The borrower distribution of small loans to farms during the 2014 through 2015 analysis period was adequate. The distribution of small loans to small farms (farms with gross annual revenue of \$1 million or less) was below the percentage of small farms in the AA and considered adequate. The market share of small loans to small farms approximated the overall market share of loans to all farms and considered excellent.

TNB's performance in 2013 was similar to the performance noted in 2014 through 2015, and overall is good. The distribution of small loans to farms was significantly below the percentage of small farms in the AA and considered poor. The market share of loans to small farms exceeded its overall market share of loans to small farms and considered excellent. This performance was not significant enough to influence the overall small loans to farms conclusion.

Southern Non-MSA

The overall borrower distribution of small loans to farms is good. The borrower distribution of small loans to farms during the 2014-2015 analysis period was good. The percentage of small loans to small farms was near to the percentage of small farms in the AA. The market share of small loans to small farms exceeded the overall market share of loans to small farms and considered excellent.

Performance in 2013 was consistent with the performance in the 2014 through 2015 analysis period.

**Community Development Lending**

Refer to Table 1 Lending Volume in the state of Mississippi section of Appendix D-19 for the facts and data used to evaluate the level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

Jackson MSA

TNB's level of CD lending was exceptionally strong, and had a significantly positive impact on its overall lending performance in the Jackson AA. This performance compensated for overall poor retail lending performance. According to the 2010 Census, the median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing in part to lower median housing values in LMI census tracts. The 2010 Census reports that the median age of housing stock in LMI tracts was 41 years and 37 years, respectively, compared to 28 years for middle-income geographies and 22 years for upper-income tracts. In general, older housing has a lower purchase price but higher maintenance costs. The older properties in LMI areas contributes to the identified needs in this AA for improved affordable housing facilities and economic development. TNB met these needs by providing loans for affordable rental housing, new schools, infrastructure improvements, working capital, and economic development in the AA.

During this evaluation period, TNB originated 36 loans totaling \$135.1 million, which represented 28 percent of Tier One Capital allocated to the AA. The benefactors of these loans are organizations that serve low- and moderate-income individuals or areas. These loans were not innovative or complex but they demonstrate an excellent responsiveness to meeting the needs in the AA.



Some examples of the types of loans made include:

*Affordable Housing* – TNB originated eight loans totaling \$15 million to construct or renovate affordable housing units in the AA for low- and moderate-income individuals. The impact of these loans, provided addressed an identified credit need in the AA. .

*Economic Development* – TNB originated three loans totaling \$47.9 million. The proceeds of one loan constructed a hospital that will accommodate 25 patients. The hospital is in a moderate-income tract designated as “medically underserved” by the United States Department of Health and Human Services. Another loan originated to construct a restaurant that will employ between 66 and 76 low- and moderate-income workers. A third loan constructed a commercial building for lease to an automobile corporation. This company will employ at least 500 low-to moderate-income individuals.

*Stabilize and Revitalize* – TNB originated three loans totaling \$12.7 million using Tax Increment Financing (TIF) funds. All three loans were supported by New Market Tax Credits. Two of the loans were to construct a mixed-use project that includes retail and 78 units of residential housing. This project is located in a moderate-income CT. The other loan provides infrastructure improvements to roads and streets in a TIF district to build an outlet mall that could create up to 1,600 retail jobs for low- and moderate-income individuals.

#### Southern Non-MSA

TNB’s level of CD lending was exceptionally strong, and had a significantly positive impact on its overall lending performance in the Southern Non-MSA AA. This performance compensated for overall adequate retail lending performance. During the evaluation period, TNB originated seven community development loans for \$12.8 million in this AA, which represented 19 percent of Tier One Capital allocated to the AA. While these loans were not innovative or flexible, they did address the affordable housing and community service needs in the AA.

*Affordable Housing* – TNB originated two loans totaling \$2.5 million. TNB originated one loan to construct a 26-unit housing complex that received Low Income Housing Tax Credits (LIHTCs). A second loan originated to a public housing authority that provides 435 units of low-rent housing for low- and moderate-income individuals in the AA.

*Community Service* – TNB originated five loans totaling \$10.3 million. These loans were to non-profit organizations that provide health care and education to low- and moderate-income individuals in the AA.

#### Mississippi Statewide CD Loans

TNB made 23 CD loans totaling \$30 million throughout the state of Mississippi. Of this, \$29 million have no purpose, mandate, or function (PMF) that includes serving the credit needs of the AA. These CD loans originated to construct or renovate affordable housing for low- or moderate-income individuals, improve schools in school districts throughout the state where the majority of the students attending the school are low- or moderate-income and to reconstruct a facility destroyed by a tornado, which employed over 600 individuals.

## **Product Innovation and Flexibility**

TNB's use of innovative and flexible loans products had a neutral impact on the lending performance. TNB offers a standard mix of loans including FHA, VA, and SBA loans. TNB also offers a small dollar loan product that we discussed in the Overall Scope of Evaluation section. TNB did not provide any detailed data regarding the use of these products in the AAs.

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

Based on the limited-scope review, TNB's performance under the Lending Test in the Central Non-NSA and West Non-MSA AAs is consistent with the overall "Low Satisfactory" performance in the state. In the Gulfport-Biloxi MSA, Hattiesburg MSA, East Non-MSA, and North Non-MSA performance is stronger than the overall performance in the state, and considered good due to stronger geographic distribution in all AAs. Performance in the limited-scope AAs was not significant enough to have an impact on the overall Lending Test rating for the state.

Refer to Tables 1 through 12 in the state of Mississippi section of Appendix D-19 through D-30 for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

Performance under the investment test in Mississippi is rated Outstanding. Based on full-scope reviews, performance in the Jackson MSA is excellent. In the Southern Non-MSA, performance is excellent. Activity in the boarder statewide or regional area had a positive impact on the overall Investment Test.

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

#### Jackson MSA

When we considered current and prior period investments, TNB's investment activities in this AA are excellent as TNB made 422 investments totaling \$33.7 million or 6.99 percent of allocated Tier One Capital. During this evaluation period, TNB made 395 investments totaling \$22.1 million in this AA and these investments primarily consist of MBSs secured by mortgages to low- and moderate-income individuals. TNB's purchase of these MBSs provide liquidity to the secondary market lenders and demonstrate adequate responsiveness to meeting the identified affordable housing needs in the AA. There are two investments that are particularly noteworthy; both are New Market Tax Credits (NMTCs). One investment for \$8.3 million, with \$4.1 million currently funded, to construct a new hospital facility. The new facility will retain existing jobs and will create 129 new positions. The substantial majority new positions will be low- and moderate-income jobs. The other investment for \$2.8 million helped to build an outlet mall in a moderate-income distressed census tract. The project is expected to create 1,600 low- and moderate-income retail jobs.

TNB also made 371 grants and donations totaling \$1.252 million to organizations that provide affordable housing and community service to low- and moderate-income individuals, economic development, and that help stabilize and revitalize LMI areas. Specific examples include organizations providing a food pantry, meal on wheels, servicing health care needs of the underserved, financial

literacy, services for the homeless and after school programs for low- and moderate-income families. Among the many LMI individuals and families that have benefited from these grants and donations made by TNB, over 2,300 students and 2,000 adults received financial literacy training.

TNB has 27 investments still outstanding from prior periods totaling \$11.6 million. These investments primarily include MBSs secured by mortgages to low- and moderate-income individuals in the AA. Also included in this total is a multi-investment fund to acquire and renovate a 108-unit apartment complex, a single project fund investment to renovate a 60-unit apartment project supported by LIHTCs and NMTC projects to rehabilitate vacant buildings that brought new businesses into the area and created jobs. These investments continue to have a positive impact on the AA as they support affordable housing for LMI individuals and economic development activities.

#### Southern Non-MSA

When we considered current and prior period investments, TNB made 105 qualified investments in this AA totaling \$6.963 million, which represents 10.14 percent of allocated Tier One Capital. The investment activities in this AA are excellent and highly responsive to addressing the community service and affordable housing needs in the AA. During this evaluation period, TNB made 102 investments totaling \$4.7 million. This amount represents 7 percent of allocated Tier One Capital. Particularly noteworthy is a \$4.3 million equity investment in a NMTC project. This investment is part of a larger equity and debt-financing project that will build a new facility for a local hospital. The hospital is located in both a distressed and underserved middle-income tract and is the only hospital within 35 miles. The new facility made it possible to retain 300 jobs and increase access to vital health care services in the area. This equity investment demonstrates excellent responsiveness to meeting the community service needs in this distressed area. TNB also has four MBSs secured by mortgages of low- and moderate-income individuals in the AA.

TNB extended 97 grants and donations totaling \$96 thousand, which provide community service to low- and moderate-income individuals in the area. The grants provide school supplies to disadvantaged students, support disadvantaged students in schools, financial literacy programs, food pantries and scholarships for low- and moderate-income students.

TNB has three investments totaling \$2.256 million outstanding from prior periods. Two of these investments are MBSs secured by mortgages of low- and moderate-income individuals in the AA. The other investment of \$2.1 million is a multi-investor fund to construct a 26-unit low-income complex using LIHTCs. This LIHTC project continues to have a positive impact in addressing the affordable housing needs in the AA.

#### Mississippi Statewide Investments

TNB made two investments totaling \$3.9 million that benefit a broader statewide or regional area that includes TNB's AAs. These NMTC projects brought two new businesses into nearby counties and created 275 new jobs. While these businesses are not located in the AA, the job creation may benefit individuals living in nearby counties that are within the AA and therefore the entity has a PMF to serve an AA.

TNB also made four grants/donations for \$8 thousand to an organization that provides digital financial education software to schools throughout the state. The schools receiving the software are primarily comprised of students that are low- or moderate-income. In addition, TNB has five MBSs totaling \$140

thousand from prior periods that continue to have a positive impact on the AA. The activity pertaining to the investments do not have a PMF to serve an AA.

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

Based on limited-scope reviews, performance under the investment test in the Gulfport-Biloxi, Hattiesburg MSA, East Non-MSA, and West Non-MSA is consistent with the Outstanding performance in the state.

In the Central Non-MSA and North Non-MSA, performance is weaker than the overall performance in the state. Weaker performance was due to a lower level of investments, and was not significant enough to influence the overall investment test rating in the state.

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

## **SERVICE TEST**

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

Performance under the service test in Mississippi is rated Outstanding. Based on full-scope reviews, the performance in the Jackson MSA is excellent. Performance in the Southern Non-MSA AA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Mississippi section of Appendix D-32, for the facts and data used to evaluate the distribution of branch delivery system and branch openings and closings.

#### Jackson MSA

TNB's branch distribution in the AA is excellent. Branches were readily accessible to geographies and individuals of different income levels in the assessment area. TNB has 50 branches in this AA with six branches in low-income tracts and nine in moderate-income tracts. The distribution of branches in both low- and moderate-income tracts exceeded the percentages of the population in these tracts.

Branch openings and closings in the Jackson MSA have not adversely affected the delivery systems to LMI geographies or individuals. During this evaluation period, TNB opened two and closed two branches. One branch opened in a moderate-income tract and another closed in a different moderate-income tract in this AA. A branch also opened in an upper-income tract and another closed in a middle-income tract. The reasons for the branch closings were physical facility problems and decline in deposits, loans, and profitability.

Branch hours and services offered throughout the Jackson MSA are adequate and do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Banking hours are comparable among the various locations regardless of the income levels of the geography. TNB also offers alternative delivery systems such as online banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for additional information on the bank at work program.

Retail services offered in the AA are good and include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market Accounts.

### Southern Non-MSA

TNB's branch distribution in this AA is adequate. TNB has 12 branches in this AA. Branches are accessible to geographies and individuals of different income levels in the assessment area. There are no branches located in the low-income geographies although approximately 5,400 reside in low-income tracts. TNB has two branches in the moderate-income areas of this AA. The percentage of branches in the moderate-income area exceeded the percentage of the moderate-income population to the total population.

During this evaluation period, TNB did not open or close any branches in this AA.

Branch hours and services offered throughout the Southern Non-MSA AA are adequate and do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Banking hours are comparable among the various locations regardless of the income levels of the geography. TNB also offers alternative delivery systems such as online banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for additional information on the bank at work program.

Retail services offered in the AA are good and include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market Accounts.

## **Community Development Service**

### Jackson MSA

In the Jackson MSA, CD service activities are good given the number of activities provided. Affordable residential, multifamily housing, community development and financial literacy are identified needs in most AAs and TNB met this need by providing training to 4,426 individuals during this evaluation period. The volume of training provided demonstrates good responsiveness to meeting the identified need in the AA. Specific training provided includes:

- TNB employees provided financial literacy training to 2,328 students at schools primarily composed of low- and moderate-income students.
- TNB employees provided financial literacy training to nine non-profit organizations with 2,050 participants. The training discusses homebuyer education, mortgage loan basics, foreclosure prevention and financial assistance and the approval process.
- A TNB employee held small business literacy training with 48 participants.

Eight TNB employees provided financial literacy services to 19 organizations in the AA. Employees serve on the board or committees of organizations that provide affordable housing or community service for low- and moderate-income individuals or that provide economic development in low- or moderate-income areas.

Examples include:

- Service on the board for an organization that provides budget counseling, mortgage delinquency and default resolution programs.
- Service on the board for a housing organization that provides services for the homeless.
- Service on the board for a foundation that promotes economic development in the AA.
- Service on the board for an organization that provides financial literacy among students in pre-kindergarten through college. The majority of the students in the targeted schools are low- or moderate-income.
- Service on the advisory board for an organization that includes governmental, educational, non-profits, family services agencies. The mission of this organization is to promote financial education and economic inclusion with an emphasis on the unbanked, underbanked and the underserved.
- Service as secretary and on the board for a Community Development Entity (CDE) that provides below market cost capital to projects in underserved low-income communities.

TNB received grants from four federal agencies including the Federal Home Loan Bank (FHLB) Affordable Housing Program, Special Needs Assistance Program (SNAP), and Home Equity Leverage Partnership (HELP) and has partnerships with various CD organizations. These grants were used for housing rehabilitation, affordable housing for seniors, education, and down payment assistance. Bank employees spent 108 financial service hours to obtain these grants.

#### Southern Non-MSA

TNB's CD service activities are good and responsiveness to the need for financial literacy in the AA. During this evaluation period, 35 employees provided financial literacy training to 4,398 students. These participants primarily attend schools that are primarily composed of low- and moderate-income students. Employees use the FDIC Money Smart curriculum and Everfi Financial Education program to facilitate most of the sessions. Students learn how to create and manage a budget, the importance of checking and savings accounts and how to build good credit. Based on the number of students that benefitted from the training, TNB demonstrated a good responsiveness to meeting the financial literacy need in this AA.

Six TNB employees provided financial services to 13 community development organizations in the AA. Employees serve on the board or committees for organizations that provided affordable housing and community service for low- and moderate-income individuals. For example, one employee served as the treasurer for an organization that provides basic human care needs to sick, disadvantaged, and disabled individuals in the community. Another employee served on the board for an industrial foundation that secures new businesses and industries in the area.

TNB employees also spent 10 financial service hours to obtain an FHLB Affordable Housing Program grant in this AA. Proceeds from the grant constructed a 26-unit multifamily affordable housing complex for low- and moderate-income individuals.

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

Based on limited-scope reviews, performance under the service test in the Central Non-MSA, East Non-MSA, North Non-MSA, and West Non-MSA AAs is consistent with the overall Outstanding performance under the service test in the state.

In the Gulfport-Biloxi MSA and Hattiesburg MSA, AAs performance is weaker than the overall performance in the state. However, performance in the Hattiesburg MSA is good and is adequate in the Gulfport MSA AA. The weaker performance in this area stems from a lessor branch distribution. The combined performance in the limited-scope AAs did not influence the overall service test rating for the state.

Refer to Table 15 in the state of Mississippi section of Appendix D-32 for the facts and data that support these conclusions.

## **State of Alabama**

### **CRA Rating for Alabama: Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: High Satisfactory**

The major factors that were considered in this rating include:

- Geographic distribution of loans is poor. Good performance for small loans to businesses augmented very poor home mortgage loan performance.
- Dispersion of loans by borrower income level is poor. The dispersion of home mortgage loans is poor. The dispersion of small loans to businesses is adequate.
- An excellent volume of CD loans that are highly responsive to identified needs had a positive impact and helped to compensate in the lending test rating for very poor home mortgage loan performance.
- The level of CD investment activity is excellent and demonstrated good responsiveness to meeting the identified needs in the AA.
- Retail delivery systems are accessible to geographies and individuals of different income levels in the AA.
- CD service performance is good.

### **Description of Institution's Operations in Alabama**

In February 2013, TNB completed the acquisition of BancTrust previously headquartered in Mobile, Alabama. This acquisition extended the footprint into Alabama and further strengthened the presence along the Florida Panhandle. As a result of the acquisition, TNB has eight AAs in Alabama including Mobile MSA, Auburn-Opelika MSA, Birmingham-Hoover MSA, Montgomery MSA, Daphne-Fairhope-Foley MSA, Barbour County Non-MSA, Marengo and Dallas Counties Non-MSA, and Butler-Escambia-Monroe Counties Non-MSA.

Because of the OMB changes in 2014, Baldwin County was removed from the Butler-Escambia-Monroe Non-MSA AA and included in the Daphne MSA AA. The Daphne MSA is a new MSA comprised only of Baldwin County. Refer to Appendix A for more information on what counties are included in each AA.

TNB has 41 branches in the state, which represents 19.07 percent of the total branching network. TNB has \$1.3 billion in deposits in the state representing 13.51 percent of the total deposit base. Based on June 30, 2015 FDIC market share information, TNB ranks ninth in the state with a deposit market share of 1.45 percent. Competition in the state is moderate with 169 financial institutions with banking offices. The five largest competitors include Regions Bank, Compass Bank, Wells Fargo Bank, Synovus Bank and Branch Banking and Trust Company, which have a combined deposit market share of 55.12 percent.



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

## **Scope of Evaluation in Alabama**

We performed a full-scope review of the Mobile MSA and the other seven AAs received limited-scope reviews. In selecting the AA to receive a full-scope review, we considered the presence, deposits and lending activity and significance of the AA to bank operations in the state. The Mobile MSA represents 21.28 percent of the deposits and 17.07 percent of TNB's branches in the state. TNB has seven banking offices in Mobile and deposits of \$282 million in this AA.

## **LENDING TEST**

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

Performance under the lending test in Alabama is rated Low Satisfactory. Based on a full-scope review performance in the Mobile MSA is adequate. As described below, although the bank's overall lending activity in the state is good, the geographic distribution of loans is very poor and the borrower distribution is poor. Excellent CD loan performance that was responsive to the needs in the AA had a positive impact on the lending test and compensated for poor retail lending performance in the Mobile MSA AA.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Alabama section of Appendix D-33 for the facts and data used to evaluate lending activity.

Based upon the volume of loans in the AA and moderate competition, lending activity is good. Based on 2015 FDIC deposit share information, TNB ranks sixth in this AA with a deposit market share of 4.39 percent. There are 20 financial institutions with 123 banking offices in this AA. TNB ranks in the top 30 percent of depositors in this AA. The top five institutions have a combined market share of 80.03 percent and includes larger institutions with a national or regional footprint such as Regions Bank, Compass Bank, PNC Bank, Wells Fargo Bank and Whitney Bank.

During this evaluation period, TNB originated 826 home mortgage loans, 723 small loans to businesses, and 8 small loans to farms. In terms of individual home mortgage loan products, TNB originated 486 home purchase loans, 26 home improvement loans, 310 refinance loans and 4 multifamily loans.

Based on 2014 Peer Mortgage data, TNB ranks sixth in this AA among 272 lenders in originating home mortgage loans with a market share of 2.85 percent. By individual loan product, TNB ranks 10th among 200 lenders in home purchase loans (market share 2.74); ninth in home-improvement loans (market share 1.76 percent) among 51 lenders; and eighth in refinance loans among 183 lenders (market share of 3.21 percent). TNB ranks in the top five percent in making home purchase loans, top 18 percent in home-improvement loans, and top four percent in refinance loans in this AA. Given the market rank and market share, home mortgage lending activity is good.

Based on 2014 Peer Small Business data, TNB ranks 10th in the AA originating small loans to businesses with a market share of 4.05 percent. There are 57 lenders in this AA. This puts TNB in the

top 18 percent in originating small loans to businesses in this AA. Considering the market share and rank and the volume of small loans to business, the lending activity is good.

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

Overall, the geographic distribution of lending is poor. Good performance in small loans to businesses augmented very poor home mortgage loan performance.

#### *Home Mortgage Loans*

Refer to Tables 2, 3, 4, and 5 in the state of Alabama section of Appendix D-34, D-35, D-36 and D-37 for the facts and data used to evaluate the geographic distribution of home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans is very poor. One factor contributing to the very poor performance is the low level of owner occupied units coupled with TNBs low market share in the AA. Only 4.02 percent of the AA's owner-occupied housing units are in the low-income census tracts. Of the total housing units in those geographies, rental and vacant units account for 65.53 percent. Of the AA's total owner-occupied housing units, 19.63 percent are located in the moderate-income tracts. The rental and vacant units in the moderate-income geographies account for 53.10 percent of the housing units. Based on these statistics, TNB had fewer opportunities for residential lending in the LMI geographies, particularly in the low-income census tracts.

#### *Home Purchase Loans*

The overall geographic distribution of home purchase loans is poor. Performance in the 2014 through 2015 analysis period is poor. The distribution of home purchase loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in these geographies. This reflects poor performance. The market share in low-income geographies was excellent as it exceeded the overall market share in the AA. The market share in moderate-income tracts was very poor and was significantly below the overall market share in the AA. This reflects adequate market share performance.

Performance in 2013 was consistent with 2014 through 2015 performance.

#### *Home-Improvement Loans*

The geographic distribution of home-improvement loans is very poor. This assessment considers a small number of loans, 21, in 2014 through 2015.

Performance in the 2014 through 2015 analysis period is very poor. None of the 21 loans TNB originated are in low- or moderate-income tracts during the evaluation period. As a result, the market share in both tracts was zero.

TNB did not originate or purchase a sufficient volume of home-improvement loans in 2013 to perform a quantitative analysis.

#### *Refinance Loans*

The overall geographic distribution of refinance loans is very poor. Performance in the 2014 through 2015 analysis period was very poor. The distribution of loans in both low- and moderate-income tracts

was significantly below the percentage of owner-occupied housing units in these geographies. This reflected very poor performance. The market share was very poor. The market share in both low- and moderate-income tracts was significantly below the overall market share in the AA.

Performance in 2013 was stronger than 2014 through 2015 performance and is poor. This was due to stronger market share performance. The market share in both low- and moderate tracts was excellent and exceeded the overall market share in all tracts. Stronger 2013 performance was not sufficient to influence the overall rating.

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

Refer to Table 6 in the state of Alabama section of Appendix D-38 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. Performance in the 2014 through 2015 analysis period is good. The distribution of loans in low-income geographies exceeded the percentage of businesses in these geographies and reflected excellent performance. The distribution of loans in moderate-income tracts was good and was slightly below the percentage of businesses in these tracts. The market share was good. The market share in low-income geographies exceeded the overall market share in the AA. The market share in moderate-income geographies was good and was slightly below the overall market share in the AA.

Performance in 2013 was consistent with the performance in 2014 through 2015.

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

We reviewed lending reports and maps of the lending activity in this AA. Based on our review, we did not identify any unexplained or conspicuous gaps in the lending activity.

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

Overall, the borrower distribution of the lending is poor. The dispersion of home mortgage loans is poor, whereas the dispersion of small loans to businesses is adequate. In arriving at the overall conclusion, home mortgage loans received more consideration than small loans to businesses as they represent the bank's primary loan products.

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

Refer to Tables 8, 9 and 10 in the state of Alabama section of Appendix D-40, D-41 and D-42 for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Overall, the distribution of home mortgage loans to borrowers of different income levels is poor. According to the Federal Home Finance Authority, the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$155,700 at the end of 2013 to \$162,730 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

*Home Purchase Loans*

The overall borrower distribution of home purchase loans is poor. Performance in the 2014 through 2015 analysis period was poor. The dispersion of loans to low-income borrowers was significantly below the percentage of low-income families in the AA. While this reflected very poor performance, the dispersion of loans to moderate-income borrowers was excellent. The dispersion of loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. The market share to both low- and moderate-income borrowers was very poor and was significantly below the overall market share.

Performance in 2013 was consistent with performance in 2014 through 2015 and is poor.

*Home-Improvement Loans*

The overall borrower dispersion of home-improvement loans is adequate. Performance in the 2014 through 2015 analysis period was adequate based on a small population of 21 loans. TNB made no home-improvement loans to low-income borrowers. The dispersion of loans to moderate-income borrowers was excellent and exceeded the percentage of these families in the AA. The market share to moderate-income borrowers was excellent and exceeded the overall market share of loans to all borrowers.

TNB did not originate or purchase a sufficient volume of home-improvement loans in 2013 to perform a quantitative analysis.

*Refinance Loans*

The overall borrower distribution of home refinance loans is poor. Performance in the 2014 through 2015 analysis period was very poor. The dispersion of home refinance loans to both low- and moderate-income borrowers was very poor. The market share to low-income borrowers was good and was near their overall market share in the AA. The market share to moderate-income borrowers was very poor. The market share of home refinance loans to moderate-income borrowers was significantly below their overall market share in the AA.

Performance in 2013 is slightly stronger than the performance in 2014 through 2015 and was adequate. This was due to stronger market share performance to moderate-income borrowers. The dispersion of loans to low- and moderate-income borrowers was well below the percentage of these families. The market share of home refinance loans to moderate-income borrowers exceeded peer overall market share in the AA. This performance positively impacted the overall home refinance conclusion.

*Small Loans to Businesses*

Refer to Table 11 in the state of Alabama section of Appendix D-43 for the facts and data used to evaluate borrower distribution of origination and purchase of small loans to businesses.

The overall distribution of small loans to businesses is adequate. Performance in the 2014 through 2015 analysis period was adequate. The dispersion of small business loans (defined as businesses with gross annual revenues of \$1 million or less) was significantly below the percentage of small businesses in the AA. This reflected poor performance. The market share was good, as the small loans to small businesses market share was near the overall market share of loans to all businesses.

Performance in the 2013 analysis period was consistent with the performance in 2014 through 2015.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Alabama section of Appendix D-33 for the facts and data used to evaluate the level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

TNB's level of CD lending was exceptionally strong, and had a significantly positive impact on its overall lending performance in the Mobile MSA. This performance compensated for overall poor retail lending performance. TNB's level of CD loans was highly responsive to the affordable housing and community service needs of the AA. During this evaluation period, TNB originated nine CD loans for \$6.9 million in this AA. This lending volume represents 20 percent of Tier One Capital allocated to the AA. The loans are not innovative or complex, but demonstrate excellent responsiveness to addressing the needs in the AA. Based on information received from current and past community contacts, as well as independent economic research firms, affordable housing is an identified need in the AA.

*Affordable housing* – TNB originated and purchased three loans totaling \$1.8 million. These three multifamily loan projects created 154 units of affordable housing for low- and moderate-income individuals. One loan that is particularly noteworthy was to a multifamily loan consortium to renovate an 80-unit facility for seniors that are low- and moderate-income. This loan is a participation purchased and demonstrates the use of loan participations as an integral part of CD lending.

*Community Service* – TNB originated five loans totaling \$5.2 million. These loans were made to non-profit and community service organizations in the AA. One loan provided permanent financing for a homeless shelter that can accommodate up to 125 people. Another loan was for working capital, originated to an organization whose mission is to address poverty and homelessness in the AA. Three other loans originated to a rescue mission, which provides services to the homeless and received New Market Tax Credits.

*Revitalize/Stabilize* – TNB originated one loan for \$556,000 for short-term working capital needs for a museum. The museum is located in a low-income tract and is part of a city plan to redevelop the Mobile waterfront area. The project used New Market Tax Credits and created 25 low- to moderate-income jobs.

### **Statewide Alabama – CD Loans**

TNB's CD lending activity in the AA was excellent. Therefore, we also considered broader regional CD lending activity that included the AA. TNB participated in eight loans totaling \$5.0 million to a non-profit loan consortium that builds multifamily affordable housing projects throughout the state. The loan proceeds renovated or constructed eight affordable housing projects that provided housing for approximately 400 low- and moderate-income families in various counties in the state. This CD lending activity has the potential to benefit the AAs in the state.

## **Product Innovation and Flexibility**

TNB's use of innovative and flexible lending products had a neutral impact on the lending performance. TNB offers a standard mix of loans including FHA, VA, and SBA loans. TNB also offers a small dollar

loan product that we discussed in the Overall Scope of Evaluation section. TNB did not provide any detailed data regarding the use or impact of these products in the AAs.

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

Based on limited-scope reviews, TNB's performance under the lending test in the Barbour County Non-MSA, Birmingham-Hoover MSA, and Butler-Escambia-Monroe Counties AAs is consistent with the adequate performance in the state of AL. In the Auburn-and Montgomery MSA, performance is stronger than the overall performance in the state and is good. Performance differences are primarily due to stronger geographic and borrower income performance and CD lending performance. In the Daphne-Fairhope-Foley MSA and Marengo and Dallas Counties AAs, performance is weaker than the overall lending test performance in the state of AL. The weaker performance in the Marengo AA is due a weaker geographic distribution of loans and due to weaker CD lending performance in the Daphne AA. Performance in the limited-scope AAs was not significant enough to influence the overall state rating.

Refer to the Tables 1 through 12 in the state of Alabama section of Appendix D-33 through D-44 for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

Performance under the investment test in Alabama is rated Outstanding. Based on full-scope reviews, the performance in the Mobile MSA is excellent.

Refer to Table 14 in the state of Alabama section of Appendix D-45 for the facts and data used to evaluate the level of qualified investments.

TNB's investment activities are excellent. During this evaluation period, TNB made 65 investments totaling \$4.89 million, which represents 14 percent of allocated Tier One Capital. These investments consist of 10 MBSs secured by mortgages of low- and moderate-income individuals and one NMTC investment. This NMTC investment is particularly noteworthy as it benefited a rescue mission for \$2.2 million. The funds paid for construction of a campus for the homeless, which include sleeping facilities that will accommodate 120 individuals. In addition to the sleeping facilities, the non-profit organization also provides assistance programs such as a community care center, drug and alcohol recovery programs, career development programs, educational and vocational training, and graduate programs. Affordable housing is an identified need in this AA and these investments demonstrate good responsiveness to meeting this need.

TNB also provided 55 grants and donations totaling \$76,850. These investments support organizations that provide affordable housing and community service to low- and moderate-income individuals in the AA. These organizations provide credit counseling, homeless shelters, food banks, affordable housing, and programs that empower unbanked and underbanked individuals through financial education and awareness. Financial contributions from TNB helped facilitate financial literacy instruction to 440 LMI individuals, over 140 LMI students, and 69 first-time homebuyers.

TNB has no prior period investments in this AA.

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

Based on limited-scope reviews, performance under the investment test in the Auburn-Opelika MSA, Birmingham-Hoover MSA, Daphne-Fairhope-Foley MSA, and Montgomery MSA is consistent with the overall Outstanding performance in the state.

In the Butler-Escambia-Monroe Non-MSA, Barbour County Non-MSA and Marengo and Dallas Counties Non-MSA performance is weaker than the overall performance in the state, due to lower investment levels. Combined performance in the limited-scope areas was not significant enough to impact the overall investment test rating in the state.

Refer to the Table 14 in the state of Alabama section of Appendix D-45 for the facts and data that support these conclusions.

## **SERVICE TEST**

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

Performance under the service test in Alabama is rated High Satisfactory. Based on full-scope reviews, the performance in the Mobile MSA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Alabama section of Appendix D-46 for the facts and data used to evaluate the distribution of the branch delivery system and branch openings and closings.

TNB's branch distribution in the Mobile AA is good, when considering the relatively limited presence in the AA. TNB has seven banking offices in this AA. Branches are accessible to essentially all portions of the AA including geographies and individuals of different income levels in the AA. One branch is located in a low-income tract and one is in a moderate-income tract. Approximately 6.34 percent of the population reside in low-income tracts compared to 14.29 percent of the branches. In moderate-income tracts, the distribution of retail banking offices is lower than the percent of the population. About 14.29 percent of the branches are located in moderate-income tracts compared to 23.70 percent of the population.

No branches opened or closed in this AA during this evaluation period.

Branch hours and services are adequate and do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Banking hours are comparable among the various locations regardless of the income levels of the geography. TNB also offers alternative delivery systems such as online banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for additional information on the bank at work program.

Other retail services offered are good and include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market

Accounts. Banking hours are comparable among the various locations regardless of the income levels of the geography.

### **Community Development Service**

TNB's performance in providing community development services in the Mobile AA is good. CD service activities include providing financial literacy training and providing financial services to CD organizations. Based on the volume of services provided, this demonstrates good responsiveness to meeting the needs in the AA. During this evaluation period, employees provided financial literacy training to organizations or individuals in the AA. Specific examples include:

- In partnership with a credit counseling organization, TNB employees provided six credit-counseling seminars to 69 participants. These first time homebuyers received information on the application and loan closing process. These sessions are in conjunction with the city's down payment assistance program.
- TNB employees instructed Junior Achievement's Economics for Success program at several local schools in the AA reaching 141 low- and moderate-income students.
- Employees held ten MoneySmart sessions for 167 low- and moderate-income individuals in the AA.
- Three employees were speakers at a small business seminar for 14 participants.
- Employees spent 12 hours presenting financial literacy information to 273 low- and moderate-income participants.

Thirteen employees also serve on the advisory board, steering committee, application committee, allocations committee or as co-chairman and treasurer for nine community service organizations. Examples include, an employee serving on the board for a child welfare agency that provides residential care and community service for neglected, abused, or homeless children. Another employee serves on the board for an organization that builds affordable housing for people in need. Upon completing families can purchase the homes with no profit and financed with no interest loans.

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

Based on limited-scope reviews, performance under the service test in the Butler-Escambia-Monroe AA is stronger than the overall performance in the state. In this AA, branch distribution is stronger in low- and moderate-income tracts. In Marengo-Dallas Counties, performance is consistent with the overall performance in the state. In Barbour County, Marengo and Dallas counties, Auburn-Opelika MSA, Daphne-Fairhope-Foley MSA, and Montgomery MSA, performance is weaker than the overall performance in the state as the branch distribution is weaker. The combined performance in the limited-scope AAs was not significant enough to influence the overall Service Test rating in the state.

Refer to Table 15 in the state of Alabama section of Appendix D-46 for the facts and data that support these conclusions.



## State of Florida

### CRA Rating for Florida: Satisfactory

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: High Satisfactory**

The major factors that were considered in this rating include:

- An adequate geographic distribution of loans. The geographic distribution of home mortgage loans is adequate and the distribution of small loans to businesses is poor.
- An adequate dispersion of loans by borrower income level. The dispersion of home mortgage loans is adequate and the dispersion of small loans to businesses is poor.
- CD lending had a neutral impact on the lending test.
- CD investment activity is excellent and was responsive to meeting the identified needs in the AA.
- Retail delivery systems are readily accessible to geographies and individuals of different income level in the full-scope AA. Branch distribution in the limited-scope AA had a negative impact on the overall Service Test rating for the state.

### Description of Institution's Operations in Florida

Trustmark has a small presence in the state of Florida with 16 banking offices. TNB has two AAs in the state including the Crestview-Fort Walton Beach-Destin MSA (Crestview) and the Panama City-Lynn Haven-Panama City Beach MSA (Panama City). The Crestview MSA includes Okaloosa and Walton counties. The 2014 OMB changes added Walton County to the MSA. Walton County was a separate Non-MSA AA prior to 2014 and ceased to exist with the OMB changes. The Crestview AA includes both counties in their entirety and this represents 44 percent of the deposits and 50 percent of the branches in the state. Refer to Appendix A for more information on the counties included in each AA.

The state of Florida represents 6.13 percent of the total deposit base, 7.44 percent of the total branching network, and 6.55 percent of total retail lending activity. With \$602 million in deposits in the state, TNB ranks 62nd with a deposit market share of 0.12 percent. Competition in the state is strong with 254 financial institutions operating 5,388 banking offices. Large financial institutions such as Bank of America, Wells Fargo Bank, SunTrust Bank, JP Morgan Chase Bank, and Regions Bank all have a major presence in the state and collectively have a total deposit market share of 52.42 percent.

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

### Scope of Evaluation in Florida

We performed a full-scope review in the Crestview MSA AA and a limited-scope review of the Panama City MSA. In selecting the Crestview MSA AA for a full-scope review, we considered the level of

lending, investment and service activity, and that this AA has not received a full-scope review. We based our ratings on the results of the areas that received full-scope reviews. When determining ratings in Florida, performance in the limited-scope areas influenced the rating. This was due to these areas comprising a majority of the reportable retail lending (75.08 percent) and deposits (56.00 percent) in the state, along with an equal number of branches (eight).

We did not include home-improvement loans in the Crestview AA. Multifamily and small farm loans were not included in any of the AAs in the state as the volume of loans was insufficient to perform a quantitative analysis. Since Walton County was not a separate AA for the majority of the evaluation period, only one of the three years, we did not perform a separate analysis of performance in this AA.

## **LENDING TEST**

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

Performance under the lending test in Florida is Low Satisfactory. Based on full-scope reviews, performance in the Crestview MSA is adequate. As described below, the overall lending activity, geographic distribution of loans, and borrower distribution of loans is adequate. CD lending had a neutral impact on lending performance.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Florida section of Appendix D-47 for the facts and data used to evaluate lending activity.

Lending activity is adequate considering the volume of loans made in this AA and the strong competition for all loan types. Home mortgage lending activity is adequate whereas lending activity for small business loans is good.

Based on June 30, 2015 FDIC deposit information, TNB ranks eighth in this AA with a deposit market share of 5.75 percent. There are 24 financial institutions with 99 banking offices in this AA. Based on deposit market rank, TNB ranks in the top 33.33 percent of the institutions in this AA. The top five institutions have a combined market share of 50.56 percent. These institutions are primarily larger banks with a regional or national footprint and a local community bank.

During this evaluation period, TNB originated 343 home mortgage loans, 298 small loans to businesses and two small loans to farms. By individual home mortgage loan product, there were 206 home purchase, 13 home-improvement, and 121 refinance loans.

Based on 2014 Peer Mortgage data, TNB ranks 24th in the AA among 453 lenders in making home mortgage loans with a market share of 1.36 percent. By loan product, they are 23rd in home purchase loans (market share 1.20 percent) and 13th in refinance loans (market share 1.61 percent). There are 338 home purchase lenders and 263 refinance lenders in this AA. TNB ranks in the top seven percent for home purchase loans and top three percent for refinance loans among all the lenders in the AA. Based on the market share and rank, lending activity is adequate.

Based on 2014 Peer Small Business data, TNB ranks 11th in the AA among 70 lenders for small loans to businesses or the top 15.71 percent of lenders. The market share is 2.57 percent. Based on the market share and rank, lending activity is good.

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

Overall, the geographic distribution of lending is adequate. The geographic distribution of home mortgage loans is adequate. The distribution of small loans to businesses is poor. Home mortgage loans received the greatest consideration as this product represents the primary business focus.

There are no low-income geographies in the Crestview AA according to 2010 U.S. Census information. Therefore, the performance for geographic distribution focuses on moderate-income geographies only.

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

Refer to Tables 2, 3, 4, and 5 in the state of Florida section of Appendix D-48, D-49, D-50 and D-51 for the facts and data used to evaluate the geographic distribution of home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans is adequate. The distribution of home purchase loans is poor and the distribution of refinance loans is good.

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

The overall geographic distribution of home purchase loans is poor. Performance in the 2014 through 2015 analysis period was poor. The distribution of loans in the moderate-income tracts was very poor and was significantly below the percentage of owner-occupied housing units in these geographies. TNB's market share in moderate-income CTs was excellent and equals the overall market share in the AA.

The volume of loans made in 2013 was not sufficient to perform a quantitative analysis.

#### ***Home Refinance Loans***

The overall geographic distribution of home refinance loans is good. Performance in the 2014 through 2015 analysis period was good when considering market share performance. The percentage of loans in moderate-income geographies was below the percentage of owner-occupied housing units in these geographies. This reflected adequate performance. The market share in moderate-income geographies exceeded the overall market share in the AA. This reflected excellent performance.

The volume of loans made in 2013 was not sufficient to perform a quantitative analysis.

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

Refer to Table 6 in the state of Florida section of Appendix D-52 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is poor. Performance in the 2014 through 2015 analysis period was poor. The distribution of loans in the moderate-income tracts was poor and was significantly below the percentage of businesses in these geographies. The market share

for small loans to businesses in the moderate-income CTs was significantly below the overall market share in the AA. This reflected very poor performance.

Performance in 2013 is consistent with the performance in 2014 through 2015.

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

We reviewed summary reports, maps, analyzed TNB's home mortgage, and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall borrower distribution of lending is adequate. The dispersion of home mortgage loans is adequate and the dispersion of small loans to businesses is poor. Home mortgage lending influenced the overall conclusion.

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

Refer to Tables 8, 9 and 10 in the state of Florida section of Appendix D-54, D-55 and D-56 for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Overall, the borrower distribution of home mortgage loans is adequate. The dispersion of home purchase loans is adequate and the dispersion of refinance loans is poor. According to the Federal Housing Finance Authority, the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$183,400 at the end of 2013 to \$198,870 by the end of 2015. Given the median family income for the AA as noted above, these median sales prices are not necessarily affordable for low and moderate income families.

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

The overall borrower distribution of home purchase loans is adequate. Performance in the 2014 through 2015 analysis period was adequate. The dispersion of loans to low-income borrowers was significantly below the percentage of low-income families in the AA. This reflected poor performance. The dispersion of loans to moderate-income borrowers was adequate and below the percentage of moderate-income families in the AA. The market share was good. The market share to low-income borrowers exceeded their overall market share in the AA. This reflected excellent performance. The market share to moderate-income borrowers was good and was near the overall market share in the AA.

The volume of loans made in 2013 was not sufficient to perform a quantitative analysis.

#### ***Home Refinance Loans***

The overall borrower distribution of home refinance loans is poor. The borrower distribution of home refinance loans during the 2014 through 2015 analysis period was poor. The distribution of loans to both low-and moderate-income borrowers was significantly below the percentage of these families in the AA. This reflects poor performance. The market share is poor. The market share to low-income borrowers was below the overall market share of refinance loans and reflected adequate performance. The market share to moderate-income borrowers was poor. The market share of loans to moderate-income borrowers was significantly below the overall market share of refinance loans.

The volume of loans originated in 2013 was not sufficient to perform a quantitative analysis.

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

Refer to Table 11 in the state of Florida section of Appendix D-57 for the facts and data used to evaluate the borrower distribution of origination and purchase of small loans to businesses.

The overall distribution of small loans to businesses is poor. Performance in the 2014 through 2015 analysis period was poor. The percentage of loans made to small businesses (defined as businesses with gross annual revenues of \$1 million or less) was significantly below the percentage of small businesses in the AA. This reflects poor performance. The market share was adequate as the market share of small loans to small businesses was slightly below their overall market share of loans to all businesses.

TNB's performance in 2013 was stronger than the performance noted in 2014 through 2015, and overall is adequate. Although the percentage of small loans to small businesses was significantly below the percentage of small businesses in the AA, TNB's market share of loans to small businesses exceeded its overall market share of loans to all businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Florida section of Appendix D-47 for the facts and data used in evaluating the level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

The level of CD loans is adequate based on the number of loans originated during the evaluation period. CD lending activity had a neutral impact on overall lending test performance. TNB originated two loans totaling \$482,382, which represented one percent of Tier One Capital allocated to the AA. One loan was to an organization to finance an affordable housing multifamily apartment complex. The other loan provided operating funds for an affordable housing apartment complex. These loans helped to create and maintain 32 affordable housing units for low- and moderate-income individuals in the AA.

These loans were not innovative or complex in nature but showed adequate responsiveness to meeting the affordable housing needs in the AA.

### **Product Innovation and Flexibility**

TNB's use of innovative and flexible lending products had a neutral impact on lending performance. TNB offers a standard mix of loans including FHA, VA, and SBA loans. TNB also offers a small dollar loan product that we discussed in the Overall Scope of Evaluation section. TNB did not provide any detailed data regarding the use or impact of these products in the AAs.

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

Based on a limited-scope review, performance under the lending test in the Panama City MSA is consistent the overall Low Satisfactory performance under the lending test in the state. Refer to the Tables 1 through 12 in the state of Florida section of Appendix D-47 through D-58 for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

Performance under the investment test in Florida is rated Outstanding. Based on full-scope reviews, performance in the Crestview MSA is excellent.

Refer to Table 14 in the state of Florida section of Appendix D-59 for the facts and data used to evaluate the level of qualified investments.

Investment activity is excellent based on the level of investments made and their responsiveness to the needs in the community. When we considered current and prior period investments, TNB made 67 investments for \$4.853 million, which represents 14.97 percent of allocated Tier One Capital.

During this evaluation period, TNB made 59 investments totaling \$4.025 million, which includes 13 MBSs totaling \$3.976 million secured by mortgages of low- and moderate-income individuals in the AA. The investments were not complex or innovative in nature but showed excellent responsiveness to meeting the needs in the community.

Additionally, TNB extended 46 grants and donations totaling \$49,468 in this AA. These grants were to organizations that provide services to low- and moderate-income individuals including scholarships, food, shelter and temporary housing, affordable housing, and support for the homeless.

TNB has eight investments totaling \$828 thousand still outstanding from prior periods. These MBS continue to have a positive impact on the AA by enabling individuals in the AA to purchase affordable housing.

#### Statewide Florida – Investments

TNB made one grant for \$3 thousand to an organization that provides food for low- or moderate-income children throughout the state. This organization does not have a PMF to serve the AA.

#### Nationwide Investments

TNB has a prior period investment of \$4.838 million in a nationwide SBIC fund. The SBIC has invested in 18 businesses including three businesses in the AA. This investment continues to have a positive impact on the AA and the entity has a PMF that includes serving the AA.

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

Based on a limited-scope review, performance under the investment test in the Panama City MSA is consistent with the overall performance in the state.

Refer to the Table 14 in the state of Florida section of Appendix D-59 for the facts and data that support these conclusions.

## **SERVICE TEST**

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

Performance under the service test in Florida is rated High Satisfactory. Based on full-scope reviews, performance in the Crestview MSA is excellent. However, performance in the limited-scope AA had a negative impact on the overall Service Test rating for the state.

### **Retail Banking Services**

Refer to Table 15 in the state of Florida section of Appendix D-60 for the facts and data used to evaluate the distribution of the branch delivery system and branch openings and closings.

TNB has eight branches in the Crestview AA. The branch distribution in the AA is excellent. There are no low-income tracts in this AA. Branches were readily accessible to geographies and individuals of different income levels in the assessment area. TNB has two branches in the moderate-income areas, which exceeds the percentage of the population in the moderate-income census tracts. Approximately 18.68 percent of the population live in moderate-income tracts.

During this evaluation period, TNB closed three branches in upper-income tracts due to overlap of branches from the BancTrust merger. These closures did not adversely influence individuals living in the AA, as these branches were in close proximity to existing TNB branches.

Banking hours and services are adequate and are comparable among the various locations regardless of the income level of the geography. Banking hours and services do not vary in a way that inconvenience portions of the AA, particularly LMI individuals. TNB also offers alternative delivery systems such as online banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for additional information on the bank at work program.

Other retail services offered include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market Accounts.

### **Community Development Service**

The level of CD service activities is adequate. This assessment considers the types of services provided and the identified needs in the AA. Financial literacy is an identified need in this AA. TNB employees taught six MoneySmart financial literacy sessions to 480 students. Students learn about savings, debit cards, and the role of banks. The majority of the students attending these schools are low- and moderate-income. In addition, employees taught a session on financial responsibility to 20 students.

Four employees also serve on boards, selection committees, and treasurer and funds distribution committees for four qualified CD organizations. These organizations provide affordable housing and community service to low- and moderate-income individuals in the AA.

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

Based on a limited-scope review, performance under the service test in the Panama City MSA is weaker than their overall performance in the state. This weaker performance is primarily due to weaker branch distribution. Performance in the Panama City MSA had a negative impact on the Service Test rating. Panama City represents 50 percent of the branching network and 56 percent of deposits in the state of Florida.

Refer to Table 15 in the state of Florida section of Appendix D-60 for the facts and data that support these conclusions.



## State of Texas

### **CRA Rating for Texas: Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Low Satisfactory**

The major factors that were considered in this rating include:

- The geographic distribution of loans is poor. The distribution of both small loans to businesses and home mortgage loans is poor.
- The dispersion of loans by borrower income level is poor. The dispersion of both small loans to businesses and home mortgage loans is poor.
- An excellent level of CD loans that are highly responsive to affordable housing and community service needs had a positive impact on the lending test rating.
- Investment activities are excellent and were responsive to the identified needs in the AA.
- Retail delivery systems are reasonably accessible to geographies and individuals of different income levels. CD service activities are adequate given the activities performed and the identified needs in the AA.

### **Description of Institution's Operations in Texas**

The state of Texas represents 4.30 percent of total deposits and 6.51 percent of their total branching network. TNB ranks 131<sup>st</sup> in the state with a deposit market share of 0.06 percent. TNB has \$422 million in deposits. Competition in the state is very strong with 556 financial institutions operating 6,730 banking offices. Large institutions including JPMorgan Chase Bank, Bank of America, Wells Fargo Bank, USAA Federal Savings Bank, and Compass Bank have a total deposit market share of 57.94 percent.

Trustmark has a small presence in the state with 14 banking offices. TNB has one AA, Houston-Sugarland-Baytown MSA AA (Houston MSA AA). The Houston AA includes Harris and Waller counties in their entirety and 31 census tracts in the northern portion of Fort Bend County. Since the last examination, TNB's lending activity increased in Fort Bend and therefore they expanded their AA to include portions of the county. While TNB offers all products in the AA, their primary business focus is commercial loans as competition for home mortgage loans is strong and mortgage loans are an accommodation to commercial customers.

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

### **Scope of Evaluation in Texas**

We performed a full-scope review of the Houston MSA AA. The Houston MSA AA is the only AA in the state of Texas. Since TNB is primarily a commercial lender in this AA, small business loans

influenced the rating more than home mortgage loans. TNB did not originate or purchase a sufficient volume of home-improvement or small loans to farms during the evaluation period to perform a quantitative analysis.

## **LENDING TEST**

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

Performance under the lending test in Texas is rated Low Satisfactory. Based on full-scope reviews, performance in the Houston MSA is adequate. As described below, although the bank's overall lending activity in the state is excellent, the geographic distribution of loans and the borrower distribution of loans is poor. An excellent level of CD loans that are responsive to the identified needs of the AA compensated for overall poor retail lending performance in the full-scope AA.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Texas section of Appendix D-61 for the facts and data used to evaluate lending activity.

TNB's lending activity is excellent based on the volume of loans originated in this AA, the high level of competition for all loan types, and the primary business focus. Home mortgage lending activity is good and small business lending activity is excellent.

Based on June 30, 2015 FDIC deposit share information, TNB ranks 33rd in this AA with a deposit market share of 0.22 percent among 84 financial institutions in the AA, thereby ranking in the top 39 percent of total depositories. These institutions have 1,149 banking offices in this AA. The top five institutions have a combined market share of 72.94 percent and includes larger institutions with a national or regional footprint such as JP Morgan Chase Bank, Wells Fargo Bank, Bank of America, Compass Bank, and Amegy Bank.

During this evaluation period, TNB originated 476 home mortgage loans, 867 small loans to businesses, and 6 small loans to farms. In terms of individual home mortgage loan products, TNB made 352 home purchase loans, 11 home-improvement, 112 refinance loans, and one multifamily loan.

Based upon 2014 Peer Mortgage Data, TNB has a 0.17 percent market share of home purchase loans and a 0.12 percent of home refinance loans. TNB ranks 107 among 663 lenders in home purchase loans (top 16.14 percent) and 116 among 496 lenders (top 23.39 percent of refinance lenders). Given the high competition in this AA for home mortgage loans and the rankings and market share for these products, overall home mortgage lending activity is good.

TNB has a 2.57 percent market share of small loans to businesses, ranking 11 among 67 reporting lenders, or the top 16 percent of lenders. Small business lending activity is excellent given the market share and ranking compared to the deposit market share and small business lending competition within the AA. The top five lenders for small business lending collectively had 58.89 percent of the market share.

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

Overall, the geographic distribution of lending is poor. The geographic distribution of both home mortgage and small loans to businesses is poor.

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

Refer to Tables 2, 3, 4, and 5 in the state of Texas section of Appendix D-61, D-62, D-63 and D-64 for the facts and data used to evaluate the geographic distribution of home mortgage loan originations and purchases.

Overall, the geographic distribution of home mortgage loans is poor.

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

The overall geographic distribution of home purchase loans is poor, when considering performance in 2013. Performance in the 2014 through 2015 analysis period was very poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in those geographies. TNB's market share is poor. In low-income tracts, market share was adequate and was below the overall market share of loans in all tracts. The market share in moderate-income CTs was poor and was significantly below the overall market share in the AA.

Performance in 2013 was stronger than the performance noted in 2014 through 2015, and is adequate. The percentage of loans in low-income geographies was below the percentage of owner-occupied housing units in those geographies. This reflected adequate performance. The percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied housing units in those geographies. The market share in both low- and moderate-income tracts was excellent and exceeded the overall market share in the AA. This performance had a positive impact on the overall home purchase conclusion.

### ***Home Refinance Loans***

The overall geographic distribution of home refinance loans is poor.

The geographic distribution of home refinance loans during the 2014 through 2015 analysis period was very poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of owner-occupied housing units in these geographies. This reflects very poor performance. The market share in both low- and moderate-income CTs was very poor and was significantly below the overall market share in the AA.

Performance in 2013 was stronger than the performance noted in 2014 through 2015, and is adequate. The distribution of loans in low-income tracts was significantly below the percentage of owner-occupied housing units in these geographies. The distribution of loans in the moderate-income tracts was near the percentage of owner-occupied housing units in these geographies. This reflected good performance. The market share in both low- and moderate-income tracts was excellent and exceeded their overall market share in the AA. This performance had a positive impact on the overall home refinance conclusion.

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

Refer to Table 6 in the state of Texas section of Appendix D-66 for the facts and data used to evaluate the geographic distribution of origination and purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is poor. The geographic distribution of small loans to businesses in the 2014 through 2015 analysis period was poor. The distribution of loans in both low- and moderate-income tracts was significantly below the percentage of businesses in those geographies. This reflects poor performance. The market share in both low- and moderate-income CTs was poor and significantly below the overall market share in the AA.

Performance in 2013 was stronger than performance noted in 2014 through 2015, and was adequate. This was due to stronger performance in moderate-income census tracts. The distribution of loans in the moderate-income CTs approximates the percentage of businesses in those tracts. This reflects excellent performance. The market share in the moderate-income CTs was excellent and exceeded the overall market share in the AA. Although, 2013 performance is stronger, it did not influence the overall rating.

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

We reviewed summary reports, maps, analyzed TNB's home mortgage, and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

Overall, the borrower distribution of lending is poor. Poor distribution of home mortgage loans and small loans to businesses led to the poor performance rating.

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

Refer to Tables 8, 9 and 10 in the state of Texas section of Appendix D-68, D-69 and D-70 for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

Overall, the borrower distribution of home mortgage loans is poor. The 2010 U.S. Census data showed a low number of housing units located in low-income census tracts and a moderate number in moderate income census tracts. Both geographies had a high percentage of units that were rented or vacant. Within the low-income geographies, 20.95 percent of housing units are owner-occupied and 19.29 percent are vacant. According to the 2010 census data, the median age for housing in LMI geographies is 39 and 36 years respectively. Older housing units often cost less to purchase, but requires additional funds to maintain, repair or rehabilitate.

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

The dispersion of home purchase loans is poor. Performance in the 2014 through 2015 is poor. The dispersion of loans to low-income borrowers was significantly below the percentage of low-income families in the AA. While this reflects very poor performance, the dispersion of loans to moderate-income borrowers was adequate. The dispersion of loans to moderate-income borrowers was below the percentage of moderate-income families in the AA. The market share is poor. The market share to low-income borrowers was poor and was significantly below the overall market share. TNB's market share to moderate-income borrowers was adequate and was below the overall market share.

Performance in 2013 is stronger than the performance noted in 2014 through 2015, and is adequate. While the dispersion of loans to low-income borrowers was very poor, the dispersion of loans to moderate-income borrowers was excellent and exceeded the percentage of moderate-income families in the AA. The market share was good. The market share to low-income borrowers was good and was near the overall market share. The market share to moderate-income borrowers exceeded the overall market share. Although, 2013 performance is stronger, it did not influence the overall rating.

#### *Home Refinance Loans*

TNB's overall borrower distribution of home refinance loans is poor. The borrower distribution of home refinance loans during the 2014 through 2015 analysis period was very poor. TNB made no loans to low-income borrowers. The dispersion of loans to moderate-income borrowers was significantly below the percentage of moderate-income families in the AA. This reflected very poor performance. The market share was poor. In 2014, TNB originated no loans to low-income borrowers; therefore, they had no market share. The market share to moderate-income borrowers was adequate and was slightly below the overall market share in the AA.

Performance in 2013 is stronger than the performance in the 2014 through 2015 analysis period and is adequate. While there were no loans to low-income borrowers which reflects very poor performance, their dispersions of loans to moderate-income borrowers is adequate. Their dispersion of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA. In addition, their market share to moderate-income borrowers equals their overall market share of loans to all borrowers. Although, 2013 performance was stronger, it did not influence the overall rating.

#### *Small Loans to Businesses*

Refer to Table 11 in the state of Texas section of Appendix D-71 for the facts and data used to evaluate the borrower distribution of origination and purchase of small loans to businesses.

The overall distribution of small loans to businesses is poor. Performance in the 2014 through 2015 analysis period was poor. The percentage of loans made to small businesses (defined as businesses with gross annual revenues of \$1 million or less) was significantly below the percentage of small businesses in the AA. This reflected very poor performance. The market share was adequate, as the market share of small loans to small businesses was below the overall market share of loans to all businesses.

Performance in the 2013 analysis period is consistent with the performance in 2014 through 2015.

#### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Texas section of Appendix D for the facts and data used to evaluate the level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

TNB's level of CD lending was exceptionally strong, and had a significantly positive impact on its overall lending performance in the Houston AA. This performance compensated for overall poor retail lending performance. One identified credit need in the community is affordable housing. The 2010 U.S. Census data showed a low number of housing units located in low-income census tracts and a

moderate number in moderate-income census tract. The LMI geographies have older housing stock in comparison to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 39 years and 36 years, respectively. The median age for all housing stock in the AA was 30 years. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

The median sales price in the AA increased from \$205,030 at the end of 2013 to \$227,810 at the end of 2014. The median sales price further increased to \$244,810 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

Another identified community credit need is to make CD loans and investments and provide CD services. There are at least 344 CD organizations that operate in this AA including several CDCs, small business development centers, credit unions, small business finance corporations, economic development corporations, and economic development organizations. There are numerous organizations providing affordable housing and community service for low- and moderate-income individuals, stabilize low- or moderate-income areas and providing economic development in the AA. An additional need in the AA is consulting and assistance to start-up and existing businesses seeking financing. Financing for very small business loans is a credit need in this AA. In particular, a need exist for financing old starter and existing businesses with 10-20 employees.

During this evaluation period, TNB made five CD loans totaling \$18 million, which demonstrated excellent responsiveness to addressing some of the affordable housing and community service needs in the AA. The bank made two of the five loans to facilitate affordable housing for LMI seniors and LMI individuals and families. Of the remaining loans, one was used to purchase property and fund the renovation costs for a charter school to be populated by predominately LMI students. Proceeds of another loan originated by TNB were used to purchase the land for a separate charter school targeted to LMI students that will include several parenting, life and work skills programs in its curriculum. The fifth loan made by TNB financed improvements and renovations to an office building to be utilized as a clinic/office for a non-profit healthcare provider that exclusively provides care for individuals who are homeless. This total represents 26 percent of Tier One Capital allocated to the AA.

*Affordable Housing* – TNB originated one loan for \$6 million. The loan originated to a non-profit organization to construct a 124-unit independent living facility. The project targets seniors 62 years whom are low- or moderate-income.

*Community Service* – TNB originated four loans totaling \$12 million. These loans originated to organizations that provide services to the community. Some examples of these loans include a loan to renovate a charter school where the majority of the students are low- or moderate-income. Another loan went to a non-profit health care provider that provides services to the homeless. Finally, a loan to an organization whose mission is to provides services to families at risk due to low earnings, language barriers, and illiteracy. TNB provides supportive services such as early childhood learning, parenting workshops, fatherhood program, English and Spanish computer classes, and GED classes. All classes are free and child-care provided while parents attend classes.

### **Product Innovation and Flexibility**

TNB's use of innovative and flexible lending products is adequate and had a neutral impact on lending performance. TNB offers a standard mix of loans including FHA, VA, and SBA loans. TNB also offers

a small dollar loan product that we discuss in the Overall Scope of Evaluation section. TNB did not provide any detailed data regarding the use or impact of these products in the AAs.

## **INVESTMENT TEST**

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

Performance under the investment test in Texas is rated Outstanding. Based on full-scope reviews, the performance in the Houston MSA is excellent.

Refer to Table 14 in the state of Texas section of Appendix D-73 for the facts and data used to evaluate the level of qualified investments.

Investment activity is excellent given the volume of investments made, the opportunities, and the responsiveness to the identified needs in the AA. We identified numerous opportunities in this AA for institutions to make CD investments and TNB met this need with instruments such as MBS, grants and donations and funds for multifamily projects in this AA

When we considered current and prior period investments, TNB made 49 investments totaling \$15.183 million, which represents 29.37 percent of allocated Tier One Capital. During the evaluation period, TNB made 34 investments totaling \$5.837 and of this total, \$5.8 million is comprised of MBSs secured by mortgages to low- and moderate-income individuals. In addition, TNB extended 24 grants and donations totaling \$70,200 to organizations that provide community service to low- and moderate-income individuals in the AA. These funds supported organizations that provide services such as child-care, healthcare, textbooks, scholarships, and meeting the basic needs of these individuals. The purchase of these MBSs and dollar amount of grants and donations demonstrate adequate responsiveness to meeting the identified needs in the AA.

TNB also had 15 investments outstanding from prior periods totaling \$9.3 million. This includes investment instruments that provide affordable housing such as FNMA, GNMA and Federal Home Loan mortgage pools and a \$793 thousand investment in a multifamily institution fund. These investments provide liquidity to secondary mortgage lenders and the projects continue to have a positive impact in the AA.

## **SERVICE TEST**

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

Performance under the service test in Texas is rated Low Satisfactory. Based on full-scope reviews, performance in the Houston MSA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Texas section of Appendix D-74 for the facts and data used to evaluate the distribution of the branch delivery system and branch openings and closings.

TNB's branch distribution is adequate. TNB has 14 branches in this AA. The branches are reasonably accessible to geographies and individuals of different income levels in the assessment area. TNB has no

branches in low-income tracts and three branches in the moderate-income tracts. The percentage of branches in moderate-income tracts was near the percentage of the moderate-income population in this AA.

Branch openings and closings have generally not adversely influenced the delivery of products and services to low- and moderate-income geographies or individuals. During this evaluation period, TNB closed five branches and opened one branch. TNB opened one branch in an upper-income tract, closed one branch in a middle-income tract, and closed four branches in upper-income tracts. The impact of these closures did not adversely influence TNB's customers as there were other branches in close proximity and customers used alternative delivery systems to access products and services. Banking hours and services are adequate and are comparable among the various locations regardless of the income level of the geography. Banking hours and services do not vary in a way that inconvenience portions of the AA, particularly LMI individuals. TNB also offers alternative delivery systems such as online banking, automated teller machines, and bank at work. Refer to the overall Scope of Evaluation section for additional information on the bank at work program.

Other retail services offered include Small Choice Banking, eBanking, Interest Checking, Health Savings Account, Daily Interest Savings, Froogle Savings, Christmas Clubs and Money Market Accounts. Banking hours are comparable among the various locations regardless of the income levels of the geography.

### **Community Development Service**

CD service activities are adequate given the identified needs in this AA. Identified needs include affordable housing, small business loans, and homeownership counseling. See Community Development Lending above, for additional description of community needs.

During this evaluation period, CD service activities primarily included a financial literacy-training program. TNB employees taught 48 financial literacy sessions to 2,109 student participants. Training sessions instructed students on banking, lending, basic budgeting, and maintaining good credit. A Junior Achievement's finance park program introduce students to personal finances through classroom instruction and hands on experience. This was a one-day class where students were assigned income and expense scenarios to make budgeting decisions. The majority of the students attending these schools are low- or moderate-income.

One employee taught a credit counseling session to 15 individuals at a public housing complex. Basic budgeting, the benefits of checking and savings accounts, and how to maintain good credit were some of the topics discussed at this session.

Three employees also serve on the boards or committees for four CD organizations. These include:

- Serving as a board member or finance committee member for a housing finance corporation. The employee provides underwriting analysis, loan pricing, and conditions. The organization provides housing for low- and moderate-income individuals in the AA through issuing single-family mortgage revenue bonds.
- Serving as a board member for an organization that provides scholarships for low- and moderate-income students in the AA.



- Serving on a board for an organization that provides preschool students with the necessary skills to be successful in kindergarten. About 99 percent of the student are eligible for free or reduced lunches and therefore considered low- and moderate-income.

## Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test: 01/01/13 to 12/31/2015 (except Alabama) 02/15/2013 to 12/31/2015 (Alabama) Investment & Service Tests: 01/01/13 to 12/31/2015 (except Alabama) 02/15/2013 to 12/31/2015 (Alabama)		
Financial Institution		Products Reviewed	
Trustmark National Bank (TNB) Jackson, MS		HMDA, small loans to businesses and farms. CD loans, investments and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed	
None		N/A	
List of Assessment Areas and Type of Examination			
Assessment Area	MSA #	Type of Exam	Counties
Multistate MSA			
Memphis TN-MS-AR	32820	Full-scope	Desoto (MS), Shelby (TN), Fayette (TN)
Mississippi			
Jackson MSA	27140	Full-scope	Hinds, Madison, Copiah, Simpson, Rankin
Southern NonMSA		Full-scope	Amite, Lincoln, Marion, Pike, Walthall
Gulfport-Biloxi MSA	25060	Limited-scope	Harrison
Hattiesburg MSA	25620	Limited-scope	Lamar, Forrest, Perry
Central NonMSA		Limited-scope	Smith, Jones
East NonMSA		Limited-scope	Lowndes, Oktibbeha, Lauderdale, Neshoba, Leake
North NonMSA		Limited-scope	Alcorn, Lafayette, Itawamba, Lee
West NonMSA		Limited-scope	Leflore, Warren, Washington
Alabama			
Mobile MSA	33660	Full-scope	Mobile
Auburn-Opelika MSA	12220	Limited-scope	Lee
Barbour County		Limited-scope	Barbour
Birmingham-Hoover MSA	13820	Limited-scope	Bibb, Jefferson, Shelby

Butler-Escambia-Monroe Counties		Limited scope	Butler, Escambia, Monroe
Daphne-Fairhope-Foley AL MSA	19300	Limited scope	Baldwin
Marengo-Dallas Counties		Limited-scope	Marengo, Dallas
Montgomery MSA	33860	Limited-scope	Autauga, Elmore, Montgomery
Florida			
Crestview-Fort Walton Beach-Destin MSA	18880	Full-scope	Okaloosa, Walton
Panama City-Lynn Haven-Panama City Beach	37460	Limited-scope	Bay
Texas			
Houston-The Woodlands-Sugar Land TX MSA	26420	Full-scope	Harris, Waller, Fort Bend

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS Trustmark National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Trustmark National Bank	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Memphis TN-MS Multi-state MSA	Needs to Improve	Outstanding	Needs to Improve	Needs to Improve
State of Mississippi	Low Satisfactory	Outstanding	Outstanding	Satisfactory
State of Alabama	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
State of Florida	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
State of Texas	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory

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

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

### Memphis MMSA\_2013

Demographic Information for Full Scope Area: Memphis MMSA_2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	221	24.89	23.53	20.36	28.96	2.26
Population by Geography	927,644	17.27	23.66	21.22	37.32	0.53
Owner-Occupied Housing by Geography	210,032	11.04	19.54	22.23	47.19	0.00
Business by Geography	72,352	11.78	21.13	20.09	46.07	0.93
Farms by Geography	1,438	7.79	16.83	20.31	54.59	0.49
Family Distribution by Income Level	223,039	25.47	16.19	16.55	41.78	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	92,924	29.84	34.37	19.55	16.25	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		56,557 58,000 17%	Median Housing Value Unemployment Rate (2010 US Census)		139,954 5.22%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

### Memphis MMSA – 2014-2015

Demographic Information for Full Scope Area: Memphis MMSA - 2014-2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	265	20.00	20.75	26.79	30.57	1.89
Population by Geography	1,127,309	13.47	20.05	27.03	39.02	0.43
Owner-Occupied Housing by Geography	264,515	8.17	16.16	27.63	48.03	0.00
Business by Geography	69,651	9.19	17.40	25.05	47.53	0.83
Farms by Geography	1,713	5.08	12.73	30.53	51.31	0.35
Family Distribution by Income Level	276,501	23.29	15.80	17.39	43.52	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	108,085	24.10	30.74	26.43	18.73	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		56,100 60,400 16%	Median Housing Value Unemployment Rate (2010 US Census)		142,665 5.01%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC updated MFI

The Memphis Multistate AA consists of three counties, Shelby and Fayette counties in Tennessee and Desoto County in Mississippi. Demographic information from the 2010 U.S. Census shows the AA had a notable percentage of low- and moderate-income (LMI) census tracts. In the AA, 53 of these CTs are low-income and 55 are moderate-income. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly the LMI geographies.

The population of the AA has not grown significantly during the evaluation period with most of the growth concentrated in Shelby County, which includes the city of Memphis. According to 2010 U.S. Census data, the population of the AA was 1,127,309. Census data estimates population growth as of July 1 each year and indicates an annual growth rate of 0.14 percent for 2013, 0.18 percent for 2014, and 0.20 percent for 2015. The estimated population of the AA as of July 1, 2015, was 1,150,557. The population of Shelby County represented 82.29 percent and 81.53 percent of AA population as of the 2010 census and July 1, 2015, respectively. Memphis is the largest city in Tennessee and has a population of 646,889 per 2010 census data and an estimated population of 655,770 as of July 1, 2015.

Competition for deposits within the AA is moderate. Per the FDIC Deposit Market Share Report as of June 30, 2015, there were \$24.9 billion in deposits held among 45 financial institutions with 315 offices located inside the AA. The primary competitors are large national or regional banks. The top five competitors had 144 offices and controlled 67.41 percent of the total market share. In comparison, TNB had 23 offices and deposits of \$771.1 million, which ranked it sixth with a deposit market share of 3.10 percent. As of June 30, 2015, deposits in the AA represented 7.86 percent of TNB’s total deposits.

*Employment and Economic Factors*

Moody’s Analytics states the business cycle of the Memphis MMSA is in recovery and lists its logistics, medical center, and status as a retiree haven as the economic drivers. Moody’s further reports recent performance for Memphis is lagging the state, but keeping pace with the nation as its strength in transportation and warehousing drives moderate employment gains and encourages investment. The primary employment sectors are business and professional services, education and health services, government, transportation and utilities, retail trade, and leisure and hospitality services.

Per the Memphis Business Journal, the largest employers for 2015 were FedEx, Shelby County Schools, U.S. and state governments, and Methodist Lebonheur Healthcare. In total, these entities employed almost 83,000 people. In addition, according to the Greater Memphis Chamber, several Fortune 1000 companies, including FedEx, have their headquarters in Memphis. The others are International Paper, AutoZone, Service Master, and Mueller Industries.

According to the Bureau of Labor Statistics, the unemployment rate for each of the counties in the Memphis Multistate AA improved during the evaluation period. The unemployment rate for Shelby and Fayette counties is higher than the rate for the state of Tennessee and national rates. The unemployment rate for Desoto County was better than the state and national rates. The following table shows the annual unemployment rate at the county, state, and national level for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Shelby County	8.8%	7.6%	6.6%
Fayette County	8.6%	7.2%	6.4%
Tennessee	7.8%	6.5%	5.8%
Desoto County	6.0%	5.4%	4.9%
Mississippi	8.6%	7.6%	6.5%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Census data and FFIEC estimates indicate improvement in the median family income (MFI) within the AA. Based on the 2010 U.S. Census and 2014 OMB delineations, the MFI for the AA was \$56,100.

Given the 2010 MFI, low-income families earned at most \$28,050 and moderate-income families earned at most \$44,800. The FFIEC adjusted MFI for 2014 and 2015 was \$59,800 and \$60,400, respectively. Based on the updated MFI, low-income families earned at most \$29,900 in 2014 and \$30,200 in 2015. Moderate-income families earned at most \$47,840 in 2014 and \$48,320 in 2015.

Per 2010 census data, the AA had 276,501 families. Of these families, 23.29 percent were low-income and 15.80 percent were moderate-income. The distribution of the 108,085 LMI families across AA geographies was relatively even, with 24.10 percent in low-income tracts, 30.74 percent in moderate-income tracts, 26.43 percent in middle-income tracts, and 18.73 percent in upper-income tracts. Total families living below the poverty level was 38,490 or 13.92 percent of all families in the AA. The majority of the families living below the poverty level resided in LMI geographies. Respectively, the number of families below poverty to total families within LMI tracts was 41.53 percent and 24.04 percent.

### *Housing*

The 2010 U.S. Census data showed a moderate number of housing units located in LMI census tracts, with a high percentage of these units rented or vacant. Of the total housing units in the AA, 74,510 units or 15.82 percent were located in low-income tracts and 98,820 units or 20.98 percent were located in moderate-income tracts. Within the low-income geographies, 29.01 percent of the housing units were owner-occupied, 47.09 percent were occupied rentals, and 23.90 percent were vacant. The mix of housing units for the moderate-income geographies was 43.26 percent owner-occupied, 39.29 percent rentals, and 17.45 percent vacant.

The LMI geographies have older housing stock in comparison to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 48 years and 43 years, respectively. Comparatively, the median age for all housing stock in the AA was 34 years. The median age was 33 years for middle-income geographies and 23 years for upper-income geographies. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

According to the Federal Housing Finance Authority (FHFA), the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$137,230 at the end of 2013 to \$145,020 at the end of 2014. The median sales price further increased to \$149,750 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

### *Community Contact*

As part of this evaluation, we considered information provided by a housing and community development organization. The organization addresses slum, blight, and deterioration in Memphis area communities.

The contact stated that there is an adequate supply of affordable housing but many properties are either in foreclosure or vacant and these properties need renovation. Thus, the contact believes the biggest credit needs are for more flexible home mortgage loan products to finance the purchase and rehabilitation of foreclosed and vacant properties and small business loans. The contact also felt a need for more job training programs, as many applicants cannot qualify for a home due to insufficient income.

### *Opportunities*

The opportunity to make CD loans, qualifying investments and provide CD services in this AA is numerous. We identified 67 CD organizations in this AA, including a federal credit union, small business investment corporation, development corporation, CDCs, housing agencies and city, government or community-based organizations that provide technical assistance to low- or moderate-income individuals or areas in the AA.



**State of Mississippi**

**Jackson MS MSA AA 2013**

Demographic Information for Full Scope Area: Jackson, MS MSA AA_2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	123	16.26	21.14	35.77	26.83	0.00
Population by Geography	539,057	10.17	18.67	41.66	29.50	0.00
Owner-Occupied Housing by Geography	133,175	5.37	16.79	42.35	35.49	0.00
Business by Geography	52,176	10.67	16.77	38.07	34.49	0.00
Farms by Geography	1,524	3.54	17.52	46.06	32.87	0.00
Family Distribution by Income Level	133,588	23.52	16.55	18.32	41.61	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	53,528	17.34	27.09	40.84	14.73	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		55,765 55,600 17%	Median Housing Value Unemployment Rate (2010 US Census)	124,473 3.64%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

**Jackson MSA AA**

Demographic Information for Full Scope Area: Jackson, MS MSA AA 2014-2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	123	15.45	20.33	37.40	26.83	0.00
Population by Geography	539,057	9.93	17.05	43.52	29.50	0.00
Owner-Occupied Housing by Geography	133,175	5.20	14.99	44.31	35.49	0.00
Business by Geography	44,357	10.28	13.31	41.25	35.16	0.00
Farms by Geography	1,365	3.15	15.60	47.11	34.14	0.00
Family Distribution by Income Level	133,588	22.93	16.24	18.24	42.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	52,327	17.08	25.55	42.77	14.60	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		54,643 58,400 17%	Median Housing Value Unemployment Rate (2010 US Census)	124,473 3.64%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC updated MFI

The Jackson MSA consists of five contiguous counties located in the central region of Mississippi including Copiah, Hinds, Madison, Rankin, and Simpson. The AA includes all five counties in their entirety and the AA meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly low- or moderate-income geographies.

Demographic information from the 2010 U.S. Census shows the AA had a moderate percentage of low- and moderate-income (LMI) census tracts. In the AA, 35.78 percent or 44 of the total census tracts were LMI; 19 of these were low-income and 25 were moderate-income.

The population of the AA has shown minimal growth during the evaluation period. The majority of the population is located in Hinds County, which experienced a decline in population. However, population growth in Rankin and Madison County offset the population decline in Hinds County. According to the 2010 U.S. Census, the population of the AA was 539,057. Census data estimates population growth as of July 1 each year and these estimates indicate an annual growth rate for the AA of 0.13 percent for 2013, 0.25 percent for 2014, and 0.15 percent for 2015. The population of Hinds County represented 45.50 percent of the AA population as of the 2010 census and 44.05 percent as of July 1, 2015. Hinds County includes the city of Jackson, the state capital, and headquarters of TNB.

Competition for deposits within the AA is moderate. Per the FDIC Deposit Market Share Report as of June 30, 2015, there were \$12.6 billion in deposits held among 27 financial institutions with 214 offices located inside the AA. TNB had 50 offices and deposits of \$3.9 billion and ranks first with a deposit market share of 31.30 percent. As of June 30, 2015, deposits in the Jackson AA represented 40.21 percent of TNB's total deposits in the state.

On April 30, 2014 FEMA declared a Major Disaster Declaration (DR-4175) based on severe storms, tornadoes and flooding that impacted 12 Mississippi counties including Madison, Simpson and Rankin Counties within the AA. The declaration was for public assistance in addition to individual assistance. FEMA approved 950 individual assistance applications totaling \$5.9 million.

#### *Employment and Economic Factors*

Moody's Analytics states the business cycle of the Jackson MSA is in recovery and lists its state capital and medical center as the economic drivers. Moody's further reports recent performance for Jackson has picked up, but still has a long way to go to achieve a full recovery. Although workers are returning to the workforce, only about half of private industries are increasing the number of employees and the large public sector is struggling. In addition, healthcare and professional/business services are driving job gains, but hourly earnings have barely risen in the past two years. Moody's further reports that housing remains weak, with single-family permits at a low in early 2015 and the slow pace of home sales has not been sufficient to clear the market's supply of distressed properties.

Per Moody's, strengths of the Jackson MSA are the presence of large hospitals that limit employment volatility, relatively good wages at Nissan's Canton plant, and an educated workforce. Weaknesses are heavy dependence on public sector, weak and worsening demographics, and an oversupplied housing market.

The primary employment sectors are the government, education and health services, professional and business services, retail trade, and leisure and hospitality services. According to Moody's, the top five employers for the Jackson MSA include the government (local, state, and federal), University of Mississippi Medical Center, Merit Health, Nissan North America, Inc., and AT&T. In total, the government entities had 58,548 employees. The other four employed approximately 26,000 in aggregate.

According to the Bureau of Labor Statistics, the unemployment rate for each of the counties in the Jackson AA improved during the evaluation period. In four counties, the unemployment rate was better than the rate for the state of Mississippi. Three of these four counties also had an unemployment rate better than or comparable to the rate for the U.S. The following table shows the annual unemployment rate at the county, state, and national level for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>
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	<b>2013</b>	<b>2014</b>	<b>2015</b>
Copiah County	10.6%	8.9%	7.3%
Hinds County	8.3%	7.3%	6.1%
Madison County	5.9%	5.3%	4.6%
Rankin County	5.3%	4.7%	4.2%
Simpson County	7.5%	6.4%	5.9%
Mississippi	8.6%	7.6%	6.5%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Census data and FFIEC estimates indicate improvement in the median family income (MFI) within the AA. Based on the 2010 U.S. Census and 2014 OMB delineations, the MFI for the AA was \$54,643. Given the 2010 MFI, low-income families earned at most \$27,322 and moderate-income families earned at most \$43,714. The FFIEC adjusted MFI remained unchanged from 2014 to 2015 at \$58,400. Based on the updated MFI numbers, low-income families earned at most \$29,200 and \$46,720 for moderate-income families.

Per 2010 census data, the AA had 133,588 families. Of these families, 22.93 percent were low-income and 16.24 percent were moderate-income. The distribution of the 52,327 LMI families across AA geographies was uneven, with 17.08 percent in low-income tracts, 25.55 percent in moderate-income tracts, 42.77 percent in middle-income tracts, and 14.60 percent in upper-income tracts. Total families living below the poverty level were 18,222 or 13.64 percent of all families in the AA. The majority of the families living below the poverty level resided in LMI geographies. Respectively, the number of families below poverty to total families within LMI tracts was 41.41 percent and 23.05 percent.

### *Housing*

The 2010 U.S. Census data showed a disproportionate number of housing units located in LMI census tracts, with a high percentage of these units rented or vacant. Of the total housing units in the AA, 22,732 units or 10.34 percent were located in low-income tracts and 39,864 units or 18.14 percent were located in moderate-income tracts. Within the low-income geographies, 30.47 percent of the housing units were owner-occupied, 50.08 percent were occupied rentals, and 19.45 percent were vacant. The mix of housing units for the moderate-income geographies was 50.09 percent owner-occupied, 32.96 percent rentals, and 16.95 percent vacant.

The LMI geographies have older housing stock in comparison to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 41 years and 37 years, respectively. Comparatively, the median age for all housing stock in the AA was 29 years. The median age was 28 years for middle-income geographies and 22 years for upper-income geographies. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

According to the Federal Housing Finance Authority (FHFA), the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$154,810 at the end of 2013 to \$160,360 at the end of 2014. The median sales price further increased to \$162,840 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

### *Community Contact*

As part of this evaluation, we contacted a government-housing agency to determine the needs in the AA. The organization helps plan the distribution of funds and grants earmarked to improve housing facilities and promote economic development for LMI households. Thus, the contact believes opportunities include housing initiatives for the young professionals (i.e. teachers, police) and financing for business façade improvements. The contact also felt banks have been responsive to credit needs, although opportunities to do more exist.

*Opportunities*

The opportunity to make CD loans, investment and provide CD services in this AA is ample. We identified at least 29 CD organizations that operate in this AA. Examples of these organizations include a CDC, a capital fund and community-based organizations that support affordable housing, community service, or economic development in the AA.

### MS Southern Non-MSA AA\_2013

Demographic Information for Full Scope Area: MS Southern Non-MSA AA_2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	3.85	15.38	61.54	19.23	0.00
Population by Geography	130,935	4.16	13.72	63.42	18.70	0.00
Owner-Occupied Housing by Geography	37,478	1.92	13.43	64.66	19.99	0.00
Business by Geography	10,276	2.27	12.01	63.16	22.57	0.00
Farms by Geography	528	0.76	11.36	69.51	18.37	0.00
Family Distribution by Income Level	33,639	23.11	16.47	18.27	42.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,316	7.53	16.89	62.64	12.94	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		40,724 42,000 23%	Median Housing Value Unemployment Rate (2010 US Census)	80,480 3.42%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

### MS Southern Non-MSA AA – 2014-2015

Demographic Information for Full Scope Area: MS Southern Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	3.85	15.38	61.54	19.23	0.00
Population by Geography	130,935	4.16	13.72	63.42	18.70	0.00
Owner-Occupied Housing by Geography	37,478	1.92	13.43	64.66	19.99	0.00
Business by Geography	8,611	2.35	11.95	62.50	23.20	0.00
Farms by Geography	485	0.62	11.55	68.45	19.38	0.00
Family Distribution by Income Level	33,639	23.28	16.59	18.24	41.89	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,413	7.52	16.88	62.64	12.97	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		40,980 44,800 23%	Median Housing Value Unemployment Rate (2010 US Census)	80,480 3.42%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC updated MFI

The MS Southern Non-MSA AA includes Amite, Lincoln, Marion, Pike and Walthall counties in their entirety. These counties are primarily rural and are located in the southwest portion of the state. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly low- and moderate-income geographies.

This AA is composed of twenty-six census tracts. Of the twenty-six census tracts, one is low-income, four moderate-income, 16 middle-income, and five upper-income.

TNB provides a full range of loan and deposit products to the AA. TNB has twelve branches in this AA, with two in moderate-income, eight in middle-income and two in upper-income census tracts. TNB has

two full service branches and ATMs in each of the following counties Amite, Marion, Pike, and Walthall. TNB has four branches and three full service ATMs in Lincoln County.

Based upon FDIC Deposit Market Share data as of June 30, 2015, TNB has a 27.27 percent market share of deposits, ranking first among 11 FDIC-insured financial institutions in the AA. The top five institutions have a combined market share of 77.39 percent and include smaller community banks as well as regional institutions such as TNB and Regions Bank.

*Employment and Economic Factors*

The 2010 census data for the AA showed the AA population as 130,935. Based on the 2010 Census and 2014 OMB delineations, the MFI for the AA was \$40,980. Given the 2010 MFI, low-income families earned at most \$20,490 and moderate-income families earned at most \$32,784. The FFIEC adjusted MFI was \$43,800 for 2014 and \$44,800 for 2015. Based on the updated MFI, low-income families earned at most \$21,900 in 2014 and \$22,400 in 2015. Moderate-income families earned at most \$35,040 in 2014 and \$35,840 in 2015.

Per 2010 census data, the AA had 33,639 families. Of these families, 23.28 percent were low-income and 16.59 percent were moderate-income. The distribution of the LMI families across the geographies shows 7.52 percent in low-income tracts, 16.88 percent in moderate-income tracts, 62.64 percent in middle-income tracts and 12.97 percent in upper-income tracts. Total families living below the poverty level was 6,150 or 18.28 percent of all families in the AA. The majority of the families living below the poverty level resided in moderate- and middle-income tracts. The number of families below the poverty level living within moderate-income tracts was 1,108 or 26 percent.

According to the Bureau of Labor Statistics, the unemployment rate for the counties in the AA fluctuated throughout the evaluation period. The following table shows the annual unemployment rates at the county, state, and national levels for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Amite County	9.2%	8.1%	7.7%
Lincoln County	7.8%	6.7%	6.2%
Marion County	9.5%	8.3%	7.4%
Pike County	9.9%	8.3%	7.4%
Walthall County	10.8%	9.5%	8.2%
Mississippi	8.6%	7.6%	6.5%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Major employers include large companies such as Gloster Chips Inc., US Metal Works, Georgia-Pacific Plywood Plant, Confederated Tribes of Siletz Indians, Samaritan Health Services, Lincoln County School District, Dixie Packing Inc., and Walmart.

*Housing*

There are 58,125 total housing units in this AA. Of that total, 37,478 are owner-occupied, or 64.48 percent, 9,951 are vacant, or 17.12 percent, and 10,696, or 18.40 percent, are renter occupied. The LMI geographies have older housing stock in comparison to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 44 years and 35 years, respectively. Comparatively, the median age for all housing stock in the AA was 32 years. The median age was 32 years for middle-income geographies and 29 years for upper-income geographies. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

According to 2010 census, the average housing value in low- and moderate-income tracts is \$46,200 and \$74,154, respectively, compared to \$79,094 in middle-income tracts and \$100,373 in upper-income tracts.

#### *Community Contact/Opportunities*

Our evaluation included making contacts with community organizations to understand the demographics and primary credit needs of the AA. The OCC contacted a representative from an agency that provides community assistance to LMI individuals. This individual stated that there is a need for affordable housing, affordable health care, and transportation in this AA. Specifically, there is a need for quality rental housing and affordable owner-occupied housing and there is a need for a program that focuses on residual health care. There is also a need for adequate personal and public transportation to support employment opportunities and medical care for individuals living in rural communities. Lastly, there is a need in this AA for small dollar loan products and financial education.

The opportunity to make CD loans and investments and provide CD services in this AA is very limited based on the number of organizations in the AA. We identified a few CD organizations that operate in this AA and these organizations offer affordable housing and community service to low- and moderate-individuals.

## State of Alabama

### Mobile\_AL MSA AA - 2013

Demographic Information for Full Scope Area: Mobile_AL MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	114	10.53	29.82	35.96	22.81	0.88
Population by Geography	412,992	6.34	23.70	39.08	30.70	0.19
Owner-Occupied Housing by Geography	104,815	4.02	19.63	40.72	35.63	0.00
Business by Geography	29,320	6.48	21.15	34.51	37.62	0.24
Farms by Geography	700	3.14	13.00	44.43	39.29	0.14
Family Distribution by Income Level	104,324	23.24	16.71	19.49	40.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	41,678	11.27	34.19	35.78	18.76	0.00
Median Family Income		49,900	Median Housing Value		124,328	
FFIEC Adjusted Median Family Income for 2013		52,400	Unemployment Rate (2010 US Census)		4.53%	
Households Below Poverty Level		19%				

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

Source: 2010 US Census and 2013 FFIEC updated MFI

### Mobile AL MSA AA – 2014-2015

Demographic Information for Full Scope Area: Mobile AL MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	114	10.53	29.82	35.96	22.81	0.88
Population by Geography	412,992	6.34	23.70	39.08	30.70	0.19
Owner-Occupied Housing by Geography	104,815	4.02	19.63	40.72	35.63	0.00
Business by Geography	24,300	6.51	20.91	33.89	38.47	0.23
Farms by Geography	599	3.67	13.86	42.07	40.23	0.17
Family Distribution by Income Level	104,324	23.24	16.71	19.49	40.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	41,678	11.27	34.19	35.78	18.76	0.00
Median Family Income		49,900	Median Housing Value		124,328	
FFIEC Adjusted Median Family Income for 20154		53,300	Unemployment Rate (2010 US Census)		4.53%	
Households Below Poverty Level		19%				

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

Source: 2010 US Census and 2015 FFIEC updated MFI

The Mobile AA consists of Mobile County, which is the single county within the Mobile MSA. Demographic information from the 2010 U.S. Census shows the AA had a notable percentage of low- and moderate-income (LMI) census tracts. In the AA, 40.35 percent or 46 of the total census tracts were LMI; 12 of these were low-income and 34 were moderate-income. This AA meets the requirements of the CRA regulation and does not arbitrarily exclude any areas, particularly the LMI geographies.



Mobile County is the second most populous county in the state of Alabama. Mobile County includes the City of Mobile, which is the third most populous Alabama city. The population of the AA has shown minimal growth during the evaluation period. According to the 2010 U.S. Census, the population of the AA was 412,992. The census estimates population as of July 1 each year, and shows an annual growth rate of 0.09 percent for 2013, 0.19 percent for 2014, and 0.11 percent for 2015. The population of the City of Mobile represented 17.31 percent of the AA population as of the 2010 census and 16.89 percent as of July 1, 2015.

Competition for deposits within the AA is moderate. Per the FDIC Deposit Market Share Report as of June 30, 2015, there were \$6.4 billion in deposits held among 20 financial institutions with 214 offices located inside the AA. The primary competitors are large national or regional banks. The top five competitors had 74 offices and controlled 80.03 percent of the total market share. In comparison, TNB had seven offices and deposits of 282.0 million, and ranks six with a deposit market share of 4.39 percent. As of June 30, 2015, deposits in the Mobile AA represented 2.88 percent of TNB's total deposits and 21.28 percent of the deposits in the state of Alabama.

### *Employment and Economic Factors*

Moody's Analytics from March 2016 states the business cycle of the Mobile MSA is at risk and lists its logistics and manufacturing as the economic drivers. Moody's further reports Mobile is one of Alabama's weakest performers. The unemployment rate has not improved beyond its cycle low of 7.0 percent and labor participation is lower than in other major metro areas in Alabama. In addition, the lack of income gains in retail and leisure/hospitality, impacts consumer spending. The public sector is a further source of weakness, with government employment down year after year. The strongest performers include business/professional services and manufacturing, which are adding workers at an above-average rate.

Per Moody's, the strengths of the Mobile MSA are its excellent location with strong transportation infrastructure and specialization in manufacturing of ships and aerospace. Weaknesses are the low per capita income and earnings per worker that hampers consumer spending and low educational attainment that limits human capital development. Overall, Mobile's economic fundamentals are weaker than other major Alabama metro areas. In the interim, Mobile is expected to lag the U.S., given the weak demographics, including the low levels of education.

The primary employment sectors are the government, education and health services, professional and business services, retail trade, and leisure and hospitality services. According to Moody's, the top five employers for the Mobile MSA include the government (local, state, and federal), University of South Alabama and USA Health System, Mobile Infirmery Medical Center, Austal Shipyard, and Wal-Mart Stores, Inc. In total, government entities had 25,062 employees. The other four employed approximately 17,515 in aggregate.

According to the Bureau of Labor Statistics, the unemployment rate for the Mobile AA improved during the evaluation period. However, the unemployment rate for Mobile County remained higher than the state and national rates. The following table shows the annual unemployment rates at the county, state, and national level for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Mobile County	8.5%	7.8%	7.0%
Alabama	7.2%	6.8%	6.1%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Census data and FFIEC estimates indicate improvement in the median family income (MFI) within the AA. Based on the 2010 U.S. Census and 2014 OMB delineations, the MFI for the AA was \$49,900. Given the 2010 MFI, low-income families earned at most \$24,950 and moderate-income families earned at most \$39,920. The FFIEC adjusted MFI was \$53,900 for 2014 and \$53,300 for 2015. Based on the updated MFI, low-income families earned at most \$26,950 in 2014 and \$26,650 in 2015. Moderate-income families earned at most \$43,120 in 2014 and \$42,640 in 2015.

Per 2010 census data, the AA had 104,324 families. Of these families, 23.24 percent were low-income and 16.71 percent were moderate-income. The distribution of the 41,678 LMI families across AA geographies is 11.27 percent in low-income tracts, 34.19 percent in moderate-income tracts, 35.78 percent in middle-income tracts, and 18.76 percent in upper-income tracts. Total families living below the poverty level was 16,339 or 15.66 percent of all families in the AA. The majority of the families living below the poverty level resided in LMI geographies. Respectively, the number of families below poverty to total families within LMI tracts was 50.48 percent and 24.97 percent.

### *Housing*

The 2010 U.S. Census data showed a low number of housing units located in low-income census tracts, with a moderate number located in moderate-income census tracts. Further, a high percentage of the units in LMI geographies was rented or vacant. Of the total housing units in the AA, 12,220 units or 6.95 percent were located in low-income tracts and 43,854 units or 24.95 percent were located in moderate-income tracts. Within the low-income geographies, 34.47 percent of the housing units were owner-occupied, 43.45 percent were occupied rentals, and 22.08 percent were vacant. The mix of housing units for the moderate-income geographies was 46.91 percent owner-occupied, 36.94 percent rentals, and 16.16 percent vacant.

The LMI geographies have older housing stock compared to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 53 years and 43 years, respectively. Comparatively, the median age for all housing stock in the AA was 35 years. The median age was 33 years for middle-income geographies and 29 years for upper-income geographies. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

According to the Federal Housing Finance Authority (FHFA), the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$155,700 at the end of 2013 to \$158,110 at the end of 2014. The median sales price further increased to \$162,730 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

### *Community Contact*

As part of this evaluation, we contacted a government-planning agency in the AA to determine the needs in the community. The organization oversees several housing-related programs that target affordable housing in the City of Mobile. The contact stated that credit for affordable housing is an essential need. This includes down payment assistance as well as home mortgage lending. The contact also commented the area has a strong need for financial education given a large unbanked/underbanked population. In addition, the contact stated there is a need for developer financing on new projects due to a decline in HUD funding. There are opportunities for banks to become involved through community development, other credit-related projects, or financing programs. These opportunities include neighborhood revitalization projects, down payment assistance programs, financial education programs, and financing for developers.

### *Opportunities*

The opportunity to make CD loans and investments and provide CD services in this AA is ample. We identified 33 CD organizations that operate in this AA. These include development corporations, a small business Development Corporation, and organizations that provide affordable housing, community service for low- and moderate-income individuals, economic development activities, or stabilization/revitalization efforts in low- or moderate-income areas.

# State of Florida

## Crestview-Fort Walton Beach-Destin\_FL MSA AA\_2013

Demographic Information for Full Scope Area: Crestview-Fort Walton Beach-Destin_FL MSA AA_						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	43	0.00	16.28	53.49	25.58	4.65
Population by Geography	180,822	0.00	15.13	61.58	23.29	0.00
Owner-Occupied Housing by Geography	48,772	0.00	12.33	60.00	27.67	0.00
Business by Geography	26,453	0.00	14.56	57.51	27.93	0.00
Farms by Geography	620	0.00	21.45	56.77	21.77	0.00
Family Distribution by Income Level	48,826	18.43	18.74	23.31	39.52	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	18,150	0.00	25.54	59.27	15.19	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		64,224 64,000 10%	Median Housing Value Unemployment Rate (2010 US Census)		244,613 3.48%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

## Crestview- Fort Walton Beach- Destin FL MSA AA – 2014-2015

Demographic Information for Full Scope Area: Crestview-Fort Walton MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	54	0.00	20.37	51.85	24.07	3.70
Population by Geography	235,865	0.00	18.68	59.28	22.04	0.00
Owner-Occupied Housing by Geography	66,037	0.00	16.61	57.71	25.68	0.00
Business by Geography	30,556	0.00	14.72	54.74	30.54	0.00
Farms by Geography	790	0.00	19.49	61.65	18.86	0.00
Family Distribution by Income Level	64,011	19.58	17.97	22.96	39.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,036	0.00	28.76	56.73	14.51	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		62,453 65,300 11%	Median Housing Value Unemployment Rate (2010 US Census)		259,396 3.54%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC updated MFI

The Crestview- Fort Walton Beach-Destin FL (Crestview) MSA AA consists of all counties in the MSA including Okaloosa and Walton Counties in their entirety. The OMB 2014 changes added Walton County to the Crestview MSA. Prior to 2014, Walton County was a separate non-MSA AA. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any geographies, including low- and moderate-income tracts. Demographic information from the 2010 U.S. Census shows the AA has no low-income census tracts and a notable percentage of moderate-income census tracts. In the AA, 11 or 20.37 percent of the total census tracts were moderate-income.

The population of the AA has shown steady growth during the evaluation period and the majority is located in Okaloosa County. According to 2010 U.S. Census and 2014 OMB delineations, the population of the AA was 235,865. Census population estimates, as of July 1, indicate an annual growth rate of 2.17 percent for 2013, 1.71 percent for 2014, and 1.93 percent for 2015. The population of Okaloosa County represents 76.66 percent of the AA population as of the 2010 census and 75.78 percent as of July 1, 2015.

Per the FDIC Deposit Market Share Report as of June 30, 2015, there were \$2.7 billion in deposits held among 24 financial institutions with 99 offices located in the AA. The primary competitors consist of large national and regional banks. The top five competitors have 43 offices and 50.56 percent of the market share. In comparison, TNB has eight offices and deposits of \$9.5 million and ranks eighth with a deposit market share of 5.75 percent. As of June 15, 2015, deposits in the state of Florida represented 6.54 percent of TNB’s total deposits.

On May 6, 2014 FEMA declared a Major Disaster Declaration (DR-4177) based on severe storms, tornadoes, straight-line winds and flooding that impacted five Florida counties including Okaloosa and Walton Counties within the AA. The declaration was for public assistance in addition to individual assistance. FEMA approved 7,107 individual assistance applications totaling \$35.2 million.

*Employment and Economic Factors*

Moody’s Analytics from March 2016 states the business cycle for the Crestview MSA is in recovery and lists defense, high tech, and tourism as the economic drivers. The MSA has an unemployment rate lower than state and national rates although the pace of job growth has slowed. The job growth has slowed particularly among goods producers and the labor force and has a long way to go before reaching its pre-recession size. The military and federal government provide stability and will contribute to new wage income. The top employers in the AA are Eglin Air Force Base (AFB), Hurlburt Field AFB, Jacobs Technology Teas Group, Fort Walton Beach Medical Center, and L-3 Crestview Aerospace Corporation.

According to the Bureau of Labor Statistics, the unemployment rate in each county in the Crestview Fort Walton Beach Destin FL MSA AA improved during the evaluation period. The unemployment rate for each county was better than the rate for the U.S. and the state of Florida. The following table shows the annual unemployment rate at the county, state, and national level for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>			
	<b>DEC 2013</b>	<b>DEC 2014</b>	<b>DEC 2015</b>
Okaloosa County	5.3%	4.9%	4.1%
Florida	6.6%	5.8%	5.1%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Census data and FFIEC estimates indicate improvement in the median family income (MFI) within the AA. Based on the 2010 U.S. Census and 2014 OMB delineations, the MFI for the AA was \$62,453. Given the 2010 MFI, low-income families earned at most \$31,220 and moderate-income families earned at most \$49,956. The FFIEC adjusted MFI for 2014 was \$64,500 and \$65,300 for 2015. Based on the updated MFI, low-income families earned at most \$32,250 in 2014 and \$32,650 in 2015. Moderate-income families earned at most \$51,600 in 2014 and \$52,240 in 2015.

Based on 2010 census data, the AA had 64,011 families. Of these families, 19.58 percent were low-income and 17.97 percent were moderate-income. The distribution of the 24,036 LMI families across AA geographies was uneven with 28.76 percent in moderate-income tracts, 56.73 percent in middle-income tracts, and 14.51 percent in upper-income tracts. Total families living below the poverty level were 7,041 or 11.00 percent of all families in the AA.

### *Housing*

Moody's Analytics from March 2016 states housing is still sluggish despite the influx of new residents in the AA. The 2010 U.S. Census data showed a moderate number of housing units in moderate-income census tract. Of the owner occupied housing units in the AA, 10,969 units or 16.61 percent were located in moderate-income tracts. The mix of housing units for the moderate-income geographies was 48.20 percent owner-occupied, 31.74 percent rentals, and 20.06 percent vacant.

According to the Federal Housing Finance Authority (FHFA), the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$183,400 at the end of 2013 to \$190,740 at the end of 2014. The median sales price further increased to \$198,870 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

### *Community Contact*

As part of this evaluation, we considered information provided by an affordable housing organization. The organization builds home for low-income individuals and families. The contact stated there is a need for financial education to low-income borrowers.

### *Opportunities*

The opportunity to make CD loans and investments and provide CD services is limited, based on the number of organizations identified in the AA. We identified only a few CD organizations that operate in this AA. Most organizations are community-based organizations that support affordable housing or community service for low- and moderate-income individuals.

# State of Texas

## Houston-SugarLand-Baytown\_TX MSA AA\_2013

Demographic Information for Full Scope Area: Houston-SugarLand-Baytown_TX MSA AA_2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	820	15.24	30.85	23.54	29.88	0.49
Population by Geography	4,354,970	12.25	29.64	26.80	30.90	0.41
Owner-Occupied Housing by Geography	853,176	5.53	24.57	28.40	41.50	0.00
Business by Geography	444,963	10.12	22.23	23.81	43.77	0.07
Farms by Geography	6,686	6.76	21.66	29.08	42.49	0.01
Family Distribution by Income Level	1,007,240	26.03	17.15	17.29	39.53	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	434,913	21.04	41.36	24.06	13.54	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		64,179 66,200 14%	Median Housing Value Unemployment Rate (2010 US Census)	157,714 3.58%		

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

Source: 2010 US Census and 2013 FFIEC updated MFI

## Houston-SugarLand-Baytown TX MSA AA- 2014-2015

Demographic Information for Full Scope Area: Houston MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	823	14.70	30.86	23.45	30.50	0.49
Population by Geography	4,377,247	11.91	29.55	26.55	31.58	0.41
Owner-Occupied Housing by Geography	858,463	5.31	24.40	28.07	42.21	0.00
Business by Geography	386,158	9.84	21.63	23.46	44.98	0.09
Farms by Geography	5,716	6.61	20.61	27.78	44.98	0.02
Family Distribution by Income Level	1,012,394	25.78	17.05	17.25	39.93	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	433,565	20.61	41.57	23.98	13.83	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		63,898 70,100 14%	Median Housing Value Unemployment Rate (2010 US Census)	158,398 3.57%		

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

Source: 2010 US Census and 2015 FFIEC updated MFI

The Houston AA consists of a portion of the nine-county Houston-The Woodlands-Sugar Land MSA. Specifically, the AA includes Harris County, Waller County, and 31 census tracts located in Fort Bend County. The AA does not include the remaining census tracts in Fort Bend or the other six counties in the MSA, because the branch network does not extend into these areas. The AA meets the requirements of the CRA regulation; the excluded areas do not arbitrarily exclude low- or moderate-income (LMI) geographies. Demographic information from the 2010 U.S. Census shows the AA had a notable percentage of LMI census tracts. In the AA, 375 or 45.56 percent of the total census tracts were LMI; 121 of these were low-income and 254 were moderate-income.

The population of the AA has shown steady growth during the evaluation period and the majority is located in Harris County. According to the U.S. Census Bureau (Bureau), the population of the AA was 4,377,247 at the time of the 2010 census. Population estimates from the Census bureau, as of July 1 each year, indicate an annual growth rate of 2.41 percent for 2013, 2.54 percent for 2014, and 2.35 percent for 2015. The population of Harris County represented 93.45 percent of the AA population as of the 2010 census and 92.95 percent as of July 1, 2015. Harris County includes the city of Houston, the largest city in Texas, which had a population of 2,099,451 per 2010 census data and an estimated population of 2,296,224 as of July 1, 2015.

Competition for deposits within the AA is very strong. Per the FDIC Deposit Market Share Report as of June 30, 2015, there were \$191.6 billion in deposits held among 84 financial institutions with 1,149 offices located inside the AA. The primary competitors consist of large national and regional banks. The top five competitors had 564 offices and controlled 72.94 percent of the market share. In comparison, TNB had 14 offices and deposits of \$422.2 million, which ranked it 33<sup>rd</sup> with a deposit market share of 0.22 percent. As of June 15, 2015, deposits in the state of Texas represented 4.30 percent of TNB's total deposits.

On May 29, 2015 FEMA declared a Major Disaster Declaration (DR-4223) based on severe storms, tornadoes, straight-line winds and flooding that impacted several Texas counties including Harris and Fort Bend Counties within the AA. The declaration was for public assistance in addition to individual assistance. FEMA approved 12,963 individual assistance applications totaling \$57.6 million.

On November 25, 2015 FEMA declared a Major Disaster Declaration (DR-4245) based on severe storms, tornadoes, straight-line winds and flooding that impacted several Texas counties including Harris County within the AA. The declaration was for public assistance in addition to individual assistance. FEMA approved 3,305 individual assistance applications totaling \$18.6 million.

#### *Employment and Economic Factors*

Moody's Analytics from March 2016 states the business cycle for the Houston MSA is in expansion and lists energy and resources, manufacturing, and logistics as the economic drivers. Moody's further reports the Houston MSA has suffered from low oil prices for more than a year, narrowly avoiding a recession. Mining employment has declined 16 percent from the 2014 peak, but downstream and non-energy industries provide offsetting support as low energy prices help lift the expansion of huge petrochemical plants. Employment growth in the healthcare industry also helped offset the impact of the downturn in mining. Houston is home to the highest concentration of medical research facilities in the state. The primary employment sectors are business and professional services, education and health services, government, transportation and utilities, leisure and hospitality services, and retail trade.

The Greater Houston Partnership (GHP) published a list of the largest Houston-area employers. Per GHP's June 2015 database, the nine largest companies employed approximately 127,000 people in the local area. These employers were Memorial Hermann Health System, The University of Texas MD Anderson, United Airlines, Exxon Mobil Corporation, Shell Oil Company, Houston Methodist, Kroger Company, National Oilwell Varco, and Schlumberger Limited. In June 2016, GHP further reported that 24 *Fortune 500* companies base their operations in the Houston Region. By revenue, the top five companies were Phillips 66, Sysco, Conoco Phillips, Enterprise Products Partners, and Haliburton. In addition, annual survey data from the U.S. Census Bureau on County Business Patterns shows a notable number of businesses with less than 500 employees. There were 106,490 such businesses located in Harris, Fort Bend, and Waller counties in 2013. The number increased to 109,202 in 2014. In 2013 and 2014, approximately 83 percent of these businesses reported fewer than 20 employees.



According to the Bureau of Labor Statistics, the unemployment rate for each of the counties in the Houston AA improved during the evaluation period. The unemployment rate for each county was better than the rate for the U.S. and comparable to or better than the rate for the state of Texas. The following table shows the annual unemployment rates at the county, state, and national level for 2013, 2014, and 2015.

<b>ANNUAL UNEMPLOYMENT RATE</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Fort Bend County	5.4%	4.5%	4.3%
Harris County	6.0%	5.0%	4.6%
Waller County	6.4%	5.1%	4.8%
Texas	6.2%	5.1%	4.5%
U.S.	7.4%	6.2%	5.3%

Source: Bureau of Labor Statistics

Census data and FFIEC estimates indicate improvement in the median family income (MFI) within the AA. Based on the 2010 U.S. Census and 2014 OMB delineations, the MFI for the AA was \$63,898. Given the 2010 MFI, low-income families earned at most \$31,949 and moderate-income families earned at most \$51,118. The FFIEC adjusted MFI for 2014 and 2015 was \$68,400 and \$70,100, respectively. Based on the updated MFI, low-income families earned at most \$34,200 in 2014 and \$35,050 in 2015. Moderate-income families earned at most \$54,720 in 2014 and \$56,080 in 2015.

Per 2010 census data, the AA had 1,012,394 families. Of these families, 25.78 percent were low-income and 17.05 percent were moderate-income. The distribution of the 433,565 LMI families across AA geographies was uneven with 20.61 percent in low-income tracts, 40.57 percent in moderate-income tracts, 23.98 percent in middle-income tracts, and 18.83 percent in upper-income tracts. Total families living below the poverty level was 132,655 or 13.10 percent of all families in the AA. Most of the families living below the poverty level resided in LMI geographies. Respectively, the number of families below poverty to total families within LMI tracts was 34.53 percent and 19.46 percent.

### *Housing*

The 2010 U.S. Census data showed a low number of housing units located in low-income census tracts and a moderate number in moderate-income census tract. Both geographies had a high percentage of units that were rented or vacant. Of the total housing units in the AA, 217,531 units or 13.21 percent were located in low-income tracts and 477,400 units or 28.99 percent were located in moderate-income tracts. Within the low-income geographies, 20.95 percent of the housing units were owner-occupied, 59.75 percent were occupied rentals, and 19.29 percent were vacant. The mix of housing units for the moderate-income geographies was 43.88 percent owner-occupied, 42.54 percent rentals, and 13.58 percent vacant.

The LMI geographies have older housing stock in comparison to the entire AA and the middle- and upper-income geographies. Per 2010 census data, the median age for housing in LMI geographies was 39 years and 36 years, respectively. Comparatively, the median age for all housing stock in the AA was 30 years. The median age was 26 years for middle-income geographies and 23 years for upper-income geographies. Older housing often costs less to purchase, but requires additional funds to maintain, repair, or rehabilitate.

According to the Federal Housing Finance Authority (FHFA), the median sales price for the AA trended upward during the evaluation period. The median sales price increased from \$205,030 at the end of 2013 to \$227,810 at the end of 2014. The median sales price further increased to \$244,810 by the end of 2015. Given the MFI for the AA as noted above, these median sale prices were not necessarily affordable, especially for low-income families.

#### *Community Contact*

As part of this evaluation, we considered information provided by a small business development organization. The organization provides consulting and assistance to start-up and existing businesses that are seeking financing. The representative from this organization stated that financing for very small business loans is a credit need in this AA. In particular, a need exist for financing old starter and existing businesses with 10-20 employees.

#### *Opportunities*

The opportunity to make CD loans and investments and provide CD services in this AA is numerous. We identified at least 344 CD organizations that operate in this AA including several CDCs, small business development centers, credit unions, small business finance corporations, economic development corporations, and economic development organizations. There are numerous organizations providing affordable housing and community service for low- and moderate-income individuals, stabilize low- or moderate-income areas and providing economic development in the AA.

## 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 areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12. Deposit data compiled by the FDIC is available as of June 30 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home-Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not

available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home-Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding, tracked, and recorded by the bank's financial reporting system.

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

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

## **Tables of Performance Data**

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### **Memphis TN-MS Multistate Metropolitan Area**

**State of Mississippi**

**State of Alabama**

**State of Florida**

**State of Texas**

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: MEMPHIS MULTISTATE												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015												
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Memphis Multistate MSA	100.00	1,052	168,546	264	37,819	43	2,927	6	3,947	1,365	213,239	100.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: MEMPHIS MULTISTATE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Memphis Multistate MSA	666	100.00	8.17	0.75	16.16	3.45	27.63	24.62	48.03	71.17	1.84	0.84	0.78	2.07	1.90	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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



**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: MEMPHIS MULTISTATE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Memphis Multistate MSA	119	100.00	8.17	0.84	16.16	12.61	27.63	48.74	48.03	37.82	5.58	0.00	3.73	9.27	4.86

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE      Geography: MEMPHIS MULTISTATE      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Memphis Multistate MSA	266	100.00	8.17	0.75	16.16	2.63	27.63	28.20	48.03	68.42	1.25	0.55	0.36	1.37	1.38

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: MEMPHIS MULTISTATE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Memphis Multistate MSA	1	100.00	24.23	0.00	25.70	0.00	25.72	100.00	24.34	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: MEMPHIS MULTISTATE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Memphis Multistate MSA	260	100.00	9.19	5.38	17.40	9.62	25.05	27.69	47.53	57.31	0.99	0.68	0.57	1.57	0.91									

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: MEMPHIS MULTISTATE		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Memphis Multistate MSA	43	100.00	5.08	0.00	12.73	0.00	30.53	74.42	51.31	25.58	23.81	0.00	0.00	33.33	14.04						

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															Geography: MEMPHIS MULTISTATE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families***	% BANK Loans****	% Families 3	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Memphis Multistate MSA	666	100.00	23.29	6.54	15.80	26.99	17.39	28.83	43.52	37.63	1.84	2.53	2.55	2.16	1.32									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 26.6% of loans originated and purchased by bank.

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

**Table 9. Borrower Distribution of Home-Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: MEMPHIS MULT-STATE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families*	% BANK Loans****	% Families <sup>4</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Memphis Multistate MSA	119	100.00	23.29	34.34	15.80	18.18	17.39	21.21	43.52	26.26	5.21	9.04	2.89	6.16	4.15

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 16.8% of loans originated and purchased by bank.

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

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: MEMPHIS MULTISTATE					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families** *	% BANK Loans****	% Families <sup>5</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Memphis Multistate MSA	266	100.00	23.29	9.04	15.80	13.25	17.39	28.31	43.52	49.40	1.29	1.98	1.38	1.58	1.08									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 37.6% of loans originated and purchased by bank.

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



**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MEMPHIS MULTISTATE			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Memphis Multistate MSA	264	100.00	68.61	39.39	66.29	17.42	16.29	0.99	1.03

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.48% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: MEMPHIS MULTISTATE				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Memphis Multistate MSA	43	100.00	95.21	74.42	76.74	18.60	4.65	23.81	28.21

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 23.26% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: MEMPHIS MULTISTATE			Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015						
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Memphis Multistate MSA	19	8,464	91	7,188	110	15,652	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MEMPHIS MULTISTATE Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Memphis Multistate MSA	100.00	23	100.00	0.00	4.35	43.48	52.17	2	1	0	-1	+1	+1	13.47	20.05	27.03	39.02

# MISSISSIPPI

## Table 1. Lending Volume

LENDING VOLUME												
Geography: MISSISSIPPI												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015												
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Jackson MSA	52.60	5,034	834,621	2,289	293,965	319	21,799	36	135,105	7,678	1,285,490	58.96
Southern NonMSA	9.58	452	46,550	709	63,740	230	15,296	7	12,825	1,398	138,411	8.38
<b>Limited Review:</b>												
Gulfport MSA	3.58	467	79,982	54	9,436	0	0	1	1,500	522	90,918	0.47
Hattiesburg MSA	5.88	512	82,020	319	36,497	23	2,469	4	13,049	858	134,035	5.29
MS Central Non-MSA	5.62	312	29,118	321	25,919	186	8,600	2	1,422	821	65,059	4.29
MS East Non-MSA	7.43	730	86,915	300	28,442	45	3,026	10	50,416	1,085	168,799	8.75
MS North Non-MSA	7.32	759	118,993	279	21,855	29	1,199	2	9,435	1,069	151,482	6.38
MS West Non-MSA	7.99	518	56,864	587	38,140	51	3,795	10	1,921	1,166	100,720	7.48
MS Statewide with no P/M/F to serve an AA								22	28,604	22	28,604	
MS Statewide with P/M/F to serve an AA								1	1,000	1	1,000	

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Jackson MSA	2,717	59.01	5.20	0.29	14.99	3.02	44.31	30.40	35.49	66.29	16.77	10.17	11.54	14.06	19.03	
MS Southern Non-MSA	163	3.54	1.92	1.23	13.43	14.72	64.66	56.44	19.99	27.61	8.00	0.00	5.00	7.78	10.33	
<b>Limited Review:</b>																
Gulfport MSA	309	6.71	3.56	0.97	11.69	6.80	59.67	58.25	25.08	33.98	6.80	4.76	10.40	6.30	7.17	
Hattiesburg MSA	299	6.49	5.57	3.68	13.85	8.70	41.19	24.08	39.39	63.55	8.14	10.53	6.04	6.77	9.25	
MS Central Non-MSA	118	2.56	0.00	0.00	8.32	5.93	53.80	50.85	37.88	43.22	9.02	0.00	12.77	8.13	9.88	
MS East Non-MSA	352	7.65	3.55	0.28	8.04	4.55	47.40	40.34	41.02	54.83	6.86	0.00	5.38	7.93	6.26	
MS North Non-MSA	360	7.82	0.00	0.00	2.58	0.83	41.49	17.78	55.93	81.39	8.42	0.00	2.04	6.01	9.54	
MS West Non-MSA	286	6.21	12.35	2.10	21.38	7.69	21.98	10.49	44.28	79.72	16.11	13.89	12.33	11.17	18.57	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Jackson MSA	451	46.59	5.20	10.42	14.99	19.29	44.31	45.01	35.49	25.28	23.94	52.08	23.03	24.54	19.23	
MS Southern Non-MSA	119	12.29	1.92	0.84	13.43	10.92	64.66	62.18	19.99	26.05	21.22	20.00	23.08	18.37	28.17	
<b>Limited Review:</b>																
Gulfport MSA	7	0.72	3.56	0.00	11.69	0.00	59.67	57.14	25.08	42.86	2.35	0.00	0.00	2.54	3.39	
Hattiesburg MSA	41	4.24	5.57	9.76	13.85	21.95	41.19	56.10	39.39	12.20	10.10	5.88	16.00	13.75	5.26	
MS Central Non-MSA	90	9.30	0.00	0.00	8.32	17.78	53.80	44.44	37.88	37.78	33.06	0.00	16.67	33.82	36.36	
MS East Non-MSA	80	8.26	3.55	2.50	8.04	8.75	47.40	62.50	41.02	26.25	12.17	0.00	3.45	16.67	8.46	
MS North Non-MSA	74	7.64	0.00	0.00	2.58	4.05	41.49	50.00	55.93	45.95	20.00	0.00	7.69	26.26	16.54	
MS West Non-MSA	106	10.95	12.35	13.21	21.38	24.53	21.98	15.09	44.28	47.17	23.27	23.81	35.56	17.02	20.22	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: MISSISSIPPI		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Jackson MSA	1,860	58.20	5.20	1.08	14.99	5.86	44.31	32.90	35.49	60.16	18.79	14.29	13.75	17.97	20.51						
MS Southern Non-MSA	168	5.26	1.92	2.38	13.43	9.52	64.66	65.48	19.99	22.62	11.67	16.67	8.86	11.44	13.19						
<b>Limited Review:</b>																					
Gulfport MSA	150	4.69	3.56	1.33	11.69	9.33	59.67	55.33	25.08	34.00	4.80	0.00	7.94	4.64	4.69						
Hattiesburg MSA	172	5.38	5.57	1.16	13.85	11.05	41.19	42.44	39.39	45.35	6.47	4.17	5.52	8.22	5.42						
MS Central Non-MSA	101	3.16	0.00	0.00	8.32	9.90	53.80	54.46	37.88	35.64	7.37	0.00	8.51	8.16	5.81						
MS East Non-MSA	297	9.29	3.55	0.34	8.04	6.40	47.40	50.17	41.02	43.10	10.32	3.70	5.66	10.83	10.75						
MS North Non-MSA	323	10.11	0.00	0.00	2.58	1.55	41.49	30.65	55.93	67.80	9.22	0.00	11.54	8.32	9.65						
MS West Non-MSA	125	3.91	12.35	4.80	21.38	9.60	21.98	20.80	44.28	64.80	10.53	7.50	6.52	11.50	11.63						

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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



**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Jackson MSA	6	37.50	17.25	0.00	18.84	33.33	39.86	16.67	24.04	50.00	7.84	0.00	18.18	0.00	11.76	
MS Southern Non-MSA	2	12.50	18.59	0.00	17.50	0.00	44.08	50.00	19.83	50.00	100.00	0.00	0.00	100.00	0.00	
<b>Limited Review:</b>																
Gulfport MSA	1	6.25	3.76	0.00	18.17	0.00	71.74	100.00	6.33	0.00	6.67	0.00	0.00	9.09	0.00	
Hattiesburg MSA	0	0.00	12.88	0.00	58.90	0.00	11.19	0.00	17.02	0.00	0.00	0.00	0.00	0.00	0.00	
MS Central Non-MSA	3	18.75	0.00	0.00	37.54	0.00	43.69	100.00	18.77	0.00	28.57	0.00	0.00	28.57	0.00	
MS East Non-MSA	1	6.25	7.74	0.00	13.22	0.00	45.60	100.00	33.43	0.00	5.00	0.00	0.00	6.67	0.00	
MS North Non-MSA	2	12.50	0.00	0.00	10.07	0.00	41.01	50.00	48.92	50.00	0.00	0.00	0.00	0.00	0.00	
MS West Non-MSA	1	6.25	19.18	0.00	31.72	100.00	6.87	0.00	42.23	0.00	8.33	0.00	33.33	0.00	0.00	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: MISSISSIPPI		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Jackson MSA	2,289	47.12	10.28	9.35	13.31	13.19	41.25	39.36	35.16	38.10	14.38	18.06	19.71	14.92	12.84						
MS Southern Non-MSA	709	14.59	2.35	1.27	11.95	14.39	62.50	56.70	23.20	27.64	20.99	30.77	21.13	22.17	20.56						
<b>Limited Review:</b>																					
Gulfport MSA	54	1.11	5.10	1.85	23.88	42.59	52.51	46.30	18.39	9.26	1.13	1.03	1.90	1.07	0.59						
Hattiesburg MSA	319	6.57	10.51	13.79	22.06	19.12	32.23	27.90	35.19	39.18	9.68	17.20	8.31	9.57	9.32						
MS Central Non-MSA	321	6.61	0.00	0.00	20.86	11.84	50.40	59.81	28.56	28.35	16.84	0.00	9.35	20.51	19.43						
MS East Non-MSA	300	6.18	5.24	9.67	12.75	11.33	47.67	51.67	34.35	27.33	6.35	12.20	6.14	7.20	5.13						
MS North Non-MSA	279	5.74	0.00	0.00	7.73	10.39	42.74	52.33	49.09	37.28	5.08	0.00	7.14	6.38	4.01						
MS West Non-MSA	587	12.08	14.63	8.69	26.28	41.06	19.27	5.45	39.82	44.80	19.48	15.65	31.18	7.20	19.33						

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Jackson MSA	319	36.13	3.15	1.25	15.60	22.57	47.11	65.83	34.14	10.34	49.56	40.00	53.16	62.13	22.35	
MS Southern Non-MSA	230	26.05	0.62	0.00	11.55	11.74	68.45	59.57	19.38	28.70	52.76	0.00	71.43	56.10	42.62	
<b>Limited Review:</b>																
Gulfport MSA	0	0.00	0.72	0.00	15.94	0.00	60.87	0.00	22.46	0.00	0.00	0.00	0.00	0.00	0.00	
Hattiesburg MSA	23	2.60	6.69	4.35	10.78	0.00	35.69	69.57	46.84	26.09	27.91	100.00	0.00	33.33	17.65	
MS Central Non-MSA	186	21.06	0.00	0.00	6.03	0.00	63.32	62.90	30.65	37.10	66.14	0.00	0.00	61.84	72.55	
MS East Non-MSA	45	5.10	1.19	0.00	7.14	0.00	50.79	86.67	40.87	13.33	13.04	0.00	0.00	20.88	3.45	
MS North Non-MSA	29	3.28	0.00	0.00	3.32	0.00	40.82	37.93	55.87	62.07	9.48	0.00	0.00	6.90	12.50	
MS West Non-MSA	51	5.78	11.58	0.00	27.89	33.33	32.81	3.92	27.72	62.75	26.32	0.00	35.48	3.70	43.90	

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share*				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families 6	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Jackson MSA	2,717	59.01	22.93	5.42	16.24	15.44	18.24	22.67	42.59	56.47	6.28	5.31	3.40	5.81	8.10	
MS Southern Non-MSA	163	3.54	23.28	3.62	16.59	13.77	18.24	22.46	41.89	60.14	8.46	0.00	7.69	8.19	9.64	
<b>Limited Review:</b>																
Gulfport MSA	309	6.71	22.68	6.03	16.89	25.00	20.10	30.17	40.33	38.79	2.72	5.63	2.69	2.67	2.49	
Hattiesburg MSA	299	6.49	24.16	4.15	16.65	14.94	17.51	21.99	41.68	58.92	8.40	10.17	7.66	8.68	8.37	
MS Central Non-MSA	118	2.56	20.96	0.00	16.70	13.86	18.89	35.64	43.45	50.50	9.78	0.00	9.80	15.19	7.45	
MS East Non-MSA	352	7.65	22.55	2.22	15.49	10.22	15.69	19.56	46.28	68.00	5.24	6.67	4.66	5.14	5.33	
MS North Non-MSA	360	7.82	18.14	2.65	15.19	15.23	16.51	21.85	50.16	60.26	4.27	8.11	5.12	3.27	4.32	
MS West Non-MSA	286	6.21	30.13	6.08	14.68	13.26	14.89	22.10	40.30	58.56	13.37	12.50	11.65	12.12	14.46	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 59.3% of loans originated and purchased by bank.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: MISSISSIPPI				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families*	% BANK Loans****	% Families <sup>7</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Jackson MSA	451	46.59	22.93	21.04	16.24	28.66	18.24	22.56	42.59	27.74	19.24	21.71	25.45	22.03	12.84
MS Southern Non-MSA	119	12.29	23.28	12.77	16.59	22.34	18.24	18.09	41.89	46.81	18.91	15.38	24.56	20.69	16.53
<b>Limited Review:</b>															
Gulfport MSA	7	0.72	22.68	0.00	16.89	0.00	20.10	50.00	40.33	50.00	1.98	0.00	0.00	4.76	2.60
Hattiesburg MSA	41	4.24	24.16	17.14	16.65	20.00	17.51	28.57	41.68	34.29	9.73	22.22	9.76	15.38	4.60
MS Central Non-MSA	90	9.30	20.96	10.14	16.70	20.29	18.89	24.64	43.45	44.93	28.95	38.46	38.46	24.00	26.98
MS East Non-MSA	80	8.26	22.55	18.57	15.49	27.14	15.69	17.14	46.28	37.14	11.07	20.00	18.03	5.00	8.97
MS North Non-MSA	74	7.64	18.14	9.23	15.19	21.54	16.51	26.15	50.16	43.08	18.64	19.05	37.04	17.50	15.15
MS West Non-MSA	106	10.95	30.13	15.19	14.68	32.91	14.89	25.32	40.30	26.58	18.18	25.00	32.26	21.21	10.23

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 22.9% of loans originated and purchased by bank.

<sup>7</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: MISSISSIPPI					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families** *	% BANK Loans****	% Families <sup>8</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Jackson MSA	1,860	58.20	22.93	7.29	16.24	17.16	18.24	23.11	42.59	52.44	16.92	16.73	19.81	17.88	15.76									
MS Southern Non-MSA	168	5.26	23.28	6.62	16.59	8.09	18.24	20.59	41.89	64.71	11.76	14.29	7.41	13.89	11.79									
<b>Limited Review:</b>																								
Gulfport MSA	150	4.69	22.68	13.40	16.89	19.59	20.10	23.71	40.33	43.30	3.98	7.07	3.80	4.41	3.35									
Hattiesburg MSA	172	5.38	24.16	11.40	16.65	8.77	17.51	22.81	41.68	57.02	5.82	9.09	4.10	4.23	6.35									
MS Central Non-MSA	101	3.16	20.96	5.19	16.70	6.49	18.89	22.08	43.45	66.23	6.29	4.17	3.95	7.76	6.58									
MS East Non-MSA	297	9.29	22.55	8.74	15.49	10.68	15.69	21.84	46.28	58.74	9.19	19.30	11.94	9.09	8.07									
MS North Non-MSA	323	10.11	18.14	6.77	15.19	14.06	16.51	18.23	50.16	60.94	7.45	11.29	6.41	8.63	7.08									
MS West Non-MSA	125	3.91	30.13	5.94	14.68	12.87	14.89	16.83	40.30	64.36	10.82	13.79	7.25	10.84	11.33									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 38.5% of loans originated and purchased by bank.

<sup>8</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Jackson MSA	2,289	47.12	69.81	47.97	70.42	15.29	14.29	14.38	14.18
MS Southern Non-MSA	709	14.59	71.79	53.46	78.84	12.83	8.32	20.99	23.30
<b>Limited Review:</b>									
Gulfport MSA	54	1.11	71.01	25.93	55.56	25.93	18.52	1.13	0.85
Hattiesburg MSA	319	6.57	69.56	50.47	73.67	13.79	12.54	9.68	9.99
MS Central Non-MSA	321	6.61	68.86	55.45	83.49	9.35	7.17	16.84	21.13
MS East Non-MSA	300	6.18	69.28	50.67	79.33	10.33	10.33	6.35	6.85
MS North Non-MSA	279	5.74	69.87	55.56	80.29	11.83	7.89	5.08	5.24
MS West Non-MSA	587	12.08	68.60	66.44	86.88	6.98	6.13	19.48	27.40

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 13.92% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MISSISSIPPI			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Jackson MSA	319	36.13	97.51	76.80	80.88	14.42	4.70	49.56	49.44
MS Southern Non-MSA	230	26.05	97.53	87.83	83.48	10.87	5.65	52.76	57.76
<b>Limited Review:</b>									
Gulfport MSA	0	0.00	95.65	0.00	0.00	0.00	0.00	0.00	0.00
Hattiesburg MSA	23	2.60	96.65	73.91	78.26	0.00	21.74	27.91	32.26
MS Central Non-MSA	186	21.06	96.98	79.03	89.78	7.53	2.69	66.14	68.09
MS East Non-MSA	45	5.10	97.22	62.22	86.67	8.89	4.44	13.04	14.77
MS North Non-MSA	29	3.28	96.43	79.31	93.10	6.90	0.00	9.48	11.90
MS West Non-MSA	51	5.78	94.39	74.51	80.39	13.73	5.88	26.32	31.25

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 6.68% of small loans to farms originated and purchased by the bank.



**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: MISSISSIPPI									
Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Jackson MSA	27	11,571	395	22,185	422	33,756	42.63	0	0
MS Southern Non-MSA	3	2,256	102	4,707	105	6,963	8.79	0	0
<b>Limited Review:</b>									
Gulfport MSA	15	1,558	30	1,309	45	2,867	3.62	0	0
Hattiesburg MSA	6	5,063	54	2,056	60	7,119	8.99	0	0
MS Central Non-MSA	2	84	45	484	47	568	0.72	0	0
MS East Non-MSA	3	1,654	96	12,582	99	14,236	17.98	0	0
MS North Non-MSA	1	165	62	211	63	376	0.47	0	0
MS West Non-MSA	5	1,853	119	7,374	124	9,227	11.65	0	0
MS Statewide with P/M/F to serve an AA	0	0	2	3,919	2	3,919	4.95	0	0
MS Statewide with no P/M/F to serve an AA	5	140	4	8	9	148	0.20	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MISSISSIPPI Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Jackson MSA	58.96	50	41.32	12.00	18.00	30.00	36.00	2	2	0	0	-1	+1	9.93	17.05	43.52	29.50
MS Southern Non-MSA	8.38	12	9.92	0.00	16.67	66.67	16.66	0	0	0	0	0	0	4.16	13.72	63.42	18.70
<b>Limited Review:</b>																	
Gulfport MSA	0.47	1	0.83	0.00	0.00	100.00	0.00	0	1	0	0	-1	0	4.77	14.23	61.18	19.78
Hattiesburg MSA	5.29	10	8.26	0.00	50.00	30.00	20.00	0	1	0	0	-1	0	10.03	22.48	34.13	33.37
MS Central Non-MSA	4.29	8	6.61	0.00	25.00	62.50	12.50	0	1	0	0	0	-1	0.00	12.82	54.25	32.92
MS East Non-MSA	8.75	14	11.57	7.14	14.29	50.00	28.57	0	1	0	0	0	-1	4.95	10.78	47.55	36.72
MS North Non-MSA	6.38	12	9.92	0.00	8.33	50.00	41.67	0	0	0	0	0	0	0.00	6.49	39.90	53.60
MS West Non-MSA	7.48	14	11.57	21.43	21.43	7.14	50.00	0	0	0	0	0	0	17.02	27.89	19.48	35.61

## ALABAMA

### Table 1. Lending Volume

LENDING VOLUME												
Geography: ALABAMA												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015												
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Mobile MSA	19.59	593	99,949	476	88,374	6	1,087	9	6,962	1,084	196,372	21.28
<b>Limited Review:</b>												
Auburn-Opelika MSA	2.26	37	9,839	75	11,055	8	390	5	7,387	125	28,671	4.48
Barbour County	2.73	42	2,729	100	11,915	8	1,517	1	2,817	151	18,978	5.64
Birmingham MSA	16.91	762	153,991	166	17,717	8	269	0	0	936	171,977	7.53
Butler-Escambia-Monroe Counties	11.00	242	16,709	303	32,312	63	6,018	1	1,694	609	56,733	24.39
Daphne-Fairhope MSA	17.08	679	149,339	258	42,226	7	469	1	663	945	192,697	5.79
Marengo-Dallas Counties	9.90	221	15,382	261	21,350	66	5,588	0	0	548	42,320	13.83
Montgomery MSA	20.53	656	104,910	451	45,754	23	2,277	6	6,087	1,136	159,028	17.06
AL Statewide with no P/M/F to serve an AA								8	5,016	8	5,016	

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ALABAMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Mobile MSA	380	19.51	4.02	0.53	19.63	5.26	40.72	31.58	35.63	62.63	2.74	4.76	0.90	1.93	3.73	
<b>Limited Review:</b>																
Auburn-Opelika MSA	23	1.18	4.39	0.00	15.67	39.13	57.21	39.13	22.73	21.74	0.44	0.00	0.94	0.34	0.36	
Barbour County	8	0.41	0.00	0.00	11.88	0.00	82.48	87.50	5.64	12.50	4.59	0.00	0.00	4.35	9.09	
Birmingham MSA	553	28.39	5.51	0.54	15.20	3.98	34.95	18.26	44.33	77.22	1.79	1.69	1.23	1.06	2.20	
Butler-Escambia-Monroe Counties	52	2.67	1.46	0.00	38.28	38.46	37.27	21.15	23.00	40.38	3.93	0.00	4.32	3.31	4.35	
Daphne-Fairhope MSA	474	24.33	0.00	0.00	15.14	4.64	60.08	53.80	24.78	41.56	4.45	0.00	2.84	4.10	5.36	
Marengo-Dallas Counties	31	1.59	5.73	0.00	24.96	6.45	35.84	45.16	33.48	48.39	3.31	0.00	4.00	4.42	2.44	
Montgomery MSA	427	21.92	5.82	1.17	15.29	4.45	41.87	35.36	37.01	59.02	3.24	2.63	1.28	2.73	4.01	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															Geography: ALABAMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Mobile MSA	21	8.94	4.02	0.00	19.63	0.00	40.72	38.10	35.63	61.90	1.76	0.00	0.00	2.33	2.06									
<b>Limited Review:</b>																								
Auburn-Opelika MSA	1	0.43	4.39	0.00	15.67	0.00	57.21	100.00	22.73	0.00	0.00	0.00	0.00	0.00	0.00									
Barbour County	22	9.36	0.00	0.00	11.88	0.00	82.48	81.82	5.64	18.18	51.85	0.00	0.00	45.45	100.00									
Birmingham MSA	22	9.36	5.51	0.00	15.20	22.73	34.95	40.91	44.33	36.36	1.15	0.00	3.29	1.27	0.57									
Butler-Escambia-Monroe Counties	65	27.66	1.46	3.08	38.28	26.15	37.27	52.31	23.00	18.46	25.52	0.00	20.37	32.20	22.58									
Daphne-Fairhope MSA	13	5.53	0.00	0.00	15.14	7.69	60.08	69.23	24.78	23.08	2.36	0.00	1.92	2.31	2.78									
Marengo-Dallas Counties	63	26.81	5.73	12.70	24.96	30.16	35.84	22.22	33.48	34.92	35.96	42.86	45.45	30.77	32.35									
Montgomery MSA	28	11.91	5.82	3.57	15.29	3.57	41.87	60.71	37.01	32.14	3.59	4.35	1.56	5.13	2.44									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE      Geography: ALABAMA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loan ***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mobile MSA	190	18.30	4.02	0.53	19.63	6.84	40.72	36.84	35.63	55.79	3.19	0.00	1.45	2.98	3.88
<b>Limited Review:</b>															
Auburn-Opelika MSA	11	1.06	4.39	0.00	15.67	27.27	57.21	45.45	22.73	27.27	0.39	0.00	1.57	0.26	0.28
Barbour County	12	1.16	0.00	0.00	11.88	0.00	82.48	83.33	5.64	16.67	7.09	0.00	0.00	6.36	18.18
Birmingham MSA	186	17.92	5.51	0.54	15.20	9.14	34.95	22.58	44.33	67.74	0.96	0.00	1.05	0.83	1.05
Butler-Escambia-Monroe Counties	125	12.04	1.46	3.20	38.28	41.60	37.27	36.00	23.00	19.20	15.96	50.00	18.44	16.36	10.95
Daphne-Fairhope MSA	191	18.40	0.00	0.00	15.14	6.81	60.08	60.73	24.78	32.46	4.13	0.00	2.65	3.98	4.89
Marengo-Dallas Counties	126	12.14	5.73	5.56	24.96	7.14	35.84	34.92	33.48	52.38	21.21	57.14	13.16	21.21	21.57
Montgomery MSA	197	18.98	5.82	1.02	15.29	9.64	41.87	38.58	37.01	50.76	2.61	3.28	2.64	2.24	2.89

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															
Geography: ALABAMA															
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mobile MSA	2	18.18	6.04	0.00	34.34	50.00	35.50	50.00	24.12	0.00	5.88	0.00	0.00	12.50	0.00
<b>Limited Review:</b>															
Auburn-Opelika MSA	2	18.18	23.92	100.00	15.90	0.00	47.00	0.00	13.18	0.00	5.56	20.00	0.00	0.00	0.00
Barbour County	0	0.00	0.00	0.00	3.60	0.00	90.17	0.00	6.24	0.00	0.00	0.00	0.00	0.00	0.00
Birmingham MSA	1	9.09	14.03	0.00	27.91	0.00	30.30	100.00	27.76	0.00	1.12	0.00	0.00	3.13	0.00
Butler-Escambia-Monroe Counties	0	0.00	0.92	0.00	61.41	0.00	13.72	0.00	23.94	0.00	0.00	0.00	0.00	0.00	0.00
Daphne-Fairhope MSA	1	9.09	0.00	0.00	0.96	100.00	67.12	0.00	31.92	0.00	0.00	0.00	0.00	0.00	0.00
Marengo-Dallas Counties	1	9.09	30.50	0.00	6.03	0.00	31.25	100.00	32.22	0.00	0.00	0.00	0.00	0.00	0.00
Montgomery MSA	4	36.36	14.57	25.00	23.38	25.00	28.35	0.00	33.71	50.00	22.22	20.00	16.67	0.00	40.00

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES      Geography: ALABAMA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mobile MSA	476	22.78	6.51	8.61	20.91	17.23	33.89	19.33	38.47	54.83	4.05	5.48	3.21	2.58	5.39
<b>Limited Review:</b>															
Auburn-Opelika MSA	75	3.59	4.20	8.00	16.14	28.00	59.39	36.00	20.27	28.00	2.15	8.82	2.66	1.60	2.62
Barbour County	100	4.78	0.00	0.00	11.30	5.00	82.50	87.00	6.21	8.00	17.22	0.00	9.52	17.53	22.22
Birmingham MSA	166	7.94	8.98	1.20	16.68	50.60	29.31	32.53	45.02	15.66	0.61	0.09	2.52	0.68	0.19
Butler-Escambia-Monroe Counties	303	14.50	5.27	11.88	36.03	27.39	28.55	21.78	30.15	38.94	24.69	30.16	25.13	19.28	29.61
Daphne-Fairhope MSA	258	12.34	0.00	0.00	10.01	14.73	68.40	63.95	21.59	21.32	3.12	0.00	4.76	3.27	2.65
Marengo-Dallas Counties	261	12.49	11.60	7.28	21.75	8.43	33.16	36.02	33.49	48.28	21.78	21.74	10.00	22.16	29.29
Montgomery MSA	451	21.58	15.51	13.53	14.04	9.76	32.98	32.59	37.48	44.12	5.28	5.02	3.34	5.80	5.82

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).



**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: ALABAMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Mobile MSA	6	3.17	3.67	16.67	13.86	0.00	42.07	16.67	40.23	66.67	7.32	0.00	0.00	0.00	13.04	
<b>Limited Review:</b>																
Auburn-Opelika MSA	8	4.23	2.27	0.00	15.53	50.00	63.26	50.00	18.94	0.00	17.65	0.00	33.33	20.00	0.00	
Barbour County	8	4.23	0.00	0.00	12.82	37.50	84.62	62.50	2.56	0.00	15.63	0.00	15.38	15.79	0.00	
Birmingham MSA	8	4.23	3.91	0.00	13.01	62.50	33.36	12.50	49.64	25.00	8.51	0.00	28.57	5.26	5.00	
Butler-Escambia-Monroe Counties	63	33.33	3.36	3.17	32.89	26.98	45.30	20.63	18.46	49.21	30.59	50.00	34.78	17.78	60.00	
Daphne-Fairhope MSA	7	3.70	0.00	0.00	21.98	28.57	60.72	71.43	17.30	0.00	6.35	0.00	6.90	7.14	0.00	
Marengo-Dallas Counties	66	34.92	2.75	0.00	23.63	0.00	43.41	54.55	30.22	45.45	57.14	0.00	0.00	73.68	73.68	
Montgomery MSA	23	12.17	3.64	4.35	11.05	0.00	50.13	52.17	35.18	43.48	11.88	50.00	0.00	14.29	15.38	

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															
Geography: ALABAMA															
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families <sup>12</sup>	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mobile MSA	380	19.51	23.24	3.45	16.71	19.70	19.49	18.72	40.56	58.13	1.22	0.50	0.59	0.98	1.85
<b>Limited Review:</b>															
Auburn-Opelika MSA	23	1.18	23.15	0.00	16.33	25.00	20.79	25.00	39.73	50.00	0.14	0.00	0.24	0.17	0.10
Barbour County	8	0.41	26.78	0.00	14.41	14.29	21.24	28.57	37.57	57.14	5.10	0.00	4.17	3.85	6.98
Birmingham MSA	553	28.39	21.13	5.47	16.41	16.40	18.82	27.65	43.64	50.48	1.19	0.89	0.95	1.09	1.41
Butler-Escambia-Monroe Counties	52	2.67	27.18	0.00	18.59	10.34	16.20	27.59	38.03	62.07	3.02	0.00	2.38	2.88	3.85
Daphne-Fairhope MSA	474	24.33	19.39	5.34	18.64	14.50	21.54	25.19	40.43	54.96	1.04	1.09	0.49	0.85	1.37
Marengo-Dallas Counties	31	1.59	29.74	0.00	15.11	17.24	17.37	20.69	37.78	62.07	3.60	0.00	0.00	0.00	7.69
Montgomery MSA	427	21.92	23.03	12.50	16.32	25.00	18.61	30.68	42.04	31.82	0.50	0.54	0.19	0.56	0.67

\* Based on 2014 Peer Mortgage Data -- US and PR

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 58.8% of loans originated and purchased by bank.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															
Geography: ALABAMA															
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>9</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mobile MSA	21	8.94	23.24	0.00	16.71	29.41	19.49	11.76	40.56	58.82	1.67	0.00	2.41	2.35	1.62
<b>Limited Review:</b>															
Auburn-Opelika MSA	1	0.43	23.15	0.00	16.33	0.00	20.79	0.00	39.73	100.00	0.00	0.00	0.00	0.00	0.00
Barbour County	22	9.36	26.78	15.79	14.41	21.05	21.24	21.05	37.57	42.11	52.00	100.00	50.00	22.22	75.00
Birmingham MSA	22	9.36	21.13	5.88	16.41	35.29	18.82	29.41	43.64	29.41	0.96	0.74	2.46	0.41	0.66
Butler-Escambia-Monroe Counties	65	27.66	27.18	20.00	18.59	24.00	16.20	22.00	38.03	34.00	20.90	30.00	18.75	20.69	18.87
Daphne-Fairhope MSA	13	5.53	19.39	30.77	18.64	7.69	21.54	30.77	40.43	30.77	2.45	2.00	1.75	4.69	1.74
Marengo-Dallas Counties	63	26.81	29.74	20.00	15.11	30.91	17.37	29.09	37.78	20.00	32.05	44.44	40.00	38.10	17.86
Montgomery MSA	28	11.91	23.03	25.00	16.32	25.00	18.61	16.67	42.04	33.33	3.24	5.06	3.13	2.78	2.68

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 16.6% of loans originated and purchased by bank.

<sup>9</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: ALABAMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families** *	% BANK Loans****	% Families <sup>10</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Mobile MSA	190	18.30	23.24	7.61	16.71	7.61	19.49	19.57	40.56	65.22	2.07	1.91	0.55	2.09	2.61									
<b>Limited Review:</b>																								
Auburn-Opelika MSA	11	1.06	23.15	22.22	16.33	33.33	20.79	11.11	39.73	33.33	0.33	1.69	0.70	0.51	0.00									
Barbour County	12	1.16	26.78	9.09	14.41	36.36	21.24	18.18	37.57	36.36	7.92	8.33	15.38	8.70	5.66									
Birmingham MSA	186	17.92	21.13	5.33	16.41	18.67	18.82	22.67	43.64	53.33	0.59	0.19	0.41	0.62	0.69									
Butler-Escambia-Monroe Counties	125	12.04	27.18	19.81	18.59	21.70	16.20	19.81	38.03	38.68	16.43	35.48	24.53	12.64	12.77									
Daphne-Fairhope MSA	191	18.40	19.39	9.88	18.64	9.88	21.54	23.46	40.43	56.79	1.88	2.21	0.66	1.07	2.65									
Marengo-Dallas Counties	126	12.14	29.74	12.17	15.11	14.78	17.37	23.48	37.78	49.57	23.55	34.62	25.81	25.81	20.00									
Montgomery MSA	197	18.98	23.03	15.56	16.32	18.89	18.61	25.56	42.04	40.00	1.91	2.60	2.23	1.09	2.05									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 44.2% of loans originated and purchased by bank.

<sup>10</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ALABAMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Mobile MSA	476	22.78	70.46	43.28	57.14	17.86	25.00	4.05	3.92
<b>Limited Review:</b>									
Auburn-Opelika MSA	75	3.59	71.51	50.67	69.33	16.00	14.67	2.15	2.88
Barbour County	100	4.78	69.46	66.00	69.00	15.00	16.00	17.22	24.79
Birmingham MSA	166	7.94	70.63	51.20	72.29	18.07	9.64	0.61	0.77
Butler-Escambia-Monroe Counties	303	14.50	70.01	49.50	77.23	9.90	12.87	24.69	30.08
Daphne-Fairhope MSA	258	12.34	73.90	58.53	60.47	20.16	19.38	3.12	3.67
Marengo-Dallas Counties	261	12.49	72.51	65.90	85.06	9.20	5.75	21.78	34.24
Montgomery MSA	451	21.58	70.10	58.76	78.94	9.53	11.53	5.28	6.31

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 16.79% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ALABAMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Mobile MSA	6	3.17	96.33	50.00	16.67	66.67	16.67	7.32	10.00
<b>Limited Review:</b>									
Auburn-Opelika MSA	8	4.23	96.97	100.00	100.00	0.00	0.00	17.65	37.50
Barbour County	8	4.23	98.29	50.00	37.50	50.00	12.50	15.63	16.67
Birmingham MSA	8	4.23	95.29	75.00	100.00	0.00	0.00	8.51	15.00
Butler-Escambia-Monroe Counties	63	33.33	98.32	33.33	68.25	23.81	7.94	30.59	42.86
Daphne-Fairhope MSA	7	3.70	94.95	71.43	71.43	28.57	0.00	6.35	13.64
Marengo-Dallas Counties	66	34.92	90.11	81.82	72.73	22.73	4.55	57.14	78.13
Montgomery MSA	23	12.17	96.77	60.87	65.22	21.74	13.04	11.88	12.77

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 16.93% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
		Geography: ALABAMA			Evaluation Period: FEBRUARY 15, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Mobile MSA	0	0	65	4,891	65	4,891	40.31	0	0
<b>Limited Review:</b>									
Auburn-Opelika MSA	0	0	16	663	16	663	5.46	0	0
Barbour County	0	0	23	39	23	39	0.32	0	0
Birmingham MSA	0	0	23	1,251	23	1,251	10.31	0	0
Butler-Escambia-Monroe Counties	0	0	59	368	59	368	3.03	0	0
Daphne-Fairhope MSA	0	0	22	1,909	22	1,909	15.73	0	0
Marengo-Dallas Counties	0	0	31	230	31	230	1.90	0	0
Montgomery MSA	0	0	65	2,782	65	2,782	22.93	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: ALABAMA Evaluation Period: FEBRUARY 15, 2013 TO DECEMBER 31, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Mobile MSA	21.28	7	17.07	14.29	14.29	28.57	42.86	0	0	0	0	0	0	6.34	23.70	39.08	30.70
<b>Limited Review:</b>																	
Auburn-Opelika MSA	4.48	2	4.88	0.00	0.00	100.00	0.00	0	0	0	0	0	0	5.92	15.01	58.46	20.60
Barbour County	5.64	2	4.88	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	15.53	78.18	6.29
Birmingham MSA	7.53	5	12.20	0.00	20.00	40.00	40.00	3	1	0	0	+2	0	8.85	18.41	33.00	39.74
Butler-Escambia-Monroe Counties	24.39	8	19.51	12.50	37.50	0.00	50.00	0	1	0	0	-1	0	2.11	41.29	35.69	20.91
Daphne-Fairhope MSA	5.79	4	9.76	0.00	0.00	75.00	25.00	1	0	0	0	0	+1	0.00	14.94	63.79	21.27
Marengo-Dallas Counties	13.83	5	12.20	40.00	0.00	40.00	20.00	0	0	0	0	0	0	10.73	25.17	33.80	30.29
Montgomery MSA	17.06	8	19.51	12.50	0.00	50.00	37.50	1	1	0	0	0	0	10.00	16.47	40.30	33.23



# FLORIDA

## Table 1. Lending Volume

LENDING VOLUME												
Geography: FLORIDA												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015												
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Crestview-Fort Walton MSA	31.03	312	94,397	252	40,705	1	171	2	482	567	135,755	44.00
<b>Limited Review:</b>												
Panama City MSA	68.97	941	148,349	299	48,872	0	0	3	1,069	1,243	198,290	56.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Crestview-Fort Walton MSA	193	20.44	0.00	0.00	16.61	7.77	57.71	50.26	25.68	41.97	1.20	0.00	1.21	1.19	1.22
<b>Limited Review:</b>															
Panama City MSA	751	79.56	1.32	0.40	16.25	12.25	58.45	58.19	23.98	29.16	9.46	0.00	11.51	9.07	9.63

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015						Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Crestview-Fort Walton MSA	13	28.26	0.00	0.00	16.61	15.38	57.71	61.54	25.68	23.08	2.87	0.00	2.63	3.85	1.32	
<b>Limited Review:</b>																
Panama City MSA	33	71.74	1.32	3.03	16.25	18.18	58.45	57.58	23.98	21.21	8.13	50.00	10.00	7.21	7.58	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Crestview-Fort Walton MSA	103	39.92	0.00	0.00	16.61	12.62	57.71	38.83	25.68	48.54	1.58	0.00	1.83	1.23	2.08
<b>Limited Review:</b>															
Panama City MSA	155	60.08	1.32	0.65	16.25	12.90	58.45	61.94	23.98	24.52	5.21	12.50	6.63	5.26	4.44

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Crestview-Fort Walton MSA	3	60.00	0.00	0.00	7.17	0.00	35.31	100.00	57.52	0.00	6.67	0.00	0.00	10.00	0.00
<b>Limited Review:</b>															
Panama City MSA	2	40.00	1.95	0.00	20.49	0.00	40.51	100.00	37.04	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Crestview-Fort Walton MSA	252	45.74	0.00	0.00	14.72	8.73	54.74	51.59	30.54	39.68	2.57	0.00	1.07	2.67	3.15									
<b>Limited Review:</b>																								
Panama City MSA	299	54.26	2.90	5.69	15.43	9.36	54.76	62.54	26.91	22.41	4.95	9.47	2.70	5.89	4.04									

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Crestview-Fort Walton MSA	1	100.00	0.00	0.00	19.49	0.00	61.65	100.00	18.86	0.00	4.00	0.00	0.00	6.25	0.00	
<b>Limited Review:</b>																
Panama City MSA	0	0.00	1.23	0.00	13.79	0.00	61.82	0.00	23.15	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans**	% Families 11	% BANK Loans****	% Families***	% BANK Loans***	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Crestview-Fort Walton MSA	193	20.44	19.58	5.03	17.97	14.53	22.96	18.44	39.49	62.01	1.28	1.75	1.17	0.99	1.40	
<b>Limited Review:</b>																
Panama City MSA	751	79.56	19.29	10.28	18.26	28.42	21.58	28.15	40.87	33.15	10.90	23.08	17.48	13.04	6.90	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.8% of loans originated and purchased by bank.

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



**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>12</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Crestview-Fort Walton MSA	13	28.26	19.58	20.00	17.97	20.00	22.96	10.00	39.49	50.00	2.15	0.00	3.23	1.75	3.19	
<b>Limited Review:</b>																
Panama City MSA	33	71.74	19.29	26.92	18.26	0.00	21.58	42.31	40.87	30.77	6.70	12.90	0.00	11.63	4.26	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 21.7% of loans originated and purchased by bank.

<sup>12</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families** *	% BANK Loans****	% Families <sup>13</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Crestview-Fort Walton MSA	103	39.92	19.58	4.00	17.97	10.67	22.96	14.67	39.49	70.67	1.61	1.29	1.00	1.47	1.85									
<b>Limited Review:</b>																								
Panama City MSA	155	60.08	19.29	6.50	18.26	13.82	21.58	22.76	40.87	56.91	5.03	4.49	5.45	5.20	4.93									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 23.3% of loans originated and purchased by bank.

<sup>13</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Crestview-Fort Walton MSA	252	45.74	73.74	42.86	64.68	12.30	23.02	2.57	2.17
<b>Limited Review:</b>									
Panama City MSA	299	54.26	71.76	35.79	60.54	21.40	18.06	4.95	3.98

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 38.48% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Crestview-Fort Walton MSA	1	100.00	97.09	0.00	0.00	100.00	0.00	4.00	0.00
<b>Limited Review:</b>									
Panama City MSA	0	0.00	98.77	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 100.0% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Crestview-Fort Walton MSA	8	828	59	4,025	67	4,853	30.70	0	0
<b>Limited Review:</b>									
Panama City MSA	6	3,823	66	2,292	72	6,115	38.68	0	0
FL Statewide with no P/M/F to serve an AA	0	0	1	3	1	3	0.02	0	0
Nationwide with P/M/F to serve an AA	1	4,838	0	0	1	4,838	30.60	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: FLORIDA Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Crestview-Fort Walton MSA	44.00	8	50.00	0.00	25.00	37.50	37.50	0	3	0	0	0	-3	0.00	18.68	59.28	22.04
<b>Limited Review:</b>																	
Panama City MSA	56.00	8	50.00	12.50	0.00	87.50	0.00	0	3	0	-1	0	-2	2.17	19.59	56.82	21.42

## TEXAS

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015												
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Houston MSA	100.00	313	100,851	554	131,147	2	781	5	18,004	874	250,783	100.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Houston MSA	232	100.00	5.31	0.86	24.40	6.47	28.07	27.59	42.21	65.09	0.17	0.14	0.11	0.14	0.19									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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



**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Houston MSA	7	100.00	5.31	14.29	24.40	0.00	28.07	57.14	42.21	28.57	0.14	0.79	0.00	0.37	0.05

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Houston MSA	73	100.00	5.31	1.37	24.40	6.85	28.07	12.33	42.21	79.45	0.12	0.00	0.03	0.08	0.17									

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans					
<b>Full Review:</b>															
Houston MSA	1	100.00	24.46	100.00	32.24	0.00	19.91	0.00	23.39	0.00	0.31	1.47	0.00	0.00	0.00

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

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

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Houston MSA	554	100.00	9.84	5.78	21.63	13.00	23.46	26.90	44.98	54.33	0.32	0.18	0.18	0.35	0.39						

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Houston MSA	2	100.00	6.61	0.00	20.61	0.00	27.78	50.00	44.98	50.00	0.00	0.00	0.00	0.00	0.00						

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															
Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015										
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans**	% Families 14	% BANK Loans****	% Families***	% BANK Loans***	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston MSA	232	100.00	25.78	1.82	17.05	12.27	17.25	20.00	39.93	65.91	0.19	0.12	0.16	0.19	0.20

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.2% of loans originated and purchased by bank.

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>15</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Houston MSA	7	100.00	25.78	0.00	17.05	28.57	17.25	28.57	39.93	42.86	0.15	0.00	0.28	0.17	0.13	

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>15</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															
Geography: TEXAS					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015										
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families** *	% BANK Loans****	% Families <sup>16</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Houston MSA	73	100.00	25.78	0.00	17.05	8.06	17.25	12.90	39.93	79.03	0.13	0.00	0.10	0.04	0.18

\* Based on 2014 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 15.1% of loans originated and purchased by bank.

<sup>16</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Houston MSA	554	100.00	70.95	36.82	50.18	19.31	30.51	0.32	0.26

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 20.22% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Houston MSA	2	100.00	95.87	50.00	0.00	0.00	100.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
		Geography: TEXAS			Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Houston MSA	15	9,346	34	5,837	49	15,183	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
				Geography: TEXAS				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Houston MSA	100.00	14	100.00	0.00	21.43	14.28	64.29	1	5	0	0	-1	-3	11.91	29.55	26.55	31.58

